

Runnymede Borough Council

2024-25 Statement of Accounts

(Subject to audit)



Runnymede Borough Council
Useful information

Address and telephone number

Address:	Civic Centre, Station Road, Addlestone Surrey, KT15 2AH
Telephone:	01932 838383
Fax no:	01932 838384
Website address:	www.runnymede.gov.uk

Mayor and Deputy Mayor in the 2024/25 municipal year

Mayor:	Councillor E Gill
Deputy Mayor:	Councillor M Harnden

Chairmen of Committees in 2024/25

Corporate Management Committee	Councillor R King
Community Services	Councillor A King
Crime and Disorder Committee	Councillor S Saise Marshall
Englefield Green Committee	Councillor P Gahir
Environment and Sustainability Committee	Councillor D Whyte
Housing Committee	Councillor M Smith
Licensing Committee	Councillor E Kettle
Overview and Scrutiny Select Committee	Councillor S Saise Marshall
Planning Committee	Councillor S Whyte
Regulatory Committee	Councillor M Harnden
Standards and Audit Committee	Councillor S Jenkins (to February 2025) Councillor M Singh (from March 2025)

Chief Officers in 2024/25

Chief Executive	Andrew Pritchard
Assistant Chief Executive and s151 Officer	Amanda Fahey
Assistant Chief Executive for Place	Phil Turner
Corporate Head of Law and Governance	Mario Leo

External Auditor in 2024/25

Appointed Auditor:	Grant Thornton UK LLP
Address:	8 Finsbury Circus, London EC2M 7EA

Bankers in 2024/25

Bankers:	Lloyds Bank plc
Address:	3 rd Floor, 2 City Place, Beehive Ring Road, Gatwick, West Sussex RH6 0PA

Contents

	Page
Introduction	
Narrative Report	1
Statement of responsibilities	14
Auditor's report to the Council	15
 Financial statements	
Comprehensive income and expenditure statement	19
Movement in reserves statement	20
Balance sheet	21
Cash flow statement	22
Notes to the financial statements	23
 Supplementary financial statements	
Housing Revenue Account income and expenditure statement	87
Movement on the Housing Revenue Account statement	88
Notes to the Housing Revenue Account	89
Collection fund	92
Notes to the collection fund	93
 Group accounts	
Group accounts' introduction	95
Group comprehensive income and expenditure statement	96
Group movement in reserves statement	97
Group balance sheet	98
Group cash flow statement	99
Group notes to the financial statements	100
 Other accounts	
Trust Funds	101
 Appendices	
A. Annual governance statement	103

Narrative Report to the Statement of Accounts 2024/25

Narrative Report of the Assistant Chief Executive

Foreword

Dear Reader,

I am pleased to present the Statement of Accounts for Runnymede Borough Council for the financial year 2024/25.

The purpose of the Statement is to provide information about the Council's finances such as;

- What did the Council's services cost in the year 2024/25?
- Where did the money come from?
- What were the Council's assets and liabilities at the end of the year?

The narrative report supports the financial statements by providing an overall explanation of the Council's financial position during 2024/25 and commentary on the medium-term picture. It also includes information about the operation of the Council and the major influences affecting its finances and its performance during the year. This information aims to provide stakeholders and interested parties with assurance as to the Council's financial standing and the care taken to account for public money.

Overview and external environment

Borough Profile

The name of Runnymede is synonymous with the sealing of the Magna Carta in 1215.

The Borough covers approximately 30 sq. miles in north-west Surrey, only 20 miles from central London. The Rivers Thames and Wey form a natural boundary to the north-east. In the north-west the boundary cuts through Windsor Great Park, and in the south, it extends to just above Woking.

There are three main town centres in the Borough – Addlestone, Chertsey and Egham, and a range of local village centres. These include Englefield Green, Ottershaw, Thorpe, with its popular theme park attraction, Virginia Water and Woodham and New Haw.

The Borough is predominantly residential, with a population of 88,100 (Census 2021), and retains much of its rural character, with approximately 79% of its area lying within the metropolitan Green Belt. It has excellent transport connections with easy access to the M25 and M3 and rail routes link all the major towns to London Waterloo station. International transport connections are excellent owing to the proximity of Heathrow and Gatwick airports and the Eurostar terminus in London. The south coast ports are less than an hour's drive away.

Runnymede is home to a significant number of businesses, large and small. Amongst the largest employers are Samsung, BUPA, Gartner and Belron along with many IT based companies. The Government's Animal and Plant Health Agency is located at New Haw with Royal Holloway College (part of the University of London) located in Egham. A new Garden Village is under development at Longcross. The village will comprise 1700 homes when completed but also houses a media operation with NETFLIX occupying the main part of the commercial site and having signed a lease for 25 years occupation in 2021.

Operating Model and Political Structure

The Council has 41 Councillors in total, elected to represent the public in 14 wards across the borough.

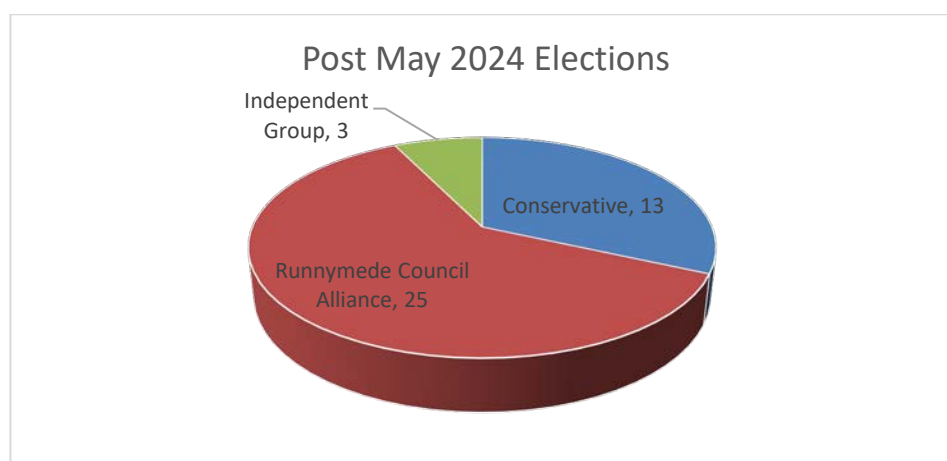
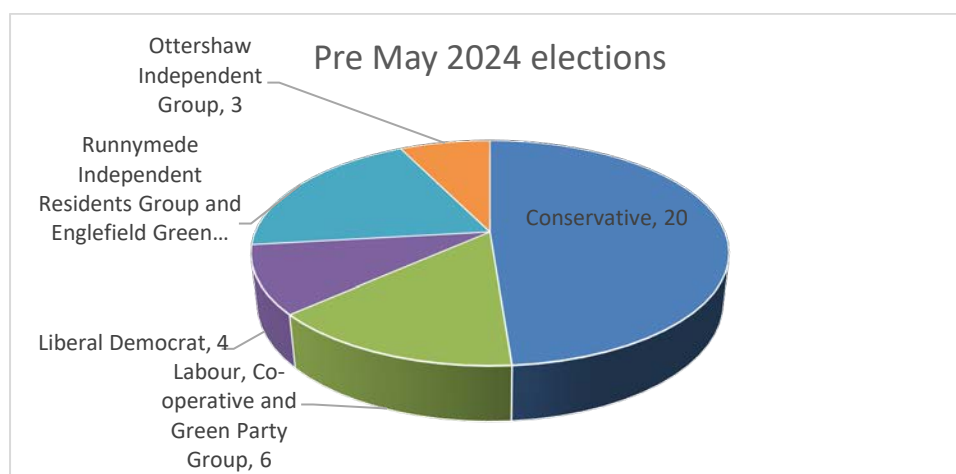
Narrative Report to the Statement of Accounts 2024/25

The Council operates under a committee system meaning that decisions are taken by a number of politically balanced committees, through meetings of the full council or by officers under delegated authority. Local elections are held every year for 3 years, for a third of council seats, with a fallow year in the fourth year, when Surrey County Council elections take place. On 5th February 2025, the Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government, the Rt. Hon. Angela Rayner MP announced in parliament that elections to Surrey County Council scheduled for 1st May 2025, would be postponed for one year, due to preparations for local government reorganisation in the area.

At the commencement of 2024/25, no group had a majority of the 41 seats on the Council although the Conservatives remained the largest single group, with 20 of the 41 seats. Councillor Tom Gracey was the Leader of the Council supported by Councillor Myles Willingale as Deputy Leader.

On May 2nd, 2024, local elections took place for the next tranche of 14 seats, the outcome of which saw the Conservatives initially remain as the largest single group with 13 seats but with no group having an overall majority. Members of the Labour and Cooperative, Runnymede Independent Residents Group, Liberal Democrat and Green Parties, along with non-affiliated members from Englefield Green East ward, subsequently came together to form a single majority group, the Runnymede Council Alliance (RCA) under a 4 Co-Leader model. On forming their group, the RCA had a total of 25 seats while the Ottershaw Independents had 3 seats. Councillors Linda Gillham, Robert King, Steve Ringham and Don Whyte were appointed as the co-leaders of Runnymede Borough Council on 15th May 2024.

The political make-up of the Council during the 2024/25 financial year is shown below:



Narrative Report to the Statement of Accounts 2024/25

Vacancies arose during the year in Addlestone South and Ottershaw due to the sad deaths of Councillor Jonathon Wilson and Councillor Malcolm Cressey. By-elections for these seats took place on 10th October 2024 and 12th December 2024 respectively, the outcomes of which did not affect the political balance of the Council.

During February 2025, Councillor Sam Jenkins joined the Conservative Group, having previously been a member of the Runnymede Council Alliance.

Councillors are supported by the Corporate Leadership Team (CLT) consisting of:

- Chief Executive, Andrew Pritchard
- Assistant Chief Executives and s151 officer, Amanda Fahey
- Assistant Chief Executive for Place, Phil Turner
- Corporate Head of Law and Governance, Mario Leo.

The statutory roles required in local government are held by members of CLT as follows:

Chief Executive: It is the role of the Chief Executive, also known as the Head of Paid Service, to ensure that all the authority's functions are properly co-ordinated as well as organising staff and appointing appropriate management (Andrew Pritchard).

Local Government and Housing Act 1989 - <https://www.legislation.gov.uk/ukpga/1989/42/section/4>

Section 151 Officer: Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements (Amanda Fahey).

Local Government Act 1972 - <https://www.legislation.gov.uk/ukpga/1972/70/section/151>

Local Government Finance Act 1988 - <https://www.legislation.gov.uk/ukpga/1988/41/section/113>

Monitoring Officer: It is the role of the Monitoring Officer to report on matters they believe to be illegal or amount to maladministration, to be responsible for matters relating to the conduct of councillors and officers and, to be responsible for the operation of the council's constitution. They are often, but not always, the head of legal services in a local authority (Mario Leo).

Local Government and Housing Act 1989 - <https://www.legislation.gov.uk/ukpga/1989/42/section/5>

CLT is supported by the wider Senior Leadership Team (SLT) consisting of 8 Corporate Heads of Service and other roles reporting directly to the Chief Executive.

An organisation chart, showing the position as at the end of 2024/25, is included as part of the Annual Governance Statement, which is published alongside the Statement of Accounts.

Economic and sector-specific context and Medium-Term Financial Planning

UK inflation started the financial year at 2.3% in April, and in May 2024 the Bank of England successfully reached its inflation target of 2% for the first time since early 2021. The year-on-year CPI measure of inflation briefly dipped to 1.7% in September before picking up pace again in the latter months and ending the year at 2.6%, rising to 3.4% in May 2025.

In August 2024, the Bank of England cut interest rates for the first time since the start of the pandemic in March 2020, from 5.25% to 5%. Against a backdrop of continuing world turmoil and the potentially negative implications for global growth as a consequence of the implementation of US tariff policies in April 2025, Bank Rate reductions have been limited, and were held at 4.5% by the Monetary Policy Commission in June 2025, by a 6-3 majority. Borrowing cost therefore remain high.

Increase to the national minimum wage and employer national insurance from April 2025 adds pressure to businesses and the Council alike.

Narrative Report to the Statement of Accounts 2024/25

While there were no new s114 notices issued across the local government sector during 2024/25, many councils warned of the potential to do so, particularly if future funding concerns were not addressed. More councils may have issued notices in 2024/25 if it were not for the extensive use of exceptional financial support (EFS) from government. 19 councils received approval for EFS for 2024/25, with the government agreeing to provide 30 councils with support in the financial year 2025/26.

Local authorities in England, including combined authorities and combined county authorities, have a statutory duty 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.” This is known as the Best Value Duty and is defined in [Part 1 of the Local Government Act 1999](#) (the 1999 Act). Where the Secretary of State is satisfied that an authority is failing to carry out its functions in compliance with the Best Value Duty, section 15 of the 1999 Act provides powers for the Secretary of State to intervene on a statutory basis in that authority. As of June 2025, there were 8 current statutory interventions in progress across the sector.

Outside of this statutory inspection and intervention process, the government may issue notices to councils where it may have concerns over the delivery of best value. If those concerns are not satisfied, then statutory intervention may take place. In December 2023, Runnymede Borough Council received a non-statutory Best Value Notice due to concerns over its relative borrowing levels to other authorities and its reliance on commercial income to support services. The Notice can be found on the Council’s website [here](#) and on the Government’s website [here](#).

The Council responded in an open and transparent manner, setting up robust governance arrangements to manage a programme of workstreams to demonstrate how it was meeting its best value duties and responding to government concerns. Details of the Programme and its workstreams can be found on the Council’s website [here](#). The Notice expired at its 12-month review date in December 2024 with the Council receiving a [letter](#) from the Ministry of Housing, Communities and Local Government thanking the Council for its regular and constructive engagement and recognising the Council’s work to deliver against the recommendations in the Notice, and how the Council took the opportunity to self-reflect and invite external scrutiny. In light of this, ministers were assured as to the Council’s capacity to meet its best value duty and chose not to reissue the Notice. The Council is however expected to continue to lead its own improvement journey and take steps to reduce and manage its overall debt. The Council responded by setting up the Continuous Improvement Board to continue its governance of the on-going workstreams under the Best Value Notice response, ensuring delivery of the outputs of those workstreams and that the Council delivers continuous improvement in all that it does. Additionally, the Board will have oversight of the Council’s work under Surrey-wide plans for local government reorganisation.

In December 2024, the Government set out proposals for local government reform in its [English Devolution White Paper](#) which outlines plans to move away from the current two-tier system of district and county councils. Initial proposals were submitted to government in January 2025, with final proposals submitted in May 2025. A consultation was launched in June 2025 and ministers expect to make a decision on the next steps in the Autumn before consideration by Parliament during the final quarter of 2025/26. New unitary authorities covering Surrey should be in place from April 2027, when Runnymede Borough Council will cease to exist as an individual entity.

The Council produced its Medium-Term Financial Strategy in December 2023, prior to approval at full Council in February 2024. This financial forecast contained in the report showed a possible £7m budget deficit by the end of the forecast period (2026/27) with working balances (or contingency) being wholly utilised during the following year. A range of possible scenarios were set out that might cause the position to improve or worsen, highlighting financial risks facing the Council. The strategy proposed measures that would protect the longer-term financial sustainability of the Council, forming an action plan for the 2024/25 year which was split into four themes covering day-to-day (Revenue) spending, reserves, spending on longer-term assets (Capital Programme) and governance and performance.

Narrative Report to the Statement of Accounts 2024/25

The updated financial forecast included in the final budget proposals for 2024/25 showed an improved position with the deficit anticipated by the close of 2026/27 falling to £5.1m by the close of 2025/26 and balances reducing over a longer period, falling away in 2028/29.

To mitigate financial risk, the Council also holds a range of earmarked reserves to support its services and to enable it to be responsive to changing circumstances. For example, it holds reserves in respect of void or rent-free periods to support its commercial property income, alongside a reserve to manage works required to maintain these properties in a highly lettable condition. The Council also provides against potential loss of income from its tenants, businesses, taxpayers and others who may be unable to pay the Council monies which are due.

Due to significant underspends against the revenue budget in 2024/25, it was possible to increase contributions to the Property Repairs and Renewals Reserve to support known works that were identified as part of a comprehensive survey of the condition of the Council's operational buildings whilst allowing an additional £1m to flow into balances to support unknown future risks. At the end of the financial year, general fund balances stood at £24.7m. Additionally, the Council made use of discounts achieved on the early repayment of debt during the year and set these amounts aside to increase monies available to repay other borrowing as it becomes due. These measures align with the Council's on-going engagement with MHCLG, demonstrating its prudent approach to debt management, whilst being affordable and not impacting on service provision.

Against the backdrop of the prevailing economic conditions, sector-wide financial pressures, and responding to the non-statutory Best Value Notice, the Council brought forward its annual review of the Medium-Term Financial Strategy to October 2024 to support robust business and budget planning for the following year. Successful delivery of savings and efficiencies contributed to an improved position again when compared to previous forecasts. The projected deficit by the close of 2027/28 (one year further out than the previous forecasts) stood at £3.9m when updated as part of the 2025/25 budget report in January 2025. It should be noted that these forecasts were compiled on the basis of Runnymede Borough Council as a continuing entity and did not take account of any future changes due to plans for local government reorganisation which are now in train.

Basis of preparation

Runnymede Borough Council's Statement of Accounts are drawn up under the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Local Authority Accounting Code of Practice (the Code), which requires local authorities to prepare their financial statements on a going concern basis.

The provisions in the Code in respect of the going concern reporting requirement reflects the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, they must prepare their financial statements on a going concern basis of accounting. This assumption is based on the fact that local authorities carry out functions essential to the local community, exist by statute and are themselves revenue-raising bodies.

The concept assumes that an authority's functions and services will continue in operational existence for the foreseeable future. If an authority was in financial difficulty, the prospects are that alternative arrangements might be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.

The Code confirms that the abolition of an authority, combinations of public sector bodies or the transfer of some of its services, under situations such as local government reorganisation, are not to be taken as negating the presumption of going concern.

Narrative Report to the Statement of Accounts 2024/25

Strategic Direction

The Medium-Term Financial Strategy supports the Council's four-year Corporate Business Plan, approved in October 2022, thus ensuring that appropriate financial provision is made against the Council's key priorities, some of which will be delivered with, or by, partners.

The Plan is divided into five key themes:

1. Climate change:
To play a key role in creating a greener environment and effective response to climate change
2. Empowering our communities:
To support groups and societies with initiatives to strengthen their communities and to represent and advocate for our residents' interests
3. Health and Wellbeing:
To improve the health and wellbeing of our residents, working in partnership with the NHS and other stakeholders
4. Economic Prosperity:
To support sustainable growth in the local economy
5. Organisational Development:
Through continual monitoring, assessment and adapting the way we work, how we use technology and the way we recruit and support our people, we will have the workforce and systems to deliver our public facing strategies

Service Areas produce annual Service Area Plans capturing the actions to be undertaken in the year ahead, based on both "business as usual" and specific actions falling out of the Corporate Business Plan, which are to be delivered in the coming year. These actions are amalgamated into one single view of the corporate action plan which is reported to the Corporate Management Committee in March.

When the Runnymede Council Alliance took leadership of the Council in May 2024, the new administration continued to support the high-level themes within the existing plan, with the intention of reviewing the plan and creating a plan for the next period early in 2025/26 that would provide greater focus on the Alliance's key priorities. With the advent of local government reorganisation, the new Corporate Business Plan will need to take account of the work required as part of preparations for reorganisation and the timescale of the remaining life of Runnymede Borough Council.

Governance

The Council has a strong system of governance and internal controls which is reviewed annually as set out in the Council's Annual Governance Statement (AGS), which is appended to the Statement of Accounts.

Some notable improvements to the system of governance were made during 2024/25 and are set out in the AGS, driven in part by the work undertaken to satisfy government that the Council was performing its best value duty, including striving for continuous improvement in all that it does.

The Council undertook an assessment of its Organisational Culture; had a strong focus on Human Resource and Organisational Development; rolled out a new complaints process in line with the revised Complaint Handling Code; provided updated procurement training to staff; and continued its work reviewing its services for improvements and efficiencies and progressing its Digital Transformation strategy. It also undertook a self-assessment against the government's revised best

Narrative Report to the Statement of Accounts 2024/25

value guidance, procured an external review of the governance of its companies, and participated in the Local Government Association's Corporate Peer Challenge, amongst many other governance improvements.

The AGS reports progress against planned improvements identified in the preceding year and sets out actions identified in 2024/25 to be undertaken in the following year, maintaining a cycle of continuous improvement in its governance arrangements. Given the significant extent of the work to be undertaken under the Council's response to the non-statutory best value notice, this formed the focus of the governance improvement work to be undertaken during 2024/25.

The AGS also provided an update on the action plan that was developed following the Council's previous self-assessment against Cipfa's Financial Management Code, showing completion of the final two actions that had remained outstanding at the end of the prior year.

Looking ahead to 2025/26, the main action point is around maintenance of the strong governance processes demonstrated during 2024/25, to ensure that the Council is managing its inputs into the process for local government reorganisation and understanding its preparedness and readiness for change. Three other governance actions are also listed in relation to the implementation of the Code of Practice for the Governance of Internal Audit in the UK; review of compliance against new guidance for undertaking the annual review and producing the AGS; and an exploration of the practicalities of appointing co-opted members to the Standards and Audit Committee.

The Council complies with its legislative and regulatory requirements and takes heed of government guidance on investments and making provision for the repayment of debt.

The Council's constitution is reviewed annually through the work of the Constitution Member Working Party, who make recommendations for amendments to the Corporate Management Committee and onwards to full Council.

Performance

Financial Performance

2024/25 Budget:

A net budget requirement of £10.4m for 2024/25 was approved by a meeting of the full Council in February 2024. Councillors agreed a £5.53 (2.99%) increase in Council Tax, taking the Borough's element of the Council Tax to £190.45, still being the lowest Council Tax levied in Surrey by District and Borough councils.

The Council significantly underspent against its budget during 2024/25, taking it from a position where it had expected to contribute around £0.6m to its balances in the year, to one resulting in just over £3.6m being available to be set aside to support future pressures and to increase the level of contingency available to mitigate risk. This meant that the Council was able to transfer funds to key earmarked reserves to support future spending on its property assets for example, and to set aside additional monies for the future repayment of borrowing. No new external borrowing was undertaken during the year.

Key variances included additional staff vacancy savings, a reduction in the amount required to be set aside to meet investment property debts, an increase in investment income from commercial property and a reduction in investment income from cash balances as those balances were utilised. Measures have been taken in the 2025/26 budget process to more closely align staffing budgets to the staffing establishment, which should reduce the high level of variance against employee budgets moving forward.

The net underspend from the above items was offset by an accounting adjustment for expected lifetime credit losses on loans and investments of £3.7m. This adjustment is required under International Financial Reporting Standard 9: Financial Instruments (IFRS9) and is based on setting out the likeliest scenarios for future cash inflows to the Council (principal and interest), over the

Narrative Report to the Statement of Accounts 2024/25

lifetime of each loan or investment, discounting these to a net present value (NPV) using the effective interest rate for each item. This results in a charge against the General Fund, but with the prospect of the loss being credited back in future years if the borrowers do not actually default.

At the year end, the General Fund working balance, or General Fund Reserve, stood at £21.0m, comfortably above the approved £5m minimum threshold and providing against risks already set out in the budget report and allowing a buffer for the council to identify and implement further saving and efficiencies.

Pension liabilities:

The provision of public service pensions represents a substantial revenue cost for the Council. Runnymede Borough Council is a contributor to the Surrey Pension Fund administered by Surrey County Council. The fund actuary (Hymans Robertson) calculates the position for each contributing body separately and undertakes a statutory valuation of the Fund every three years. The actuarial valuation as at 31 March 2022, which set the employer contribution rates from 1 April 2023 to 31 March 2026, assessed that the funding level for Runnymede's element of the Pension Fund had increased from 98% to 103%.

Under International Accounting Standard 19 (IAS19) Employee Benefits, if the council's defined benefit obligation becomes an asset, then the amount that can be recognised in the accounts is restricted to the amount of the pension asset ceiling. The pension asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. This recognises that any asset arising at the date of the balance sheet will most likely lead to a refund to the employer, or reduced contributions for a period of time. The accounts must recognise the lower of the pension asset ceiling or the net defined benefit asset.

The value of the Council's share of fund assets increased by £5.2m in the year from £134.8m to £140.0m, with liabilities reducing by £16.7m from £131.4m to £114.8m. This left the Council with a net pension fund asset of £25.2m. The council's actuary, Hymans Robertson LLP, have carried out the necessary calculations to determine what the pension asset ceiling amounts to and, allowing for the asset credit ceiling adjustment, this left the fund with a net liability of £2.7m.

Further information on this can be found in Note 33 of the accounts.

Housing Revenue Account:

The Council owns approximately 2,900 homes, generating rental income of circa £20.1m in the year (£19.4m in 2023/24). This income is held in a ring-fenced account (the Housing Revenue Account or HRA), which can only be used for social housing purposes.

The surplus on the provision of HRA services for the year stood at £0.9m.

The overall working balances for the HRA have increased to £39.6m from an anticipated £39.5m, due to the in-year surplus generated.

Capital Spending:

The following table shows a summary of capital expenditure undertaken in 2024/25, including both HRA and General Fund expenditure, and how it was financed.

Narrative Report to the Statement of Accounts 2024/25

Capital Financing Summary 2024/25							
	Gross Expend	Grants & Contributions	Capital Receipts	GF Revenue Reserves	Earmarked Reserves	HRA Revenue Reserves	Major Repairs Reserve
	£	£	£	£	£	£	£
Housing Services							
Improvements to housing stock	7,589,080	615,756					6,973,324
Development schemes	350,774					350,774	
Purchase of property	325,785	130,314				195,471	
Housing IT enhancements	45,350					45,350	
Environment & Sustainability							
Food Waste extension	-						
ANPR Car Parking Programme	-						
Replacement Pay and Display Machines	65,900				65,900		
EV Charging points	-						
Replacement car parking vehicles	-						
Replacement grounds maintenance vehicle	17,700		16,000	1,700			
Community Services							
Private Sector Improvement grants	674,145	674,145					
Improvement Loans	8,000		8,000				
Digitisation of Community Alarms	315,879	315,879					
Vehicle fleet replacement programme	-						
CCTV Equipment Replacement	71,114				71,114		
Grants to Local Organisations	-						
Replacement Play Areas	570,404	113,605		103,873	223,542	129,384	
Corporate & Business Services							
Shared Prosperity Fund initiatives	527,151	527,151					
Property related schemes	-						
Regeneration Schemes	-						
ICT Schemes	518,361				518,361		
	11,079,643	2,376,850	24,000	105,573	878,917	720,979	6,973,324

Future Capital Strategy:

The Council has an ambitious capital investment programme totalling £89.1m over the period 2025/26 to 2028/29 as set out in the budget report approved by full Council in February 2025. No new borrowing is assumed to be undertaken to finance the programme and capital expenditure will instead be met from external funding sources such as grants and contributions, from capital receipts, from earmarked reserves or other contributions from the Revenue account. The Council has approved a strategy whereby any receipts from the sale of debt-funded assets will be used to reduce the Council's borrowing level and has formally placed a moratorium of the purchase of any new commercial property using borrowing.

The Council is planning to spend £59.6m over the next 4 years (2025/26 – 2028/29) to increase and improve its housing stock.

Proposed General Fund capital expenditure includes:

- Necessary expenditure on operation assets including buildings, vehicles and car parks to ensure they remain fit for purpose
- Provision for asset management of the Council's investment properties
- Replacement ICT equipment and digital transformation schemes, replacing legacy systems and driving efficiencies
- Contributions to major infrastructure such as the River Thames scheme

Group Financial Performance:

Group Accounts provide an overview of organisations subject to Council control. In 2024/25, these were:

- RBC Investments (Surrey) Limited - (RBCI)
- RBC Services (Addlestone One) Limited – (RBCS)
- RBC Heat Company Limited – (RBCH)

Narrative Report to the Statement of Accounts 2024/25

RBCI was set up in January 2015 as part of the Council's regeneration plans, principally to hold investments in residential property within the Borough stemming from those plans. RBCS supports the promotion of the Addlestone One development and provides services to tenants, while RBCH provides heat and light to all residential properties in Addlestone One and any commercial tenants that wish to participate in the scheme.

Non-Financial Performance

In addition to regular reporting to Councillors on the financial position, the Council measures its performance against a range of key performance indicators (KPIs) and monitors and reports progress of its major projects. A project management approach is embedded across the Council, supported by a dedicated Business Planning, Projects and Performance team. The team have played a major role in evidencing the delivery of best value by the Council, in support of its response to the non-statutory best value notice. Moving forward it will be a cornerstone of the Council's approach to local government reorganisation.

The year-end performance report showed 17 out of 33 Corporate Key Performance Indicators having a "green" status for their annual result meaning that performance met or over-achieved against the annual target. 5 out of the 33 showed an "amber" status meaning that the target had been missed but that results were within 10% of the relevant target. 7 out of 33 recorded a "red" status where the outcome was a greater than 10% variance against target or where the indicator related to compliance, where no tolerance is allowed, and any level of underachievement will score "red". The remaining KPI's do not have targets but are for data capture purposes such as the Percentage of careline calls received which initiated an emergency response/intervention to residents (16.5%). KPIs achieving or exceeding their targets for the year included the number of community meals served; the number of major, non-major and other planning applications processed to deadline; processing times for Housing Benefit and Council Tax support; and the percentage of enforcement investigations closed compared to new requests received.

Amber results were recorded for the percentage of bins collected (99.88% against a 99.98% target); the percentage of invoices processed within 30 days (97.5% against a 98% target); satisfaction with overall reactive repairs service received by Runnymede social housing tenants (86.9% against a 95% target); rent arrears of current housing tenants as a percentage of rent due (2.1% against a 2% target) and the percentage of Freedom of Information requests processed within statutory deadlines (93.8% against a 95% target).

Red results included an above target number of lost customer service calls (20.7% against a 10% target); a reduction in the number of visitors to the Council's website (-8.8% against a 10% target); 1 decision of the Local Government and Social Care Ombudsman requiring a remedy against a target of 0; lower performance against targets for a number of housing service KPIs due to contract performance issues; and an increase in the number of street cleansing reports greater than the target.

Quarterly updates are provided to Members on the progress of the Council's Project Portfolio, with Quarter 4's report providing summary statistics for the year. The year end statistics for project portfolio delivery in 2024/25 were:

- Total number of projects delivered - 22 (4 grade A, 6 grade B, and 12 grade C)
- Number of projects ongoing into 2025/26 - 43 (12 grade A, 11 grade B, 20 grade C)
- Number of projects that in the pipeline but yet to start – 19

Projects completed during the year include:

- Chertsey Depot Refurbishment - options appraisal
- Best Value Notice response programme
- Procurement of Disabled Adaptation Works Contract
- HR & Payroll System Delivery
- Multi-Functional Device Replacement Contract
- Website Accessibility Improvements

Narrative Report to the Statement of Accounts 2024/25

- Sustainable Fleet and Fuel Management Strategy
- Management Development Programme

Our People

Runnymede employs around 400 people in full and part-time positions. The Council sees the support and development of its employees as integral to the delivery of quality services and invests in learning and development across the Council through its Leadership and Staff Competency Framework and initiatives such as its Management Development Programme. The Organisational Development Strategy forms a key part of the Council's Corporate Business Plan, setting out how we will adapt to a changing landscape to ensure we are considered an employer of choice and have systems in place to deliver first class services.

The Council promotes the following values which provide the foundation for the way we work:

- Customer-focused: We put our customers at the heart of what we do, and they will be able to interact with us in the way they want
- Performance driven: We strive for excellence in all we do
- Innovative: We aim to creatively improve our service
- Passionate: We empower our staff to be passionate about all we do
- Promoting equality and diversity: We believe in fairness and creating a diverse workforce so we can draw upon a wide range of views and experiences to meet the changing needs of our customers
- Delivering excellent value for money: We strive to be as efficient and effective as possible

The Council continued with its participation in the Local Government Association's National Graduate Development Programme in 2024/25 alongside supporting individuals to take up a range of development opportunities as offered by the District Councils' Network (DCN) and the Society for Local Authority Chief Executives and Senior Managers (SOLACE) and others.

Guide to the financial statements

In addition to this **Narrative Report**, the introduction to the financial statements includes a **Statement of Responsibilities** which sets out our responsibilities for our financial affairs and how we make sure we fulfil them. The **Auditor's Report** provides an independent opinion of our Financial Statements including whether they provide a true and fair view of the financial position and have been prepared in line with relevant regulations.

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position at 31 March 2025. It comprises core and supplementary financial statements, together with disclosure 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 2024/25, which in turn is underpinned by International Financial Reporting Standards.

The Core Statements are:

- **The Comprehensive Income and Expenditure Statement** records all the Council's income and expenditure for the year in accordance with generally accepted accounting practices rather than the amount to be funded from taxation (or rents). Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement. The top half of the statement provides an analysis by service area. The bottom half of the statement deals with corporate transactions and funding.

Narrative Report to the Statement of Accounts 2024/25

- **The Movement in Reserves Statement** shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other 'unusable' reserves. The statement shows how the movements in year of the authorities' reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The net increase/decrease line shows the statutory General Fund balance and Housing Revenue Account balance movement in the year.
- **The Balance Sheet** is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e., those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example, the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example, the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the movement in reserves statement line "Adjustments between accounting basis and funding basis under regulations".
- **The Cash Flow Statement** shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income, and from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e., borrowing) to the Council.

The Supplementary Financial Statements are:

- **The Housing Revenue Account** – this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989.
- **The Collection Fund**. Billing authorities in England are required by statute to maintain a separate fund for the collection and distribution of amounts due in respect of council tax and business rates. The Collection fund is the account that shows the income and expenditure transactions of Runnymede Borough Council (as the billing authority) in this regard. It shows how income is distributed between preceptors, the net expenditure requirements charged by Central Government, Surrey County Council, Surrey Police Authority and Runnymede Borough Council and income from the council tax and business rates.

The **Notes to the financial statements** provide further detail about the Council's accounting policies and individual transactions. The notes include the 'Expenditure and funding analysis' which demonstrates how the funding available to the authority for the year has been used in providing services in comparison with the resources used or earned in accordance with generally accepted accounting practices. This supporting statement reconciles the net expenditure as presented in the Comprehensive income and expenditure statement to the net expenditure chargeable to the General fund as presented in our outturn reports.

The Council has set up three Limited Companies to support local regeneration and has therefore prepared consolidated **Group Accounts**.

Additional information is provided about funds that the Council holds as Trustee, which are not part of the Council's own assets.

Narrative Report to the Statement of Accounts 2024/25

Alongside the Statement of accounts, we publish the **Annual Governance Statement** that explains how we manage our affairs and control our activities. The statement highlights any important areas of governance that may need to be addressed following an annual review.

Concluding remarks

There is no doubt that the future for local government as a whole, is a challenging one; a future in which an increasing number of councils will face the prospect of being unable to meet these challenges within their estimated resources. On-going uncertainty over the future landscape of local government funding only adds to these difficulties. At Runnymede, the Council strives to ensure that its medium-term financial position is sound, supported by robust reserves and a strong governance framework. The Council recognises the risks it faces and puts measures in place to manage those risks to an acceptable level.

The Statement of Accounts for 2024/25, which sets out the Council's financial position as at 31 March 2025, should provide assurance to all stakeholders and interested parties as to the Council's financial standing and the care taken to account for public money. It is with regret that the Council recognises the delays still prevalent in the auditing of prior year statements, despite the introduction of measures such as statutory backstop dates for the publication of audited accounts. In spite of these delays, the Council is able to have confidence in the statements presented herein, due in part to the extensive external check and challenge that has dominated the 2024/25 financial year. Throughout on-going dialogue with CIPFA, MHCLG, LGA and other bodies, no fundamental errors or departure from guidance has been identified. The Council's section 151 officer is therefore able to confirm that the Statements for 2024/25 provide a true and fair view of the Council's financial position for the year.

And finally, production of these Accounts would not have been possible without the hard work of the finance team and the continued support of all council staff and elected Councillors. My thanks to you all.

Amanda Fahey FCCA
Assistant Chief Executive and s151 Officer

Statement of responsibilities

The Council's responsibilities:

Runnymede Borough Council is required to:

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

I certify that the Statement of Accounts for 2024/25 was considered and approved by the Standards and Audit Committee, on behalf of Runnymede Borough Council.

.....
Cllr M Singh
Chairman of the Standards and Audit Committee

.....
Date

The Chief Financial Officer's responsibilities:

The Assistant Chief Executive 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 Assistant Chief Executive 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 Assistant Chief Executive has also:

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

I certify that the Statement of Accounts for 2024/25 presents a true and fair view of the financial position of Runnymede Borough Council at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

.....
Amanda Fahey
Assistant Chief Executive and s151 Officer

.....
Date:

Auditor's report to the Council

Auditor's report to follow on completion of audit

Auditor's report to the Council

Auditor's report to follow on completion of audit

Auditor's report to the Council

Auditor's report to follow on completion of audit

Auditor's report to the Council

Auditor's report to follow on completion of audit

Comprehensive income and expenditure statement

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24			2024/25			
Expend £000	Income £000	Net £000	Note	Expend £000	Income £000	Net £000
Gross expenditure, gross income and net expenditure of continuing operations						
16,206	19,559	(3,353)		13,980	21,099	(7,119)
17,759	15,152	2,607		16,536	15,290	1,246
7,768	3,896	3,872		8,117	4,015	4,102
10,815	2,854	7,961		9,574	3,124	6,450
273	134	139		278	134	144
3,337	5,313	(1,976)		3,607	6,755	(3,148)
11,597	3,211	8,386		11,151	5,277	5,874
67,755	50,119	17,636	Cost Of Services	63,243	55,694	7,549
535			Other operating expenditure	9		2,058
177,943			Financing and investment income and expenditure	10		(21,292)
(13,210)			Taxation and non-specific grant income	11		(14,445)
182,904			(Surplus) or deficit on provision of services			(26,130)
Items that will not be reclassified to the (surplus) or deficit on provision of services:						
(4,558)			(Surplus) or deficit on revaluation of non-current assets	25.1		(18,285)
43,517			Impairment losses on non-current assets charged to the Revaluation Reserve	25.1		11,433
(10,549)			Remeasurement of the net defined benefit liability or (asset)	33		6,450
28,410			Other comprehensive (income) and expenditure			(402)
211,314			Total comprehensive (income) and expenditure			(26,532)

Movement in reserves statement

The movement in reserves statement shows the position at the 31 March 2025 for the movements between reserves in accordance with the requirements of the Code of Practice. Detailed analysis of the movement in Earmarked Reserves is found in Note 12 to the Statement of Accounts

	Notes	General Fund balance	General Fund Earmarked Reserves	Total General Fund Reserves	Housing Revenue Account (HRA)	HRA Earmarked Reserves	Total HRA Reserves	Major Repairs Reserve	Capital Receipts reserve (See Note)	Capital grants unapplied reserve	Total usable reserves	Unusable reserves	Total Council reserves
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024		21,107	42,279	63,386	39,456	50	39,506	0	13,333	4,317	120,542	99,593	220,135
Movement in Reserves during 2024/25:													
Total comprehensive income and expenditure		20,388		20,388	5,742		5,742				26,130	402	26,532
Adjustments between accounting basis and funding basis under regulations	12	(20,446)	7,453	(12,993)	(5,632)	105	(5,527)	0	2,111	785	(15,624)	15,624	0
Increase (decrease) in the year		(58)	7,453	7,395	110	105	215	0	2,111	785	10,506	16,026	26,532
Balance at 31 March 2025		21,049	49,732	70,781	39,566	155	39,721	0	15,444	5,102	131,048	115,619	246,667
				0			0						
				0			0						
				0			0						
Balance at 31 March 2023		20,300	31,028	51,328	36,767	19	36,786	902	12,900	4,358	106,274	325,175	431,449
Movement in Reserves during 2023/24:				0			0						
Total comprehensive income and expenditure		(184,628)		(184,628)	1,724	0	1,724	0	0	0	(182,904)	(28,410)	(211,314)
Adjustments between accounting basis and funding basis under regulations	12	185,435	11,251	196,686	965	31	996	(902)	433	(41)	197,172	(197,172)	0
Increase (decrease) in the year		807	11,251	12,058	2,689	31	2,720	(902)	433	(41)	14,268	(225,582)	(211,314)
Balance at 31 March 2024		21,107	42,279	63,386	39,456	50	39,506	0	13,333	4,317	120,542	99,593	220,135

Notes:

The Capital Receipts reserve includes £7.269m for HRA debt repayment and Housing 1-4-1 replacements as at 31 March 2025 (£6.090m at 31 March 2024)

Balance sheet

The balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory or other limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). the second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000		Note	31 March 2025 £000
409,067	Property, plant and equipment	13	410,392
354,665	Investment property	16	350,818
757	Intangible assets	17	708
10	Long-term investments	18	10
42,533	Long-term debtors	18	38,995
807,032	Long term assets		800,923
42,676	Short-term investments	18	48,589
69	Inventories and work in progress	19	80
14,133	Short-term debtors	20	10,743
8,606	Cash and cash equivalents	21	17,310
300	Assets held for sale	22	0
65,784	Current assets		76,722
(11,100)	Short term borrowing	18	(10,915)
(27,173)	Short-term creditors	23	(28,446)
0	Short-term lease liabilities	32	(31)
(851)	Provisions	24	(1,739)
(3)	Grants received in advance		(3)
(39,127)	Current liabilities		(41,134)
(616,928)	Long-term borrowing	18	(587,113)
0	Long-term Lease Liabilities	32	(33)
3,374	Liability related to pensions	33	(2,698)
(613,554)	Long term liabilities		(589,844)
220,135	Net assets		246,667
120,542	Usable reserves	MIRS	131,048
99,593	Unusable reserves	25	115,619
220,135	Total reserves		246,667

Cash flow statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period. The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

2023/24 £000		Note	2024/25 £000	£000
182,904	Net (surplus) or deficit on the provision of services			(26,130)
	Operating activities			
(205,838)	Adjustments to net surplus or deficit on the provision of services for non-cash movements			(27,122)
	Adjustments for items included in the net surplus on the provision of services that are investing or financing activities:			
(5,322)	Interest received		(5,660)	
15,472	Interest paid		15,259	
189	Dividends received		(158)	
(627)	Other		6,181	
9,712				15,622
(13,222)	Net cash flow from operating activities			(11,500)
	Investing activities			
16,913	Purchase of property, plant and equipment, investment property and intangible assets		14,126	
5	Purchase of short term and long term investments		6,000	
900	Other payments for investing activities		60	
(6,422)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(12,376)	
(19,028)	Proceeds from the sale of short term and long term investments		0	
(3,319)	Other receipts from investing activities		(3,188)	
(10,951)	Net cash flow from investing activities			4,622
	Financing activities			
(20)	Cash receipts of short and long term borrowing			(7)
	Other receipts from financing activities			
	Cash payments for the reduction of the outstanding liability relating to finance leases			
15,565	Repayments of short and long term borrowing		30,005	
13,112	Other payments for financing activities		(5,694)	
28,657	Net cash flow from financing activities			24,304
4,484	Net (increase) or decrease in cash and cash equivalents			(8,704)
(13,090)	Cash and cash equivalents at the beginning of the reporting period			(8,606)
(8,606)	Cash and cash equivalents at the end of the reporting period	21		(17,310)

Notes to the Financial Statements

1.1 General principles

The Accounts and Audit Regulations 2015 require the Council to prepare an annual statement of accounts in accordance with proper accounting practices. These proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the United Kingdom (the Code)
- the Local Authorities (Capital Finance and Accounting)(England) Regulations 2003 (as amended) (the 2003 Regs)

The Statement of Accounts has been prepared using the going concern and accruals bases. The historical cost convention has been applied, modified by the valuation of the following material categories of non-current assets and financial instruments:

Class of Assets	Measurement Basis
Property, Plant and Equipment: Dwellings	Current value - comprising existing use value for social housing. Dwellings are valued using market prices for comparable properties, adjusted to reflect occupancy under secure tenancies.
Property, Plant and Equipment: Other Land and Buildings	Current value - comprising existing use value. Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost.
Property, Plant and Equipment: Surplus Assets	Fair value - the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date
Investment Properties	Fair value – as above
Financial Instruments – Fair Value through Profit or Loss	Fair value – as above
Pension Assets	Fair value – Quoted securities Current bid price Unquoted securities Professional estimate Unitised securities Current bid price Property Market value

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 applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

For the 2024/25 financial year there has been one change to the Accounting Policies to reflect the introduction of International Financial Reporting Standard 16: Leases.

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

Where relevant, the Statement of Accounts has been adjusted to reflect events after 31 March and before the date the Statement was authorised for issue only where the events provide evidence of conditions that existed at 31 March.

1.2 Income and expenditure recognition

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 on the Balance Sheet.

Notes to the Financial Statements

- 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 expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

1.3 Adjustments Between Accounting Basis and Funding Basis

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

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, Plant and Equipment	Depreciation and revaluation/impairment losses	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Investment Properties	Movements in fair value	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in the year	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in the year or were received in the year without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March) Capital Adjustment Account (other amounts)
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (carrying amount) Capital Receipts Reserve (sale proceeds and costs of disposal) Deferred Capital Receipts Reserve (where sale proceeds have yet to be received)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in the year Losses on soft loans granted in the year and interest receivable in the year on an amortised cost basis	Deferred debits and credits of premiums and discounts from earlier years in accordance with the 2003 Regs Interest due to be received on soft loans in the year	Financial Instruments Adjustment Account
Pooled Investments	Movements in the fair value of pooled investment funds	Historical cost gains/losses for money market fund investments disposed of in the year	Pooled Investment Funds Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities	Employer's pensions contributions payable and direct payments made by the Council to pensioners for the year	Pensions Reserve
Council Tax	Accrued income from current year bills	Demand on the Collection Fund for current year plus recovery of share of estimated deficit/surplus for previous year	Collection Fund Adjustment Account

Notes to the Financial Statements

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Business Rates	Accrued income from current year bills	Budgeted income receivable from the Collection Fund for the current year plus recovery of share of estimated deficit/surplus for previous year	Collection Fund Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March	No charge	Accumulated Absences Adjustment Account

1.4 Council Tax and Non Domestic Rates (NDR)

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 (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 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 (CIES) is the authority's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. Therefore, the difference between the income included in the CIES 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 authority'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 (i.e. a potential bad debt), the asset is written down and a charge made to the Taxation and Non-Specific Grant line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.5 Employee benefits

Post-employment benefits

Employees of the Council can be members of the Local Government Pensions Scheme, administered by Surrey County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees whilst working for the Council.

The Local Government Pension Scheme

The Local Government Scheme is accounted for as a defined benefit scheme. The liabilities of the Surrey 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, and projections of earnings for current employees etc.,

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond.

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

Notes to the Financial Statements

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 arising from current year decisions 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 as part of the service segments;
- Net interest on the net defined benefit liability, i.e. net interest expense for the authority – 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.

Re-measurements 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 – debited to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- Contributions paid to the Surrey Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities to the extent 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 in the year, not the amount calculated according to the relevant accounting standards. In the movement in reserves statement, this means that there are appropriations to and from the pensions reserve to remove the accounting debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and any amounts payable to the fund 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.

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 line in the CIES, at the earlier of when the authority 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 pensioner 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 Pensions 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.

Final-year pension enhancements

The Council has an obligation to pay the pension of certain former staff that received a final-year salary enhancement. This enhancement increased their pension but does not form part of the Local Government Pension Scheme. The valuation of the estimated pension liabilities is made in the same manner as for pensions under the Local Government Pension Scheme.

Notes to the Financial Statements

The statutory accounting arrangements for these local pensions are different to those for the Local Government Pension Scheme. Therefore, changes in pension liabilities in respect of the local scheme are recognised directly in the General Fund.

1.6 Fair value

The Council measures some of its non-financial assets, such as surplus assets and investment properties, and some of its financial instruments, such as equity share holdings, at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting 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 appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

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

1.7 Financial instruments

Financial liabilities

Financial liabilities are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument. Initially these are measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the CIES 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.

Financial assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets which are measured as either:

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

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

Financial assets measured at amortised cost

Notes to the Financial Statements

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. For most of the financial assets held by the Council, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

The Council has made a number of loans at less than market rates (soft loans). When soft loans are made, a loss is recorded in the comprehensive income and expenditure statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the loan, resulting in a lower amortised cost than the outstanding principal. Where there is no fixed life of the loan, an estimate of the life of the loan is made. Interest is credited to the financing and investment income and expenditure line in the comprehensive income and expenditure statement at an effective rate of interest that recognises the commercial rate that would apply on an equivalent loan, less the rate actually receivable on the loan, to increase the amortised cost of the loan in the balance sheet. Statutory provisions require that the impact of soft loans on the general fund balance is the interest receivable in the year. The reconciliation of the amounts in the comprehensive income and expenditure statement to the net gain 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.

Any gains and losses that arise following the de-recognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

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

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

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.

Expected credit loss model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12 month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets.

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 the 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 months of expected losses.

The Council has some loans to local organisations. It does not have reasonable and supportable information that is available without undue cost or effort to support the measurement of lifetime expected losses on an individual instrument basis. It will therefore assess losses for the portfolio on a collective basis.

1.8 Government Grants & 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 monies will be received

Notes to the Financial Statements

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 acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants or 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 (for attributable revenue grants and contributions) or taxation and non-specific grant income (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 capital grant or contribution has been received and no conditions remain outstanding at the balance sheet date and it 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.

Where a capital grant or contribution has been received and the conditions remain outstanding at the balance sheet date, the grant or contribution is held in the capital grants receipts in advance account.

1.9 Intangible assets

The Council recognises intangible assets for purchased computer software systems and licences only. Expenditure on computer software that is not an integral part of a related item of computer hardware is 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. Capitalised software costs include external direct costs of material and services associated with the project. The amounts are not revalued but are carried at amortised cost. The depreciable amount of the intangible asset is amortised over its useful life (usually the lives of the individual contracts with the relevant computer suppliers) on a straight-line basis to the relevant service lines in the comprehensive income and expenditure statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired, and any losses are posted to the relevant service lines in the CIES. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal losses are not permitted to have an impact on the General Fund balance. The losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

1.10 Interests in companies and other entities

Group accounts are prepared for the Council and its interest in its subsidiaries, associates and joint ventures. Inclusion in the Council group is dependent upon the extent of the Council's interest and power to influence an entity. The determining factor for assessing the extent of interest and power to influence is either through ownership of an entity, a shareholding in an entity or representation on an entity's board of directors. An assessment of all the Council's interests is carried out in accordance with the Code of Practice, to determine the relationships that exist and whether they should be included in the Council's group accounts. In the Council's single-entity accounts the Council's interest in companies and other entities are recorded as financial assets at cost less any impairment. Any impairment gains or losses are recognised in the Comprehensive Income and Expenditure Statement.

Notes to the Financial Statements

1.11 Inventories and long term contracts

Inventories are stated at cost price. Although this does not comply with the code, which states that stock should be valued at the lower of cost or net realisable value, the sums held as inventories is not significant and the differences between cost and net realisable value are not material.

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.

1.12 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, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Investment 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 to 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 and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

1.13 Leases

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

The Authority as Lessee

Leases with a term of less than 12 months or for items of low value (less than £10,000) are accounted for by charging payments to the relevant service line in the Comprehensive Income and Expenditure Statement (CIES).

For longer-term leases and those for higher value items, the Council recognises the right acquired to use the property, plant or equipment as an asset in the Balance Sheet and a liability for the obligation to pay the lessor for the right. The lease liability is initially measured at the present value of the payments to be made after the commencement date. The cost of the right-of-use asset is deemed to be the initial liability plus the incremental costs of obtaining the lease and any payments made before the commencement date.

Right-of-use assets are subsequently accounted for in accordance with the classification the underlying asset would have if owned by the Council (property, plant and equipment; intangible assets; investment property). Where the outcome would be materially different from the amount for the asset under the cost model, this will involve remeasurement to current value.

The lease liability is subsequently remeasured where future lease payments change as a result of a change in an index or rate used to determine those payments. Remeasurements are reflected in adjustments to the deemed cost of the right-of-use asset.

Payments are apportioned between:

- a charge for the acquisition of the right-of-use asset – applied to write down the lease liability
- financing charges (debited to the Financing and Investment Income and Expenditure line in the CIES)
- contingent rents not reflected in the calculation of the lease liability – debited to the relevant service line in the CIES.

Notes to the Financial Statements

The Authority 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.

The Council currently grants no leases of property, plant and equipment that count as finance 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 for non-investment property assets, and to the Financing and Investment Income and Expenditure line for income from leases of investment properties.

1.14 Property, plant and equipment

Assets that have physical substance and are held for use in the provision of services, for rental to others, or for administration purposes on a continuing basis are classified as property, plant and equipment. For accounting purposes, the Council has an individual de-minimis level of £10,000 for capitalising assets, however groups of smaller similarly classed assets, such as computer laptops which are brought in bulk, can be grouped together and included.

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 (i.e. repairs and maintenance) charged as an expense when it is incurred.

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 Council does not capitalise borrowing costs incurred whilst assets are under construction.

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.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income line of the Comprehensive Income and Expenditure Statement unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

Assets are then carried in the balance sheet using the following measurement basis:

- Infrastructure assets and community assets and assets under construction - depreciated historical cost
- Dwellings – fair value, determined using the basis of existing use value for social housing (EUV-SH) as provided for in government guidance.
- Surplus assets – current value which is fair value estimated at highest and best use from a market participant's perspective, and
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use – EUV)

Notes to the Financial Statements

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

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

Assets are included in the balance sheet at current value and are formally revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum as part of a four-year rolling programme. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service revenue account.

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 the 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 (or that part in excess of the balance in the Revaluation Reserve) is written down against the relevant service lines in the Comprehensive Income and Expenditure Statement.

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

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 an impairment loss is identified, it is accounted for in the same way as for a revaluation loss.

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 determinate finite useful life (i.e. freehold land and certain community assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- Dwellings – the charge for depreciation is prepared in accordance with “Stock Valuation for Resource Accounting: Guidance for Valuers 2016” published by the government in November 2016. Under this guidance, the major repairs allowance charge to the Housing Revenue account is used as a proxy for component accounting and depreciation.
- Other buildings - straight-line allocation over the useful life of the property as estimated by the valuer
- Vehicles, plant, furniture and equipment - straight-line allocation over the estimated useful life of the asset

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.

Componentisation

Where an item of property, plant and equipment has major components whose cost is significant in relation to the total cost of the item and with different estimated useful lives, the components are depreciated separately. For the purpose of assessing whether a component is significant, our policy is that the cost of a component must normally be greater than £50,000 and be greater than 20% of the cost of the asset. In

Notes to the Financial Statements

addition, the component must have a useful life (for depreciation purposes) that is significantly different from that of the main structure.

Disposals and non-current assets held for sale

Assets where a disposal is highly probable within the next 12 months and the asset is available for sale in its present condition are classified as Assets Held for Sale. Management must be committed to the sale within one year from the date of classification and the sale must be highly probable. Depreciation is not charged on assets held for sale. Assets that the Council intends to sell at some point, but which do not meet the criteria are treated as surplus assets.

When an asset is disposed of or decommissioned, the value 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 the 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 the disposal (i.e. netted off the carrying value of the asset at the time of disposal). Any revaluation gains in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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 assets held for sale - and the recoverable amount at the date of the decision not to sell.

Receipts from disposals in excess of £10,000 are categorised as capital receipts. The net loss or gain on disposal is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing.

A pre-determined proportion of receipts relating to housing right-to-buy sales are payable to the government with the balance split in accordance with a government formula to repay HRA loans or to fund the reprovion of additional social housing. Receipts are appropriated to the Capital Receipts 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 fixed 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.

1.15 Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation likely to require settlement by a transfer of economic benefit or service potential and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service in the Comprehensive Income and Expenditure statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties

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

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

1.16 Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the general fund balance in the movement in reserves

Notes to the Financial Statements

statement. 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 services in the comprehensive income and expenditure statement. The reserve is then appropriated back into the General Fund balance in the Movement in Reserves Statement 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, and employment and retirement benefits that do not represent usable resources for the Council – these reserves are explained in the statements.

1.17 Revenue expenditure funded from capital under statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of non-current assets has been charged as expenditure to the relevant service account 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, 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.

1.18 Value added tax (VAT)

VAT payable is included as an expense only to the extent that it is not recoverable from HM Revenue and Customs. VAT receivable is excluded from income. The net amount due to or from HM Revenue and Customs is included in the balance sheet as part of debtors or creditors.

2 Accounting standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted.

The changes in accounting requirements for 2025/26 that are anticipated to have a material impact on the Council's financial performance or financial position are as follows:

- (a) From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices.

No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.

3 Critical judgements in applying accounting policies

In applying the accounting policies set out in Note 1, 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:

1. Property, Plant and Equipment assets are re-valued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end; as a minimum, revaluations occur at least once every four years. In addition, the Council makes judgements based on advice from its valuers and changes in the current years valuations as to whether to bring forward other asset valuations to ensure that the carrying value is not materially different from their current value.
2. Under international accounting standards relating to the Defined Benefits Pension Scheme (IAS 19), a net asset restriction (asset ceiling) may apply to the value of the pension fund disclosed in the council's accounts. The accounting standards only set out high level principles and are, therefore, open to a wide range of interpretation regarding methodology. Following discussions with key LGPS audit practitioners, the council's actuary (Hymans Robertson LLP), have calculated an asset ceiling by analysing the minimum funding requirement contributions split between future service and past service elements. This has given rise to the council recognising a net pension liability in its accounts (see also Note 33 Defined Benefits Pension Scheme).
3. Local authorities are liable for any successful appeals against business rates by businesses under the 2017 and 2023 valuation appeals lists, in their proportional share. The Council has a total provision of £1.5m as an estimate of potential successful appeals up to 31 March 2025 reflected in the Balance Sheet. This estimate is calculated using Valuation Office ratings list of appeals under the Check, Challenge, Appeal process; using an analysis of successful appeals to date for the 2017 and 2023 lists. Future successes may not follow this trend.

4 Events after the balance sheet date

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the statement of accounts is authorised for issue.

There are no known events that would have a material impact on the Council's position as at 31 March 2025.

Notes to the financial statements

5 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 Council 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.

Item	Uncertainties	Effect if actual results differ from assumptions
Property, plant and equipment	<p>Asset valuations are based on market prices and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provide valuations of our operational property assets.</p> <p>The HRA residential portfolio is valued based on a beacon methodology. In order to value the whole portfolio, it was necessary to research a number of information sources. These include sales of directly comparable property, changes of income flow for non-residential property, information available at a local level showing house price movement plus regional and National Indices.</p> <p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain a full maintenance programme for all its assets, bringing into doubt the useful lives assigned to assets.</p>	<p>Valuations are undertaken by qualified professionals to provide up to date assessments using accepted valuation bases and methods. However, if assumptions within the methodology do not materialise then there could be a material impact on the value of land and buildings.</p> <p>A reduction of 10% in the net book value (total NBV £73M) of the Council's operational properties would result in a charge to the CIES of approximately £7.3m. A 10% reduction in the estimate Net Book Value (£337m) of HRA dwellings would lead to a reduction in value of about £33.7m.</p> <p>Asset lives are regularly assessed as part of the valuation process. If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings (excluding council houses) would increase by £25,765 for every year that useful lives had to be reduced.</p>
Investment Properties	<p>The Council uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Council bases its assumptions on observable data as far as possible but this is not always available. In that case the Council uses the best information available.</p> <p>When the fair values of Investment Properties, cannot be measured based on quoted prices in active markets (ie Level 1 inputs), their fair value is measured using Discounted Cash Flow valuation techniques. Where possible, the inputs to this technique is based on observable data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However changes in assumptions could affect the fair value of the Council's assets.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate technique to determine fair value (i.e. an external valuer).</p> <p>Information about the valuation techniques used in determining the fair value of assets is disclosed elsewhere in the notes.</p>	<p>The Council uses the investment method to value its investment property assets. In utilising this method, the passing rent and market rent against a market yield is assessed.</p> <p>The investment method reflects various types of income streams by associating market risk within the yield choice and structuring the calculation appropriately. In arriving at a chosen yield profile for each subject Property, the council assesses the main drivers of value of the property itself (location, specification, condition etc) and the underlying investment (sector, covenant strength, lease duration etc). In addition to this, consideration is given to a number of market based assumptions including the application of void and rent free periods.</p> <p>The effect of a 10% change in the carrying value of investment properties would result in a charge to the CIES of approximately £35m .</p>

Notes to the financial statements

5 Assumptions made about the future and other major sources of estimation uncertainty (Cont'd)

The statement of accounts contains estimated figures that are based on assumptions made by the Council 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.

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate that salaries are projected to increase, changes in retirement ages, mortality rates and expected return on pension fund assets. A firm of consulting actuaries engaged by the Surrey Pension Fund provides the Council with expert advice about the assumptions to be applied.	The effects on the net pensions liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the real discount rate would result in a decrease in the pensions liability of £1.8m. The effects of other assumptions made in relation to the Pensions liability can be found in Note 33.
Provision Business Rate (NNDR) Appeals	The assumptions around the outcome of appeals against the NNDR valuations expected in future years represent a major uncertainty in the accounts. The appeals provision set out in the accounts is empirically derived from the experience with previous appeals determinations set against outstanding appeals in the Check, Challenge, Appral process.	The effect of a 1% increase in the assumption for appeals against the 2017 and 2023 valuations would result in a £0.950 million change in the provision, of which Runnymede's provision would change by £0.380 million.

Notes to the financial statements

6 Expenditure and funding analysis

This statement shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year ended 31 March 2025

Year ended 31 March 2025		Adjustments between the Funding and Accounting Basis					Net Expenditure in the Comprehensive Income and Expenditure Statement
Note	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total adjustments between the Funding and Accounting Basis		
		£000	£000	£000	£000	£000	£000
	Housing Revenue Account	(1,093)	547	69	(6,642)	(6,026)	(7,119)
	Housing Committee	1,202	0	43	1	44	1,246
	Community Services Committee	3,304	686	83	29	798	4,102
	Environmental & Sustainability Committee	6,083	283	83	1	367	6,450
	Licensing & Regulatory Committees	140	0	4	0	4	144
	Planning Committee	(3,203)	0	54	1	55	(3,148)
	Corporate Management Committee	5,759	139	(547)	523	115	5,874
						0	
	Net Cost Of Services	12,192	1,655	(211)	(6,087)	(4,643)	7,549
	Other Income and Expenditure	(19,802)	(707)	27,715	(40,885)	(13,877)	(33,679)
	(Surplus) or deficit on provision of services	(7,610)	948	27,504	(46,972)	(18,520)	(26,130)
	Opening General Fund and HRA Balance	102,892					
	Surplus or (deficit) on General Fund and HRA Balance in the year	7,610					
	Closing General Fund and HRA Balance at 31 March	110,502					

Notes to the financial statements

6 Expenditure and funding analysis

This statement shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) in comparison with those resources consumed or earned in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

Year ended 31 March 2024

Year ended 31 March 2024						
Note	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments between the Funding and Accounting Basis				Net Expenditure in the Comprehensive Income and Expenditure Statement
		Adjustments for Capital Purposes (Note 1)	Net change for the Pensions Adjustments (Note 2)	Other Differences (Note 3)	Total adjustments between the Funding and Accounting Basis	
	£000	£000	£000	£000	£000	£000
Housing Revenue Account	(3,577)	4,983	113	(4,872)	224	(3,353)
Housing Committee	1,766	769	72	0	841	2,607
Community Services Committee	3,542	2	146	182	330	3,872
Environmental & Sustainability Committee	5,800	2,000	155	6	2,161	7,961
Licensing & Regulatory Committees	131	0	7	1	8	139
Planning Committee	1,510	0	84	(3,570)	(3,486)	(1,976)
Corporate Management Committee	6,262	1,849	(635)	910	2,124	8,386
Net Cost Of Services	15,434	9,603	(58)	(7,343)	2,202	17,636
Other Income and Expenditure	(30,212)	(1,831)	327	196,984	195,480	165,268
(Surplus) or deficit on provision of services	(14,778)	7,772	269	189,641	197,682	182,904
Opening General Fund and HRA Balance	88,114					
Surplus or (deficit) on General Fund and HRA Balance in the year	14,778					
Closing General Fund and HRA Balance at 31 March	102,892					

6 Expenditure and funding analysis (Cont'd)

Note 1 - Adjustments for capital purposes

This column adds in impairments and revaluation gains and losses in the services line and for:

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

Note 2 - Net change for pension adjustments

This column removes pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income for:

- a) **Services**
This represents the removal of the employer pension contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- b) **Financing and investment income and expenditure**
The net interest on the defined benefit liability is charged to the comprehensive income and expenditure statement.

Note 3 - Other differences

Other differences between amounts debited/credited to the comprehensive income and expenditure statement and amounts payable or receivable to be recognised under statute:

For financing and investment income and expenditure the other differences column recognises adjustments for the timing differences for premiums and discounts.

The charge under taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and business rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the collection fund.

Notes to the financial statements

7 Segmental analysis

The Net Expenditure Chargeable to the General Fund and HRA Balances in the Expenditure and Funding Analysis (note 6) includes the following Income from contract with service recipients:

2023/24 £000		2024/25 £000
	Revenues from external customers:	
19,284	Housing Revenue Account	20,694
847	Housing Committee	834
2,600	Community Services Committee	3,048
2,524	Environmental & Sustainability Committee	2,851
129	Licensing & Regulatory Committees	132
1,331	Planning Committee	1,034
1,563	Corporate Management Committee	1,781

8 Expenditure and income analysed by nature (Including material items)

The Council's expenditure and income in the comprehensive income and expenditure account is analysed as follows:

2023/24 Restated £000		2024/25 £000
	Expenditure:	
27,259	Employer benefits expenses	27,252
13,194	Housing Benefits	12,077
13,593	Other service expenses	17,479
4,620	Revenue expenditure funded from capital under statute	1,145
202,971	Depreciation, amortisation and impairment	5,829
16,139	Interest payments	15,837
535	Gain / (Loss) on the disposal of assets	2,058
(772)	Impairment/credit loss adjustments	3,927
277,539	Total expenditure	85,604
	Income	
6,597	Fees charges and other service income	6,911
47,696	Rents and leases	50,553
14,876	Housing Benefit subsidy	12,521
5,730	Interest and investment income	15,081
8,674	Income from council tax, business rates	9,707
742	Government grants and contributions	2,340
8,959	Other grants and contributions	12,676
1,361	Costs recovered and sponsorship	1,945
94,635	Total income	111,734
182,904	(Surplus) or Deficit on the provision of services	(26,130)

The restatement of the 2023/24 figures is due to £101,000 of grant income being incorrectly allocated to the Costs recovered and sponsorship line

Notes to the financial statements

9 Other operating expenditure

Other operating expenditure includes payments made to the Government in line with statutory arrangements for certain property sales within the Housing Revenue Account and gains/losses generated from in year disposals of non-current assets.

2023/24 Net £000	Expend £000	2024/25 Income £000	Net £000
535	2,893	(835)	2,058
535	2,893	(835)	2,058

Net (gains) and losses on the disposal of intangible & non-current assets

10 Financing and investment income and expenditure

2023/24 Net £000	Expend £000	2024/25 Income £000	Net £000
16,139	15,837		15,837
0		(9,388)	(9,388)
327	6,268	(6,435)	(167)
(5,530)		(5,700)	(5,700)
(5)	14	(42)	(28)
167,784	4,032	(29,805)	(25,773)
(772)	3,927		3,927
177,943	30,078	(51,370)	(21,292)

11 Taxation and non specific grant incomes

This item consolidates all non-specific grants and contributions received by the Council that cannot be identified to a particular service expenditure area and therefore cannot be credited to the gross income under Cost of Services. All capital grants and contributions are required to be credited to here even if they are service specific.

2023/24 £000	2024/25 £000
Local taxation:	
(6,549)	(6,893)
(2,125)	(2,814)
Grants & Contributions:	
(1,279)	(1,479)
(3,257)	(3,259)
(13,210)	(14,445)

Notes to the financial statements

12 Adjustments between accounting basis and funding basis under regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the authority in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the authority to meet future capital and revenue expenditure. The following sets out a description of the reserves that the adjustments are made against.

General Fund balance

The General Fund is the statutory fund into which all the receipts of an authority are required to be paid and out of which all liabilities of the authority are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund balance, which is not necessarily in accordance with proper accounting practice. The General Fund balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. This balance is not available to be applied to services under the Housing Revenue Account.

The General Fund balance is made up of a general working balance and earmarked reserves which provide financing for future expenditure plans. The total of the earmarked reserves and the movements in and out during the year are as follows:

2024/25

	1 April 2024	out	Transfers in	March 2025
	£000	£000	£000	£000
Business Rates (NNDR) equalisation reserve	12,896	1,550	0	11,346
Car Parks reserve	390	66	117	441
Englefield Green maintenance reserve	239	36	11	214
Equipment repairs and renewals reserve	2,680	777	1,100	3,003
External audit fees reserve	252	0	0	252
Infrastructure Feasibility reserve	202	0	0	202
Insurance reserve	106	0	0	106
Investment Property income equalisation reserve	7,700	0	750	8,450
Local Plan reserve	100	0	413	513
Museum purchase and conservation fund	40	0	3	43
Maintenance of graves in perpetuity	2	0	0	2
Planned Underspend reserve	197	197	1,011	1,011
Property repairs and renewals reserve	6,495	0	1,660	8,155
Service Transformation reserve	1,000	104	0	896
Tennis Court replacement Fund	62	0	14	76
Section 106 and other contributions reserve	9,918	2,169	7,273	15,022
Total	42,279	4,899	12,352	49,732

2023/24

	Balance at 1 April 2023	Transfers out	Transfers in	Balance at 31 March 2024
	£000	£000	£000	£000
Business Rates (NNDR) equalisation reserve	8,639	252	4,509	12,896
Car Parks reserve	350	0	40	390
Englefield Green maintenance reserve	228	2	13	239
Equipment repairs and renewals reserve	1,926	196	950	2,680
External audit fees reserve		0	252	252
Infrastructure Feasibility reserve	202	0	0	202
Insurance reserve	106	0	0	106
Investment Property income equalisation reserve	5,950	0	1,750	7,700
Local Plan reserve		0	100	100
Museum purchase and conservation fund	38	0	2	40
Maintenance of graves in perpetuity	2	0	0	2
Planned Underspend reserve	819	819	197	197
Property repairs and renewals reserve	4,745	0	1,750	6,495
Service Transformation reserve	1,000	0	0	1,000
Tennis Court replacement Fund	47	0	15	62
Section 106 and other contributions reserve	6,976	1,383	4,325	9,918
Total	31,028	2,652	13,903	42,279

12 Adjustments between accounting basis and funding basis under regulations (Cont'd)

The **Business Rates (NNDR) equalisation reserve** was set up as part of the 2013/14 budget setting process to counter the effects of any backdated appeals under the new business rate regime.

The **Car Park reserve** was set up in 2021/22 to ringfence penalty charge notice income for reinvestment into the Council's car parking service.

The **Englefield Green maintenance reserve** was set up in 2015/16 to offset the management, maintenance and enhancement of the village green utilising the receipt generated by the surrender of part of a long lease.

The **Equipment repairs and renewals** reserve is for the replacement of equipment (IT systems, Vehicles etc)

The **External Audit Fees reserve** was set up in 2023/24 for the payment of outstanding audit fees following the uncertainty around the audit backstop provisions and what payments need to be made both by past and future audits.

The **Infrastructure Feasibility Study reserve** is to provide funding for supporting future project developments at an early stage

The **Insurance reserve** was set up to meet claims from the Council's previous insurers Municipal Mutual Insurance (MMI) who are subject to a Scheme of Arrangement.

The **Investment property income equalisation reserve** is to smooth out the income streams of the Council's investment properties resulting from the negotiation of rent free periods etc

The **Local Plan reserve** was set up in 2023/24 to enable the build up of funds to pay for the bulk of the local plan work when it falls due.

The **Museum purchase and conservation fund** is held under Section 15 of the Public Libraries and Museums Act 1964 and holds funds to be used for major purchases and conservation works.

Maintenance of graves in perpetuity represents funds invested permanently for the benefit of the maintenance of specified cemeteries.

The **Planned Underspends** reserve represents money agreed to be carried forward from one year to the next for specific one-off projects that could not be completed within the year that they were budgeted for. These sums will be released in the following year as the works progress

The **Property repairs and renewals reserve** is for the major repair or replacement of the Council's commercial property portfolio and other major property related assets.

The **Service Transformation Reserve** holds funds to pump-prime invest-to-save initiatives.

The **Tennis Court Replacement** fund is to set aside a set amount of money each year for the future replacement of tennis courts in the Council's parks as set out in a grant agreement with the Lawn Tennis Association who helped finance their replacement starting in 2022/23.

The **Section 106 and other contributions reserve** combines all monies received from third parties, mainly arising from planning agreements and CIL (Community Infrastructure Levy), that relate to works that have not yet been undertaken.

Notes to the financial statements

12 Adjustments between accounting basis and funding basis under regulations (Cont'd)

Housing Revenue Account

The Housing Revenue Account (HRA) balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

Housing Revenue Account Earmarked Reserves

Major repairs reserve

The Council is required to maintain a Major Repairs Reserve which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied for these purposes at the year end.

Housing Planned Underspends

The Planned Underspends reserve represents money agreed to be carried forward from one year to the next for specific one-off projects that could not be completed within the year that they were budgeted for. These sums will be released in the following year as the works progress.

	Balance at 1 April 2024	Transfers out	Transfers in	Balance at 31 March 2025
	£000	£000	£000	£000
2024/25				
Housing Planned Underspends	50	50	155	155

	Balance at 1 April 2023	Transfers out	Transfers in	Balance at 31 March 2024
	£000	£000	£000	£000
2023/24				
Housing Planned Underspends	19	19	50	50

Capital receipts reserve

The capital receipts reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at the year end.

Capital grants unapplied

The Capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to capital expenditure against which it can be applied and/or the financial year in which this

Notes to the financial statements

12 Adjustments between accounting basis and funding basis under regulations (Cont'd)

Adjustments in 2024/25					
	General Fund reserves	Housing Revenue account	Major repairs reserve	Capital receipts reserve	Capital grants unapplied
	£000	£000	£000	£000	£000

Adjustments to the Revenue Reserves

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements

Pensions costs (transferred to or from the Pensions reserve)	(265)	(62)			
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	8				
Council Tax and Business Rates (transferred to (or from) the Collection Fund adjustment account)	(201)				
Holiday pay (transferred to the Accumulated Absences reserve)	(35)				
(Surplus) transferred to Pooled Investment Funds Adjustment Account	(55)				
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (charged to the Capital Adjustments Account)	8,188	4,194			
Total Adjustments to Revenue Reserves	7,640	4,132	0	0	0

Adjustments between revenue and capital resources

Transfer of non-current asset sale proceeds from revenue to the capital receipts reserve	(10,485)	(2,032)		12,517	
Administrative costs of non-current asset disposals (funded by a contribution from the capital receipts reserve)	118	67		(185)	
Payments to the Government housing receipts pool (funded by a contribution from the capital receipts reserve)					
Posting of HRA resources from revenue to the Major repairs reserve		(6,973)	6,973		
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(6,120)				
Capital grants and contributions credited to the comprehensive income and expenditure statement	(3,162)				804
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)	(984)	(721)			
Total adjustments between revenue and capital resources	(20,633)	(9,659)	6,973	12,332	804

Adjustments to capital resources

Use of capital receipts reserve to finance capital expenditure				(24)	
Use of major repairs reserve to finance capital expenditure			(6,973)		
Application of capital grants to finance capital expenditure					(19)
Application of capital receipts to the CAA to reduce Capital Financing Requirement				(10,197)	
Total adjustments to capital resources	0	0	(6,973)	(10,221)	(19)

Total adjustments	(12,993)	(5,527)	0	2,111	785
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Notes to the financial statements

12 Adjustments between accounting basis and funding basis under regulations (Cont'd)

Adjustments in 2023/24					
	General Fund reserves	Housing Revenue account	Major repairs reserve	Capital receipts reserve	Capital grants unapplied
	£000	£000	£000	£000	£000

Adjustments to the Revenue Reserves

Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements

Pensions costs (transferred to or from the Pensions reserve)	193	64			
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	5				
Council Tax and Business Rates (transferred to (or from) the Collection Fund adjustment account)	4,822				
Holiday pay (transferred to the Accumulated Absences reserve)	(27)				
(Surplus) transferred to Pooled Investment Funds Adjustment Account	(5)				
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (charged to the Capital Adjustments Account)	206,112	8,489			
Total Adjustments to Revenue Reserves	211,100	8,553	0	0	0

Adjustments between revenue and capital resources

Transfer of non-current asset sale proceeds from revenue to the capital receipts reserve	(5,111)	(1,511)		6,622	
Administrative costs of non-current asset disposals (funded by a contribution from the capital receipts reserve)	108	48		(156)	
Payments to the Government housing receipts pool (funded by a contribution from the capital receipts reserve)					
Posting of HRA resources from revenue to the Major repairs reserve		(5,202)	5,202		
Statutory provision for the repayment of debt (transfer from the capital adjustment account)	(5,907)				
Capital grants and contributions credited to the comprehensive income and expenditure statement	(3,257)				550
Capital expenditure financed from revenue balances (transfer to the capital adjustment account)		(892)			
Total adjustments between revenue and capital resources	(14,167)	(7,557)	5,202	6,466	550

Adjustments to capital resources

Use of capital receipts reserve to finance capital expenditure	(247)			(6,033)	
Use of major repairs reserve to finance capital expenditure			(6,104)		
Application of capital grants to finance capital expenditure					(591)
Total adjustments to capital resources	(247)	0	(6,104)	(6,033)	(591)

Total adjustments	196,686	996	(902)	433	(41)
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Notes to the financial statements

13 Property, plant and equipment

	Council dwellings	Other land and buildings	Vehicles, plant, furniture and Equipment	Community assets	Surplus assets	Assets under construction	Right of Use Assets	Total Property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2024	320,493	67,503	14,216	6,486	12,617	0	0	421,315
Adjustment for introduction of IFRS16							142	142
Additions	7,915	0	1,511	0	0	351	0	9,777
Accumulated depreciation and Impairment written out on revaluation to GCA	(4,668)	(688)	0	0	(51)	0	0	(5,407)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	13,506	(5,702)	0	0	(337)	0	0	7,467
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	1,040	(1,480)	0	0	0	0	0	(440)
Disposals	(1,266)	0	(1,016)	0	(9,121)	0	0	(11,403)
Assets reclassified to/from held for sale	0	0	0	0	0	0	0	0
Assets reclassified to/from investment property	0	0	0	0	0	0	0	0
Assets reclassified between PPE categories	0	0	0	0	0	0	0	0
At 31 March 2025	337,020	59,633	14,711	6,486	3,108	351	142	421,451
Accumulated depreciation and impairment								
At 1 April 2024	1,453	939	9,820	11	26	0	0	12,249
Depreciation charge in the year	2,549	906	935	0	26	0	31	4,447
Accumulated depreciation written out on revaluation	(4,668)	(688)	0	0	(51)	0	0	(5,407)
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	616	0	0	0	0	0	0	616
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	70	0	0	0	0	0	0	70
Disposals	(11)	0	(903)	0	0	0	0	(914)
Derecognition - Other	0	0	0	0	0	0	0	0
Assets reclassified to/from held for sale	0	0	0	0	0	0	0	0
Assets reclassified to/from investment property	0	0	0	0	0	0	0	0
Other movements in depreciation and impairments	0	0	0	0	0	0	0	0
At 31 March 2025	9	1,157	9,852	11	1	0	31	11,061
Net book value								
At 31 March 2025	337,011	58,476	4,859	6,475	3,107	351	111	410,390
At 31 March 2024	319,040	66,564	4,396	6,475	12,591	0	0	409,066

Notes to the financial statements

13 Property, plant and equipment

	Council dwellings	Other land and buildings	Vehicles, plant, furniture and Equipment	Community assets	Surplus assets	Assets under construction	Total Property, plant and equipment
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2023	355,846	76,412	12,465	6,486	19,750	0	470,959
Additions	9,089	0	706	0	238	0	10,033
Accumulated depreciation and Impairment written out on revaluation to GCA	(3,806)	0	0	0	0	0	(3,806)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	(36,551)	4	0	0	(34)	0	(36,581)
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(4,268)	0	0	0	(232)	0	(4,500)
Disposals	(1,109)	0	(623)	0	(5,775)	0	(7,507)
Assets reclassified to/from held for sale	0	0	0	0	(300)	0	(300)
Assets reclassified to/from investment property	0	(5,953)	0	0	(1,030)	0	(6,983)
Assets reclassified between PPE categories	1,292	(2,960)	1,668	0	0	0	0
At 31 March 2024	320,493	67,503	14,216	6,486	12,617	0	421,315
Accumulated depreciation and impairment							
At 1 April 2023	0	121	9,317	11	0	0	9,449
Depreciation charge in the year	2,389	904	919	0	26	0	4,238
Accumulated depreciation written out on revaluation	(3,799)	0	0	0	0	0	(3,799)
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	2,272						2,272
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of Services	595	0					595
Disposals	(4)	0	(501)	0	0	0	(505)
Assets reclassified to/from investment property	0	(1)	0	0	0	0	(1)
Other movements in depreciation and impairments	0	(85)	85	0	0	0	0
At 31 March 2024	1,453	939	9,820	11	26	0	12,249
Net book value							
At 31 March 2024	319,040	66,564	4,396	6,475	12,591	0	409,066
At 31 March 2023	355,846	76,291	3,148	6,475	19,750	0	461,510

Notes to the financial statements

13 Property, plant and equipment (continued)

Depreciation and amortisation methods

Depreciation on a straight line basis is provided for on all tangible fixed assets with a finite useful life from the date of purchase. Depreciation is not charged on the land element of the valuation. Assets in the course of construction are not depreciated until they are brought into use. In general terms the following depreciation and amortisation policy is followed:

Asset class	Depreciation period
General buildings	From 20 to 50 years dependant on estimated useful life
General equipment	Up to 20 years (dependant on type of equipment)
Plant and vehicles	Up to 10 years (dependant on type of vehicle)
Leisure related play equipment	10 years
Safer Runnymede equipment	5 years
Computer hardware	Up to 5 years (dependant on type of equipment)

Revaluations

The Council carries out a rolling programme that ensures that all property, plant and equipment required to be measured at fair value is revalued at least every four years. Where any valuation is materially different for any asset, a review of similar assets in that class is undertaken to ensure fair value at the end of the reporting period. Valuations of land and buildings are carried out in accordance with the methodologies and bases for estimation set out in the RICS "Red Book" UK Appendix 5 "Valuation of Local Authority Assets", and in accordance with International Financial Reporting Standards (IFRS) 13 & CIPFA Code of Practice on Local Authority Accounting.

Valuations for 2024/25 have been undertaken by Montagu-Evans LLP.

Historic cost is considered a reasonable proxy for current value for most of our vehicles and equipment, but adjustments are made to this category where appropriate using the latest list prices of active second hand markets adjusted for the condition of the asset.

It is important to distinguish valuations for the purpose of financial accounting and reporting from those which are made to support the management of assets and policy decisions. In particular, it must be understood that the valuations do not necessarily mean the price the asset might fetch on the open market; for instance, land currently valued as recreation space will have a completely different valuation if deemed in the future to be surplus to requirements and available for sale as building land.

There were no other material changes to the Council's accounting estimates for property, plant and equipment in 2023/24 or 2024/25.

Notes to the financial statements

13 Property, plant and equipment (continued)

Revaluations (continued)

The following statement shows the valuation for each category of asset resulting from our rolling

	Council dwellings	Other land and buildings	Vehicles plant, etc.	Community assets	Surplus assets	Assets Under Constructio	Right of Use Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Valued at fair value as at:								
2024/2025	337,020	27,712	0	0	888	0	142	365,762
2023/2024	0	62	0	0	610	0	0	672
2022/2023	0	29,295	0	0	1,609	0	0	30,904
2021/2022	0	2,564	0	0	0	0	0	2,564
2020/2021	0	0	0	0	0	0	0	0
Valued at historic cost	0	0	14,711	6,485	0	351	0	21,547
Total cost or valuation	337,020	59,633	14,711	6,485	3,107	351	142	421,449

In addition the annual rolling provision, the Council also reviews its assets held in the other land and buildings category to ensure that the carrying value of assets last valued in previous years is not materially different from their current value.

14 Impairment losses

Impairment is caused either by the clear consumption of economic benefits or by a general fall in prices. Examples of events and circumstances that indicate an impairment caused by a consumption of economic benefits have incurred are physical damage to a fixed asset (e.g. as a result of a fire), obsolescence (e.g. a computer or computer system that no longer provides a useful service), or a major restructuring. Such impairments are recognised in the relevant service account in the income and expenditure account.

When impairment is caused through a general fall in prices it is treated as a revaluation. Where there are sufficient previous revaluation gains, the decrease in value is recognised in the statement of recognised gains and losses. Thereafter, the decrease is recognised in the relevant service account in the income and expenditure account.

The total impairments and their treatments in the year were as follows:

2022/23 £000		2024/25 £000	£000
43,517	Offset against previous revaluation gains (net of depreciation adjustments)		11,433
5,454	Taken to comprehensive income and expenditure statement:		
(471)	Impairments in the year	1,737	
4,983	Reversal of previous years impairments - Council Dwellings	(1,227)	510
<u>48,500</u>			<u>11,943</u>

Notes to the financial statements

15 Capital expenditure and financing

The total amount of capital expenditure incurred in the year is shown in the table below, together with the resources that have been used to finance it.

The capital financing requirement is the term used to describe the underlying need to borrow for a capital purpose. The capital financing requirement will increase where existing resources (e.g. capital receipts or government grant or other contributions) are not sufficient to finance capital expenditure.

2023/24 £000		2024/25 £000 £000	
707,464	Opening Capital Financing Requirement		701,558
	Capital Investment:		
10,032	Property, Plant and Equipment	9,777	
1,655	Investment Properties	0	
268	Intangible Assets	157	
0	Introduction of Right of Use Assets under IFRS 16	142	
4,620	Revenue Expenditure Funded from Capital Under Statute	1,145	
<u>16,575</u>			11,221
	Sources of Finance:		
(6,033)	Capital Receipts	(24)	
(3,298)	Government Grants and Other Contributions	(2,376)	
(6,104)	Major Repairs Reserve	(6,973)	
(892)	Direct Revenue Contributions - HRA	(721)	
(248)	Direct Revenue Contributions - General Fund	(985)	
(4,906)	Minimum Revenue Provision (MRP)	(5,182)	
(1,000)	Voluntary Revenue Provision (VRP)	(939)	
0	Capital receipts applied to reduce existing CFR	(10,196)	
<u>(22,481)</u>			(27,396)
<u>701,558</u>	Closing Capital Financing Requirement (CFR)		685,383
	Explanation of movements in the year		
707,464	Opening Capital Financing Requirement		701,558
0	Introduction of Right of Use Assets under IFRS 16		142
(4,906)	Statutory provision for repayment of debt (MRP)		(5,182)
(1,000)	Voluntary provision for repayment of debt (VRP)		(939)
0	Capital receipts applied to reduce existing CFR		(10,196)
<u>701,558</u>	Closing Capital Financing Requirement (CFR)		685,383

The Council has a capital programme listing proposed and potential schemes with a cost in the next financial year of £39.510m. At 31 March 2025, the Council had entered into a number of contracts for the purchase, construction or enhancement of property, plant and equipment in 2024/25 and future years of £90k.

Notes to the financial statements

16 Investment properties

The following items of income and expenses have been accounted for in the financing and investment income and expenditure line in the comprehensive income and expenditure statement.

2023/24 £000		2024/25 £000
28,805	Rental income and other income arising from investment property	29,252
(3,230)	Direct operating expenses arising from investment property	(3,230)
25,575	Net gain	26,022

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. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

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

2023/24 £000		2024/25 £000
539,581	Balance at start of the year	354,665
1,655	Enhancements	0
0	Disposals	(3,100)
(193,554)	Net gains/(losses) from fair value adjustments	(748)
6,983	Transfers (to) / from property plant and equipment	0
354,665	Balance at the end of the year	350,817

Valuers

The investment property portfolio was valued at 31 March 2025 in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution for Chartered Surveyors. The assets were valued by Scott Young MRICS RICS Registered Valuer and reviewed by Gary Howes MRICS RICS Registered Valuer, both of Montagu-Evans LLP, the Council's valuing agents.

Fair value hierarchy

All the Council's investment property portfolio has been assessed as Level 2 for valuation purposes (see Note 1 for explanation of fair value levels). Net gains/(losses) from fair value adjustments are recognised in the Financing and Investment income and expenditure line in the Comprehensive Income and Expenditure Statement. When the degree of subjectivity or nature of the measurement inputs changes, consideration is given as to whether a transfer between fair value levels is deemed to have occurred.

Valuation techniques used to determine Level 2 fair values for Investment Properties

The fair value of investment properties has been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's Investment Asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

Notes to the financial statements

16 Investment properties (Cont'd)

Highest and Best use

In estimating the fair value of the Authority's investment properties, the highest and best use of the properties is deemed to be their current use.

Valuation Process for Investment Properties

The Council's investment property has been valued as at 31 March 2025 by Montagu-Evans in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The basis of valuation is defined within the RICS Valuation – Global Standards 2024 - Bases of Value, assumptions and special assumptions. The investment method is used where there is an income stream to value. In utilising this method, we will typically assess the passing rent and market rent against a market-based yield. Valuation also considers a number of market based assumptions including the application of void and rent free periods.

17 Intangible assets

Intangible assets are assets that do not have a physical substance but are controlled by the Council through custody or legal rights. All the Council's intangible assets relate to purchased computer software.

Each asset is held in the books at its purchased cost value and is amortised on a straight-line basis over its useful economic life. Unless special circumstances dictate otherwise, the Council has deemed the useful economic lives of all software to be 5 years.

The amortisation was charged to the Computer Services cost centre and then absorbed as overhead across all the service headings in the net expenditure of services. It is not possible to quantify exactly how much of the amortisation is attributable to each service heading.

2023/24 £000		2024/25 £000
	Balance at start of year:	
2,156	Gross carrying amounts	2,378
(1,485)	Accumulated amortisation	(1,621)
<u>671</u>	Net carrying amount at the start of the year	<u>757</u>
268	Additions	157
(182)	Amortisation for the period	(206)
<u><u>757</u></u>	Net carrying amount at the end of the year	<u><u>708</u></u>
	Comprising:	
2,378	Gross carrying amounts	2,535
(1,621)	Accumulated amortisation	(1,827)
<u><u>757</u></u>		<u><u>708</u></u>

At 31 March 2025 the Council had entered into contracts for the purchase or enhancement of intangible assets relating to 2024/25 and future years in the sum of £1,057,722. The value of such commitments as at 31st March 2024 was £6,732

Notes to the financial statements

18 Financial Instruments

18.1 Categories of Financial Instruments

The following categories of financial instruments are carried in the Balance Sheet

	Non-Current		Current	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
	£000	£000	£000	£000
Financial Assets				
Amortised cost:				
Short term investments	-	-	38,467	46,346
Cash and cash equivalents	-	-	8,606	17,310
Long term debtors	42,533	38,995	-	-
Short term debtors	-	-	7,051	6,273
Fair value through profit or loss:				
Long term investments	10	10	-	-
Short term investments	-	-	4,209	2,243
Total financial assets	42,543	39,005	58,333	72,173
Assets not defined as financial instruments			7,082	4,476
Total	42,543	39,005	65,415	76,649
Financial Liabilities				
Amortised cost:				
Short term creditors	-	-	23,903	21,783
Short term borrowing	-	-	11,100	10,915
Long term borrowing	616,928	587,113	-	-
Total financial liabilities	616,928	587,113	35,003	32,698
Assets not defined as financial instruments	0	0	3,270	6,663
Total	616,928	587,113	38,273	39,361

Notes to the financial statements

18 Financial Instruments (Cont'd)

18.2 Material soft loans at fair value (loans at low or interest-free rates)

Property loans

Home loans have been granted in the past to facilitate the redevelopment of council housing estates. All the new properties purchased via these loans are subject to a legal charge to protect the Council's interests thus ensuring repayment of the loan in the future. It has been assumed that these loans will be repaid on average after 10 years.

Loans have also been given to part purchase a scout headquarters and a local canoe club to ensure continuation of important local community activities. These loans are subject to legal charges on the properties.

Private sector improvement loans

As part of its private sector renewal strategy, the Council issues loans for private sector housing improvements which do not meet the criteria for the statutory disabled facilities grants. All such loans are subject to a legal charge to protect the Council's interests thus ensuring repayment of the loan in the future. It has been assumed that these loans will be repaid on average after 7 years.

2023/24 £000		2024/25 £000
	Loans at low or interest-free rates at fair value:	
665	Balance at the start of the year	659
(12)	Less fair value adjustment	(12)
7	Credits for year	4
<u>659</u>	Balance at the end of the year	<u>650</u>

18.3 Income, expense, gains and losses

Net gains/losses on:

Financial assets measured at fair value through profit or loss

Total net gains/losses

Interest revenue:

Financial assets measured at amortised cost

Total interest revenue

Interest expense

2023/24	2024/25
Total in surplus or deficit on the provision of services £000	Total in surplus or deficit on the provision of services £000
<u>5</u>	<u>42</u>
<u>5</u>	<u>42</u>
<u>(5,530)</u>	<u>(5,434)</u>
<u>(5,530)</u>	<u>(5,434)</u>
<u>16,139</u>	<u>15,818</u>

Notes to the financial statements

18 Financial instruments (continued)

18.4 Fair values of financial assets

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

As at 31 March 2024		Valuation technique used to measure fair value	Fair value hierarchy	As at 31 March 2025
£000				£000
2,207	CCLA Local Authorities' Property Fund	inputs other than quoted prices included in Level 1 that are observable for the asset, either directly or indirectly	Level 2	2,243
2,002	CCLA Better World Cautious Fund	Unadjusted quoted prices in active markets for identical shares	Level 1	0
<u>4,209</u>				<u>2,243</u>

The details of the fair value hierarchy is set out in the accounting policies. There were no transfers between input levels 1, 2 and 3 during the year, and no changes in the valuation technique used during the year for the financial instruments.

The investment in the CCLA Better World Cautious Fund was sold in February 2025

Notes to the financial statements

18 Financial instruments (continued)

18.5 Fair values of financial assets and liabilities that are not measured at fair value

Except for the financial assets carried at fair value (described in the table above), all other financial assets and liabilities held by the Council are carried in the balance sheet at amortised cost. The fair values of these assets and liabilities are calculated as follows:

31 March 2024		Financial liabilities held at amortised cost	31 March 2025	
Carrying amount £000	Fair value £000		Carrying amount £000	Fair value £000
617,033	393,859		Long term borrowing	587,114
10,582	10,922	Short term borrowing	10,599	10,954
14,950	14,950	Short term creditors - trade or operational liabilities	11,882	11,882
8,952	8,952	Short term creditors - other financial liabilities	9,901	9,901
651,517	428,683	Total liabilities	619,496	375,027

Fair value of long term borrowing is lower than the carrying amount. This is due to discounting the loans outstanding by the Public Works Loan Board (PWLb) rate for early repayment of such loans. The PWLB loan redemption rates are higher than the rates at which the loans were borrowed resulting in a lower fair value at the balance sheet date.

31 March 2024		Financial assets held at amortised cost	31 March 2025	
Carrying amount £000	Fair value £000		Carrying amount £000	Fair value £000
10	10		Long term investments	10
50,378	50,510	Short term investments	65,044	65,156
42,533	42,533	Long term debtors	38,995	38,995
7,367	7,367	Short term debtors - trade or operational assets	6,984	6,984
1,909	1,909	Short term debtors - other financial assets	1,096	1,096
102,197	102,329	Total assets	112,128	112,241

The fair value for financial liabilities and financial assets that are not measured at fair value been assessed as Level 2 for valuation purposes (see Accounting Policies for explanation of fair value levels) using a discounted cash flow analysis. The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments using the following assumptions:

Financial assets:

No early repayment or impairment is recognised.

Estimated ranges of interest rates at 31 March 2025 of **4.5% to 5.9%** for investments in fixed term deposits, based on the deposit rates for equivalent deposits at that date.

The fair value of trade and other receivables is taken to be the invoiced or billed amount, less provisions for uncollectable balances.

Financial liabilities:

No early payment is recognised.

Estimated ranges of interest rates at 31 March 2025 of **1.67% to 3.5%** for loans payable based on new lending rates for equivalent loans at that date.

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

18 Financial instruments (continued)

18.6 Nature and extent of risks arising from financial instruments

The Council's activities expose it to a variety of financial risks including:

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

Liquidity risk: The possibility that a party might not have funds available to meet its commitments to make payments.

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

Market risk: The possibility that the value of an investment will fluctuate as a result of changes in such measures as interest rates.

The Council's overall treasury policies and procedures focuses on the unpredictability of financial markets and seek to minimise potential adverse affects on the resources available to fund services. Treasury risk is managed under policies approved by the Council in the annual Treasury Management Strategy and Annual Capital & Investment Strategy. These policies cover the principles for overall treasury risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

Credit risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the annual investment strategy, which requires that deposits can only be made with financial institutions that meet defined credit criteria, and sets limits for the amount that can be let to any one institution (including any subsidiaries). We use the ratings supplied by the three main credit rating agencies, supplemented by other information. The annual investment strategy in force for 2024/25 was approved by the Council in February 2024.

Treasury management consultants are contracted to provide advice on investment strategy, counterparty suitability, credit ratings, and other treasury management issues. The Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

Financial instruments designated at fair value through profit and loss are restricted to investments as per the Council's Investment Strategy. The Council will use pooled funds that offer enhanced returns over the longer term but are potentially more volatile over the shorter term. For this reason the Investment Strategy limits the number of holdings and the amount that can be held in each fund. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued stability in meeting the Council's investment objectives are monitored regularly

Notes to the financial statements

18 Financial instruments (continued)

Credit risk (continued)

For trade and operational credit, where a significant commitment is entered into, customers are assessed for their credit-worthiness by taking into account their financial position, past experience and other factors.

The following table summarises the Council's exposure to credit risk by categorising assets classified as investments based on the long-term and short-term credit ratings (supplied by Fitch IBCA) of the institutions as at 31 March 2025:

Long and short-term investments		
Credit rating at 31 March	Carrying value at 31 March 2024	Carrying value at 31 March 2025
	£000	£000
Long-term investments		
Investment in associated companies	Not rated	10
	10	10
Short-term investments and cash equivalents		
Banks	AA, AA-, A+	22,497
Banks	A and A-	11,086
Building societies - with credit rating	AA-, A+ and A	0
Building societies - with credit rating	A- and BBB+	0
Cash and bank balance	-	56
Local authorities	-	5,085
Money market funds	AAAm	7,649
Property funds	-	2,032
Diversified Income Fund	-	2,014
Funding circle	-	14
	50,433	65,902

Expected credit losses have been calculated for the Council's long and short term investments based upon historic default tables produced by the three main credit agencies. For Runnymede this has resulted in the following:

Long and short-term investments		
Credit rating at 31 March	Carrying value at 31 March 2024	Carrying value at 31 March 2025
	£000	£000
12 month expected credit losses		
AAA	3	0
AA- and below	13	6
	16	6

The changes in the loss allowance for each class of financial asset during the year are as follows:

	2023/24	2024/25
	£000	£000
12 month expected credit loss		
Opening balance as at 1 April	18	16
New financial assets originated or purchased	16	6
Financial assets that have been derecognised	(18)	(16)
Closing balance as at 31 March	16	6

18 Financial instruments (continued)

Liquidity risk

Liquidity risk is not a significant risk for the Council. This is because our short-term investments are placed to mature when known significant liabilities will become payable. Typically a proportion of investments will also be held on call or at short notice in deposits at banks and in money market funds. The Council also has ready access to borrowing from the money market or from the PWLB if funds are required for the short-term. There is no significant risk that the Council will be unable to meet its obligations under financial instruments. Instead, the risk is that the authority will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates. To counter this, the Council sets aside amounts each year to repay all outstanding debt as it becomes due.

The Council carefully plans its borrowing to ensure that maturities do not all fall due at the same time. The Council will also seek to repay any loans early where it is economically beneficial to do so.

The maturity analysis of financial liabilities is as follows:

31 March 2024 £000		31 March 2025 £000
10,995	less than one year	10,915
42,503	Between one and 5 years	32,576
68,561	Between 5 and 10 years	68,664
34,109	Between 10 and 15 years	34,228
34,741	Between 15 and 20 years	34,879
15,471	Between 20 and 25 years	15,629
6,313	Between 25 and 30 years	6,496
7,284	Between 30 and 35 years	7,496
138,052	Between 35 and 40 years	137,146
220,000	Between 40 and 45 years	240,000
50,000	Between 45 and 50 years	10,000
628,028		598,029

The modest amount of short-term borrowing disclosed on our balance sheet represents balances held by the Council on behalf of local trusts and charities.

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

Refinancing and maturity risk

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

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are key parameters used to address this risk. These are approved as part of the Treasury Management Strategy each year and are regularly monitored by the Council's finance team.

Market risk - Interest rate risk

The fair value of a financial instrument held by the Council may fluctuate because of changes in short-term interest rates (interest rate risk), market prices (price risk) and foreign exchange rates.

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments. Upward movements in interest rates will have a beneficial effect on the amount of interest income credited to the comprehensive income and expenditure account to the extent that short-term investments will be made at the higher interest rates. However, the fair value of investments made previously at fixed rates will fall. Downward movements in interest rates will have the opposite impact.

The strategy for managing interest rate risk includes making a proportion of investments for longer terms in order to provide stability in returns and as a defence against the financial impact of lower interest rates. This strategy is tempered by the need to consider the credit risk of counterparties, and the longer-term liquidity risk of having too many investments tied into longer maturities.

Notes to the financial statements

18 Financial instruments (continued)

Interest rate risk (continued)

The following table shows our long and short term investments held at fixed and variable rates of interest:

As at 31 March 2024			As at 31 March 2025	
Fixed £000	Variable £000		Fixed £000	Variable £000
0	-	Term Investments	0	-
38,681	4,060	Long Term Investments	46,571	2,026
		Short-Term Investments		
		Investments at Call or Short Notice		
-	7,652	Money Market Funds	-	16,452
-	56	Cash and Bank Balances (note 21)	-	859
38,681	11,768		46,571	19,337

At the Balance sheet date, the investments held in money market funds and at deposit at banks were subject to daily changes in interest rates. The holdings in cash and bank balances currently attract no interest.

As a guide, the impact on the comprehensive income and expenditure account if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

Notional effect on the comprehensive income and expenditure account:	£000
Increase in interest receivable on variable rate investments	11
Increase in interest receivable on fixed rate investments made in the year	116
Impact on surplus or deficit on the provision of services	<u>127</u>

The share of the overall impact attributable to the HRA would be: 39

Notional effect on the balance sheet:	£000
Decrease in value of fixed rate borrowing liabilities	(1,202)
Decrease in the fair value of fixed-rate investments	116

Price risk

The only quoted investments during 2023/24 and 2024/25 were with the CCLA Property Fund and the CCLA Diversified Income Fund. These are all classed at fair value through profit and loss meaning that all movements in the price will impact on gains and losses recognised in the surplus or deficit on the provision of services. A general shift of 5% in the general price of shares (positive or negative) would have resulted in a gain or loss of approximately £110,849.20

Notes to the financial statements

19 Inventories and work in progress

All of the Council's inventories relate to consumable stores items. There were no works in progress in 2023/24 or 2024/25.

31 March 2024 £000		31 March 2025 £000
100	Balance at start of year	69
589	Purchases	671
(620)	Recognised as an expense in the year	(660)
69	Balance at year-end	80

20 Short term debtors

31 March 2024 £000		31 March 2025 £000
6,526	Trade Receivables	6,267
7,551	Council Tax and Business Rates	4,622
841	Prepayments	717
2,048	Other receivable amounts	1,563
16,966	Gross debtors	13,169
	Analysis of bad debt provision	
(607)	Council tax and Business Rate payers (attributable to Runnymede only)	(587)
(1,787)	General debtors	(1,181)
(439)	Council tenants arrears	(658)
14,133	Total provision for impairment and expected credit losses on gross debtors	10,743

21 Cash and cash equivalents

31 March 2024 £000		31 March 2025 £000
899	Cash balances held by the Council	21
55	Cash balances held at the bank	837
7,652	Short term deposits with money market funds	16,452
8,606		17,311

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. Cash comprises of cash in hand and deposits at financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are short-term, highly liquid investments that mature in 7 days or less from the date of acquisition, or repayable without penalty on notice of not more than 7 days, and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Notes to the financial statements

22 Assets Held for Sale

31 March 2024 £000		31 March 2025 £000
0	Balance at start of year	300
	Property plant and equipment:	
300	Assets newly classified as held for sale:	(300)
<u>300</u>	Balance at year-end	<u>0</u>

23 Creditors and receipts in advance

31 March 2024 £000		31 March 2025 £000
(13,667)	Trade payables	(11,140)
(4,380)	Other payables	(5,158)
(2,503)	Council Tax and Business Rates	(4,846)
(6,623)	Receipts in advance	(7,302)
<u>(27,173)</u>	Gross creditors and receipts in advance	<u>(28,446)</u>

24 Provisions

31 March 2024 £000		31 March 2025 £000
(864)	Balance at 1 April	(851)
0	Provisions made in the year	(888)
13	Amounts used in the year	0
<u>(851)</u>	Balance at 31 March	<u>(1,739)</u>

The figures in 2023/24 relate solely to the provision for Business Rate Appeals. The Business Rate Appeals provision at 31 March 2025 stood at £1.539m. In 2024/25 a new provision of £0.2m has been included that relates to the estimated refund that could be due to tenants as the result of a potential breach of the rent compliance standard.

Notes to the financial statements

25 Reserves

The movements in the Council's usable reserves are detailed in the Movement in Reserves Statement. Unusable reserves are set out in this note and are required to be held for statutory reasons and to comply with proper accounting practice. Total Unisable Reserves are as follows:

2023/24 £000		Note	2024/25 £000
5,148	Revaluation reserve	25.1	10,688
163	Pooled investment funds adjustment account	25.2	217
0	Deferred Capital Receipts	25.3	114
96,801	Capital adjustment account	25.4	104,552
(12)	Financial Instruments adjustment account	25.5	8,442
3,971	Pensions reserve	25.6	(2,152)
(6,030)	Collection fund adjustment account	25.7	(5,829)
(449)	Accumulated absences account	25.8	(414)
<u>99,592</u>			<u>115,618</u>

25.1 Revaluation reserve

The Revaluation reserve records the accumulated unrealised valuation gains made by the Council arising from increases in the value of its property, plant and equipment (and intangible assets). The balance is reduced when assets with accumulated gains are:

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

The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance sheet on the capital adjustment account.

2023/24 £000		2024/25 £000	£000
46,034	Revaluation reserve balance as at 1 April		5,148
4,558	Upward revaluations of assets	18,285	
(43,517)	Downward revaluations of assets and impairment losses not charged to the surplus/deficit on the provision of services	(11,433)	
	Surplus (deficit) arising on revaluation of non-current assets not posted to the surplus or deficit on the provision of services		6,852
(713)	Difference between depreciation charged at fair value and historic cost depreciation	(979)	
(1,214)	Accumulated gains on assets sold or scrapped	(333)	
(1,927)	Amount written off to the capital adjustment account		(1,312)
<u>5,148</u>	Revaluation reserve balance as at 31 March		<u>10,688</u>

Notes to the financial statements

25.2 Pooled investment funds adjustment account

Following the introduction of International Financial Reporting Standard 9: Financial Instruments, the Government introduced a statutory override to allow authorities to mitigate the impact of fair value movements on Pooled Investment Funds. This reserve contains the gains and losses made by the Council arising from movements in these funds.

2023/24 £000	Note	2024/25 £000
158	Balance as at 1 April	163
93	Upward revaluations of investments	54
(88)	Downward revaluations of investments not charged to the surplus/deficit on the provision of services	0
163	Balance as at 31 March	217

25.3 Deferred Capital Receipts

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 authority does not treat these gains as usable until they are backed by cash receipts. This account was introduced in 2024/25 following the introduction of International Financial Reporting Standard 16: Leases. All the Council's deferred capital receipts relate to finance lease receivable as at 31 March 2025

2023/24 £000	Note	2024/25 £000
0	Balance as at 1 April	0
0	Transfer of deferred sale proceeds credited as part of gain/loss on the Comprehensive Income and Expenditure Account	141
0	Transfer to the Capital receipts reserve upon receipt of cash	(27)
0	Balance as at 31 March	114

Notes to the financial statements

25 Unusable reserves (continued)

25.4 Capital adjustment account

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

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council.

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

2023/24 £000	Note	2024/25 £000	£000
286,995	Capital adjustment account balance as at 1 April		96,801
	Reversal of items relating to capital expenditure debited or credited to the comprehensive income and expenditure		
(4,250)	Depreciation losses of non-current assets	(4,446)	
(4,983)	Impairment losses of non-current assets	(70)	
0	Revaluation losses on property, land and equipment	(1,668)	
(714)	Reversal of past impairments charged to the comprehensive income and expenditure statement	1,227	
(182)	Amortisation of intangible assets	(206)	
(4,620)	Revenue expenditure funded from capital under statute	(1,145)	
(6,287)	Amounts of non-current assets written off on disposal or sale as part of gains/loss on disposal to the comprehensive income and expenditure statement	(13,889)	
(21,036)		(20,197)	
	Adjusting amounts written out of the revaluation reserve:		
713	Difference between depreciation charged at fair value and historic cost depreciation	25.1	979
1,214	Accumulated gains on assets sold or scrapped	25.1	333
(19,109)	Net written out amount of the cost of non-current assets consumed in the year		(18,885)
	Capital financing applied in the year:	15	
6,033	Use of capital receipts reserve to finance capital expenditure		24
	Use of Capital Receipts to reduce CFR		10,184
6,104	Use of major repairs reserve to finance capital expenditure		6,973
2,707	Capital grants and contributions credited to the comprehensive income and expenditure statement that have been applied to capital financing		19
591	Application of grants to capital financing from the capital grants unapplied account		2,358
1,139	Use of revenue reserves		1,705
5,907	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances		6,121
22,481			27,384
(193,554)	Movements in the market value of investment properties debited or credited to the comprehensive income and expenditure statement		(748)
	Other Items:		
(12)	Recognition of repayment of long term debtors and investments as capital receipts		0
96,801	Capital adjustment account balance as at 31 March		104,552

Notes to the financial statements

25 Unusable reserves (continued)

25.5 Financial instruments adjustment account

This account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefitting from gains in accordance with statutory provisions.

2023/24		2024/25	
£000		£000	£000
(20)	Balance as at 1 April		(12)
0	Discounts received in the year and charged to the Comprehensive Income and Expenditure Statement (CIES)	9,388	
0	Proportion of discounts received in previous years to be credited to the General Fund Balance in accordance with statutory requirements	(939)	
	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		8,449
	Soft Loan Transactions in the year:		
1	- Loans repaid; extinguishment of balances	1	
0	- New loans; difference between loan granted and fair value	0	
7	- Interest credits in the year	4	
			5
(12)	Balance at 31 March		8,442

The Council uses this account for two purposes. Initially it was set up to account for "soft loans" - loans at low or nil interest rate - awarded by the Council in pursuance of housing objectives. Subsequently in 2024/25, the Council repaid some of its long term borrowings which attracted a discount. Statutory provisions mean that the discount must be credited back to the Comprehensive Income and Expenditure Statement over a 10 year period on a straight line basis.

Notes to the financial statements

25 Unusable reserves (continued)

25.6 Pensions reserve

This reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the comprehensive income and expenditure statement as 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 costs. However, statutory arrangements require benefits earned through the Local Government Pension Scheme to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

2023/24 £000		2024/25 £000
(6,309)	Balance at 1 April	3,971
10,549	Remeasurement of net defined benefit liability	21,432
0	Asset ceiling adjustment	(27,882)
(3,709)	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the comprehensive income and expenditure statement	(2,937)
	Employer's pensions contributions and direct payments to pensioners payable in the year:	
3,452	Employer contributions	3,315
	Final year pay enhancements - pension liabilities	
(12)	Net liabilities charged to the General Fund	(51)
<u>3,971</u>	Balance at 31 March	<u>(2,152)</u>

It must be recognised that this figure is based on a number of assumptions and is a snapshot of the position at 31 March. The statutory arrangements for funding allows any deficit to be made good by increased contributions over the working life of employees, as assessed by the scheme actuary.

The pension liabilities at 31 March 2025 in respect of the final-year pay enhancements of £545,000 (31 March 2024 £597,000) are outside the statutory provisions and do not form part of this Reserve.

The Asset ceiling adjustment is explained in more detail in Note 33

Notes to the financial statements

25 Unusable reserves (continued)

25.7 Collection fund adjustment account

This account holds the difference between council tax and business rates income included in the comprehensive income and expenditure statement and the amount required by regulation to be credited to the General Fund. The balance represents an accumulated deficit for the Runnymede share of council tax and business rates surpluses and deficits only. The shares of council tax and business rates surpluses and deficits and other taxpayer balances attributable to Surrey County Council, Surrey Police Authority and Central Government are included in the balance sheet (as a net debtor).

2023/24			2024/25		
Business Rates £000	Council Tax £000	Total £000	Business Rates £000	Council Tax £000	Total £000
(1,431)	223	(1,208)	(6,112)	82	(6,030)
			Balance as at 1st April		
			Amount by which income credited to the comprehensive income and expenditure statement is different from income calculated for the year in accordance with statutory requirements		
(4,681)	(141)	(4,822)	103	98	201
(6,112)	82	(6,030)	(6,009)	180	(5,829)
			Balance as at 31st March		

25.8 Accumulated absences account

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

2023/24 £000		2024/25 £000	£000
(476)	Balance at 1 April		(449)
476	Settlement or cancellation of accrual made at the end of the preceding year	449	
(449)	Amounts accrued at the end of the current year	(414)	
27	Amount by which officer remuneration charged to the comprehensive income and expenditure statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements		35
(449)	Balance at 31 March		(414)

Notes to the financial statements

26 External audit fees

Public Sector Audit Appointments Limited (PSAA) appoint the external auditors that examine our financial statements. The external auditor of our financial statements for 2023/24 and for 2024/25 is Grant Thornton UK LLP. The cost of audit and inspection work includes the estimated fees relating to the year of account, including the estimated cost of auditing these statements.

2023/24		2024/25
Restated		
£000		£000
Restated		
118	Fees payable to the appointed auditor with regard to external audit services	216
27	Fees payable to the appointed auditor for the certification of grant claims and returns	46
<u>145</u>		<u>262</u>

The original 2023/24 figure for fees payable to the appointment auditor was stated as £200,000, however due to the late publication of the 2023/24 accounts and the introduction of the backstop date by central government to clear prior years outstanding audits, the actual fee was reduced in line with the amount of work undertaken prior to the disclaimer opinion being given.

27 Members' allowances

The Council paid the following amounts to its Members during the year:

2023/24		2024/25
£000		£000
233	Basic allowance	235
153	Special allowance	161
4	Travel, subsistence & Carers' allowance	3
<u>390</u>	Total payments to Members	<u>399</u>

Local authorities are required to disclose the amounts paid to each member; these are published annually on the Council's website.

Notes to the financial statements

28 Officers remuneration

The remuneration paid to the Council's senior employees is as follows:

		Salary (including fees and allowances)	Other non salary payments	Employers pension contributions including pension strain	Total including employers pension contributions
	Note	£	£	£	£
2024/25					
Chief Executive	(a)	152,675	9,680	26,871	189,226
Assistant Chief Executive (s151)	(b)	115,208	6,423	19,945	141,576
Assistant Chief Executive (Place)		104,960		18,473	123,433
Corporate Head of Law and Governance		114,859		18,575	133,434
Corporate Head of Assets & Regeneration		101,944		17,873	119,817
Corporate Head of Community Services		93,145		16,143	109,288
Corporate Head of Customer, Digital and Collection Services		97,280		16,994	114,274
Corporate Head of Planning, Economy and Built Environment		91,425		16,091	107,516
Corporate Head of Environmental Services		85,869		15,113	100,982
Corporate Head of Finance		92,724		16,313	109,037
Corporate Head of Housing Services		93,276		16,019	109,295
Corporate Head of Human Resources		79,458		14,254	93,712
2023/24					
Chief Executive (to 31 July 2023)	(c)	61,923	3,375	0	65,298
Chief Executive (from 1 August 2023)	(d)	92,328	12,491	16,306	121,125
Assistant Chief Executive (s151)	(b)	112,257	5,300	19,887	137,444
Assistant Chief Executive (Place)	(e)	70,933		12,484	83,417
Corporate Head of Law and Governance		111,493		18,557	130,050
Corporate Head of Assets & Regeneration		103,719		18,199	121,918
Corporate Head of Community Services		91,250		15,809	107,059
Corporate Head of Customer, Digital and Collection Services		96,256		16,941	113,197
Corporate Head of Planning, Economy and Built Environment		90,980		16,012	106,992
Corporate Head of Environmental Services		83,944		14,774	98,718
Corporate Head of Finance		90,053		15,841	105,894
Corporate Head of Housing Services	(f)	53,464		8,972	62,436
Corporate Head of Human Resources (to 4 October 2023)	(g)	43,859		7,223	51,082
Corporate Head of Human Resources (from 8 January 2024)	(h)	18,446		3,247	21,693
Corporate Head of Planning Policy & Economic Development	(i)	17,109		2,971	20,080

Notes:

- (a) The Chief Executive has received fees this year relating to Returning Officer duties
- (b) The Assistant Chief Executive (s151) received fees relating to relocation expenses
- (c) The previous Chief Executive left the Council on 31 July 2023 and received fees this year relating to Returning Officer duties
- (d) The current Chief Executive was appointed on 1 August 2023 on an annualised salary of £136,000, and received fees this year relating to Returning Officer duties and relocation expenses
- (e) The current Assistant Chief Executive (Place) was appointed on 17 July 2023 on an annualised salary of £99,457
- (f) The Corporate Head of Housing Services left the Council on 16 October 2023, the post was vacant on 31 March 2024
- (g) The previous Corporate Head of Human Resources left the Council on 4 October 2023
- (h) The current Corporate Head of Human Resources was appointed on 8 January 2024 on an annualised salary of £79,791
- (i) The Corporate Head of Planning Policy & Economic Development left the Council on 12 June 2023. Following a restructure the post was deleted

Notes to the financial statements

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

Remuneration band	Number of employees 2023/24	Number of employees 2024/25
£50,000 to £54,999	14	11
£55,000 to £59,999	14	16
£60,000 to £64,999	10	12
£65,000 to £69,999	7	4
£70,000 to £74,999	3	3
£75,000 to £79,999	1	1
£80,000 to £84,999	2	2
£85,000 to £89,999	2	0

The amounts paid or received include all sums paid to or receivable by an employee, expenses allowances chargeable to tax, and the estimated money value of any other benefits received.

29 Officers remuneration (continued)

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

Exit package cost band (including special payments) £	Number of compulsory redundancies		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24 £000	2024/25 £000
0 - 20,000	-	-	8	2	8	2	32	3
Total	0	0	8	2	8	2	32	3

Notes to the financial statements

30 Grant income

The Council credited the following grants, contributions and donations to the comprehensive income and expenditure statement:

2023/24 £000	Note	2024/25 £000
Credited to taxation and non specific grant income		
Grants:		
1,279	Non-ringfenced Government grants 11	1,479
3,257	Capital grants and contributions 11	3,259
4,536		4,738
Credited to cost of services		
Grants:		
188	Housing Revenue Account	325
13,968	Housing Committee	14,043
148	Community Services Committee	62
1	Environmental & Sustainability Committee	5
3	Regulatory Committee	0
3,771	Planning Committee	5,511
641	Corporate Management Committee	1,157
18,720		21,103
Contributions:		
8	Housing Revenue Account	0
71	Housing Committee	192
877	Community Services Committee	772
136	Environmental & Sustainability Committee	157
202	Planning Committee	204
0	Corporate Management Committee	344
1,294		1,669
Donations:		
29	Community Services Committee	29
0	Corporate Management Committee	0
29		29
24,579		27,539

31 Related parties

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

Central Government

Central government has effective control over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, provides significant funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties. Grants received from government departments are set out in the subjective analysis in the note on reporting for resources allocation decisions.

Members of Runnymede Borough Council

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in the year is shown in note 27. Each year the Corporate Head of Resources invites members to declare any such interests including related parties. Details of Members' interests, both pecuniary and non-financial are recorded in the Register of Members' Interest, which is open to public inspection at the Runnymede Civic Centre in Addlestone. During 2023/24 and 2024/25 there were **no** reported material transactions with related parties advised by Members.

Directors and senior officers

Staff are required to disclose any pecuniary and non-financial interests with related parties in accordance with a Code of Conduct. In addition, on an annual basis chief and other senior staff are required to make a declaration of any such interests including related parties. In respect of the years 2023/24 and 2024/25 there were no reported material transactions with related parties advised by directors and senior officers.

Pension Fund

Details of transaction with the Surrey Pension Fund are set out in Note 33.

Entities controlled or significantly influenced by the Council:

RBC Investments (Surrey) Limited – (RBCI)

The Council owns 100% of the shares in RBCI which was formed in January 2015. The purpose of the company is to hold investments in residential property around the borough and act as the holding company of RBC Services (Addlestone One) Limited.

The Board of Directors of RBCI include the Council's Corporate Head of Assets & Regeneration (acting as Managing Director), the Senior Accountant (Technical & Commercial) (acting as Finance Director) and one Councillor acting as Non Executive Director and Chair of the Board.

During the period the Council made no further amounts were loaned to the company and the total borrowings under various Loan Agreements remained at £41.91m (£41.91m 31 March 2024). Of this sum £3.745m (£3.745m 31 March 2024) relates to Working Capital loans at rates of 7.36 - 7.54% with the remainder being for Development Loans at 4.22 - 5.04%.

RBCI is also party to a 20 year lease agreement with the Council with a twelve month rolling break clause under which an annual rent of £51,300 is due.

31 Related parties (Cont'd)

Entities controlled or significantly influenced by the Council:

RBC Services (Addlestone One) Limited – (RBCS)

The Council owns 1% of the shares in the company with the remaining 99% owned by RBC Investments (Surrey) Limited. The purpose of the company is to manage the service provision at the Addlestone One and Magna Square developments plus other commercial sites.

The Board of Directors of RBCS include the Council's Corporate Head of Assets & Regeneration (acting as Managing Director), the Senior Accountant (Technical & Commercial) (acting as Finance Director) and one Councillor acting as Non Executive Director and Chair of the Board.

RBCS is party to two twenty-five year leases with the Council with no break clauses. The entirety of the rent payable under these leases is £225,814. The annual rent payable is £11,885.

RBC Heat Company Limited – (RBCH)

Runnymede Borough Council has influence over it via its shares in RBC Investments (Surrey) Limited and RBC Services (Addlestone One) Limited. RBCH's only transactions with the Council relate to the provision of heat and hot water to the Civic Centre and to the remaining unsold properties in the Addlesone One development. Heat and hot water is supplied to all the residential properties within the Magna Square and Addlestone One developments and certain commercial properties in the area that wish to take it.

The Board of Directors of RBCH include the Council's Corporate Head of Assets & Regeneration (acting as Managing Director), Senior Accountant (Technical & Commercial) (acting as Finance Director) and one Councillor acting as Non Executive Director and Chair of the Board.

Applied Resilience

Applied Resilience is a Public Service Mutual company set up in 2015/16 to provide risk and resilience services. The Council invested £10,000 in the company at launch equating to a 10% holding. The Council currently has a three year agreement with the company to 31 August 2026 for the provision of emergency planning and resilience services at a cost of £64,000 in the first year, £65,920 in the second year and £68,000 in the third year.

32 Leases

Change in Accounting Policies for Leases – Council as Lessee

In 2024/25, the Council has changed its accounting policies to align with those in IFRS 16 *Leases* as adopted by the Code of Accounting Practice.

In previous years, property, plant and equipment was only brought onto the Balance Sheet as an asset where the Council secured substantially all the risks and rewards incidental to ownership of the leased item. For all other leases, no assets were recognised and rents were charged as expenses when they became payable.

From 1 April 2024, an asset representing the right to use the item over the lease term will be recognised for all leases (except for those that are for low value items or whose term is less than one year as set out in our accounting policies). Liabilities are also recognised in the Balance Sheet for the obligations that the Council has to pay rents for the rights acquired, discounted to their present value.

The transitional provisions of the Code are for the following amounts to be brought onto the Balance Sheet by adjusting the opening balances at 1 April 2024:

- a) liabilities for leases previously accounted for as operating leases, calculated as the present value of the remaining lease payments fixed at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- b) right-of-use assets for the leased items, measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the Balance Sheet on 31 March 2024.

The adjustments to the opening balances were as follows:

	Property Plant & Equipment £000	Investment Property £000	Non-current creditors £000	Current creditors £000
Balance at 31 March 2024	0	0	0	0
Assets/Liabilities newly recognised on transition	142	0	64	78
Opening Balance at 1 April 2024	142	0	64	78

In calculating the liabilities, the weighted average of the incremental borrowing rate used in discounting the future payments was 5.4%.

The newly recognised liabilities of £142,000 are less than the operating lease commitments of £890,000 at 31 March 2024 disclosed in the 2023/24 statement of accounts because £739,000 of the commitments have been excluded from the calculation of liabilities as relating to short-term leases, one of them was sublet to a third party for the remaining lease term. They have not met the IFRS 16 criteria to recognise them as right of use assets and the remaining commitments have been reduced by £8,548 as a result of discounting them to present value.

In making the transitional adjustments, the Council has applied the following practical expedients in the Code:

- a) single discount rates have been applied to portfolios of leases with reasonably similar characteristics
- b) reliance was placed on assessments made in previous years as to whether leases were onerous at 31 March 2024
- c) leases due to expire before 1 April 2025 have been treated as short-term leases, irrespective of their overall term.

Notes to the financial statements

32 Leases

Right-of-use assets

As 2024/25 is the first year of new lease accounting arrangements, reliable comparative figures for 2023/24 are not available. This table shows the change in the carrying amount of right-of-use assets held under leases by the Council:

	Land and Buildings	Vehicles, Plant and Equipment	Total
	£000	£000	£000
Balance at 1 April 2024	49	93	142
Depreciation charge	0	(31)	(31)
Balance at 31 March 2025	49	62	111

Lease transactions under leases

The following expenses and cash flows in relation to leases were incurred:

	2024/25 £000
Comprehensive Income and Expenditure Statement	
Interest expense on lease liabilities	5
Expense relating to short-term leases	43
Expense relating to leases of low-value items (excluding short-term leases)	28
Variable lease payments not included in the measurement of lease liabilities	
Income from subletting right-of-use assets	(26)
Cash Flow Statement	
Total cash outflow for leases	50

Notes to the financial statements

32 Leases

Maturity analysis of lease liabilities

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

At 31 March 2024 £000	At 31 March 2025 £000
268	84,315
459	33,361
163	0
890	117,676

Finance leases - Runnymede as lessor

Runnymede has one finance leases for which it acts as lessor. On the adoption of IFRS 16 as of 1 April 2024, the council holds a property under a peppercorn lease (5 years remaining as at 31 March 2025). The right-of-use asset has been measured based on the fair value of sub-lease yearly income. This is discounted using the Public Works Loan Board (PWLb) incremental borrowing rate as at 1 April 2024 of 4.92%. At inception this totalled £141,485.

This asset has been fully derecognised as of 1 April 2025 when IFRS 16 was implemented because the lease is currently being sublet to a third party for the full remaining life of the lease terms paid in advance, making it a finance lease. As at 31 March 2025 the minimum rental receivable from this lease are as follows:

2023/24 £000	2024/25 £000
0	26,500
0	88,485
0	114,985

Runnymede as lessor

The Council acts as lessor with regard to a whole range of assets, from commercial property to room leases to leases for access, all of which are leased to individuals and organisations. All these transactions are accounted for as operating leases. The minimum future rentals receivable from these leases are as follows:

2023/24 £000	2024/25 £000
27,602	25,148
114,698	109,894
116,188	118,027
258,488	253,069

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

33 Defined benefit pension scheme

Participation in pension schemes

Runnymede Borough Council offers a funded defined benefit pension scheme as part of the terms and conditions of employment of its staff. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement.

Runnymede participates in the Local Government Pension Scheme (LGPS) - a funded defined benefit scheme - administered by Surrey County Council. Management expenses for administration of the scheme amount to 0.4% of payroll. The scheme provides index-linked pensions and other retirement benefits for employees based upon their pay and length of service. Contributions to the pension fund are made from both Runnymede Borough Council and its employees. Runnymede's pension assets and liabilities are part of the Surrey Fund.

Valuations are prepared by the professionally qualified actuary appointed by the Surrey Pension fund. The Balance Sheet discloses the net asset or liability in relation to retirement benefits. The assessment process used to compile the figures takes account of the most recent actuarial valuation updated to reflect current conditions. Therefore the figures presented are based on the actuary's latest calculations. The assumptions used by the actuary are in accordance with the Code and are mutually compatible.

Further information on the Surrey Pension Fund can be found in the latest Surrey County Council Pension Fund Annual Report which is available from Surrey County Council, Surrey Pension Fund, 2nd Floor Dakota, 11 De Havilland Drive, Weybridge KT13 0YP

Runnymede local pension liability scheme

In 1990, Runnymede introduced a scheme whereby staff with 10 years satisfactory service qualified for a final-year salary enhancement of up to 10%. This scheme formed part of a comprehensive Member led initiative aimed to 'maintain the authority's competitive advantage in the employment market and to underline the policy of attracting and retaining able staff'. The scheme was modified in 2003 and again in 2007 to make it clear that it was discretionary rather than an entitlement and to ensure that the scheme was within the Council's powers. In February 2010, the Council resolved that the final-year salary enhancement scheme be abolished with effect from 1 April 2011.

In March 2011, Counsels advice commissioned by Runnymede and the Surrey Pension Fund concluded that the final-year salary enhancements were not pensionable payments under the rules governing the LGPS.

The Council decided to honour the pension commitments it made to pensioners in respect of final-year salary enhancements. The charges to the General Fund for pensions payable through the LGPS are limited to those cash sums determined by the fund actuary. There are no mitigating rules for pension payments made outside the statutory scheme. Therefore, the liability for pensions payable outside the LGPS are a direct charge to the General Fund.

Notes to the financial statements

33 Defined benefit pension scheme (continued)

Transactions relating to retirement benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, legislation requires that the charge on council tax and housing finances for pensions paid within the LGPS is based on the cash payable to the pension fund in the year, so the real cost of retirement benefits is reversed out of the General Fund through the movement in reserves statement. The following transactions have been made in the comprehensive income and expenditure statement and the General Fund balance through the movement in reserves statement:

Comprehensive income and expenditure statement			
2023/24		2024/2025	
£000		£000	£000
	<i>Service cost:</i>		
3,382	Current service cost	3,104	
0	Past service costs	0	
3,382	Total service cost		3,104
	<i>Finance and investment income and expenditure:</i>		
6,099	Interest cost on pension scheme liabilities	6,268	
(5,772)	Expected return on assets	(6,435)	
327	Net interest expense		(167)
3,709	Total post employment benefit charged to the surplus or deficit on the provision of services		2,937
	<i>Remeasurements of the Net defined liability comprising:</i>		
(8,188)	Return on plan assets	12	
	Actuarial gains and losses arising from changes in:		
(741)	- demographic assumptions	(230)	
(5,839)	- financial assumptions	(19,899)	
4,219	- Other experience	(1,315)	
0	Asset ceiling adjustment	27,882	
(10,549)			6,450
#REF!	Total post employment benefit charged to the comprehensive income and expenditure statement		9,387

Movement in reserves statement			
2023/24		2024/25	
£000		£000	
	Reversal of net charges made to the surplus or deficit for the provision of services for post employment benefits in accordance with the Code:		
(3,709)	- Reversal of post employment benefit charged to the surplus or deficit on the provision of services		(2,937)
3,452	- Actual amount charged against the General Fund for the year - employers' contributions payable to the scheme		3,315
(12)	- Amount charged to the General Fund for the pensions liability relating to Runnymede local scheme payable outside the LGPS		(51)
(269)			327

Notes to the financial statements

33 Defined benefit pension scheme (continued)

Assets and liabilities for post-employment benefits
(which includes both Surrey Pension Fund and Local Pension Liability)

Reconciliation of present value of the defined benefit obligation (scheme liabilities):

2023/24 £000		2024/25 £000
129,140	Opening balance at 1 April	131,382
3,382	Current service cost	3,104
6,099	Interest cost	6,268
1,042	Contributions by scheme participants	1,051
	Remeasurement (gains) and losses arising from:	
(741)	- changes in demographic assumptions	(230)
(5,839)	- changes in financial assumptions	(19,899)
4,219	- other	(1,315)
0	Past service costs	0
(5,920)	Benefits paid	(5,574)
0	Asset ceiling adjustment	27,882
131,382	Closing balance at 31 March	142,669

Reconciliation of fair value of the scheme assets:

2023/24 £000		2024/25 £000
122,222	Opening fair value of scheme assets	134,756
5,772	Interest income	6,435
8,188	Actuarial gains and (losses)	(12)
3,452	Contributions from employer	3,193
1,042	Contributions by scheme participants	1,051
(5,920)	Benefits paid	(5,452)
134,756	Closing fair value of scheme assets	139,971
(3,374)	Net (assets) / liabilities for post-employment benefits	2,698

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

2023/24 £000		2024/25 £000
131,382	Present value of the defined benefit obligation	142,669
134,756	Fair value of plan assets	139,971
(3,374)	Net (asset) / liability arising from defined benefit obligation	2,698

Notes to the financial statements

33 Defined benefit pension scheme (continued)

Summary of assets and liabilities in relation to retirement benefits

The underlying share of the overall assets and liabilities in the Surrey Pension Fund attributable to Runnymede Borough Council and also for the Runnymede local scheme are:

2023/2024 £000		2024/25 £000
	Estimated liabilities in the scheme	
130,753	Funded benefits under the scheme regulations	114,232
32	Unfunded discretionary benefits awarded	10
597	Unfunded final-year salary enhancement pensions - local scheme	545
131,382	Estimated actuarial value of fund liabilities	114,787
134,756	Estimated market value of scheme assets	139,971
0	Asset ceiling adjustment	(27,882)
<u>(3,374)</u>	Net pension (asset) / liability	<u>2,698</u>

The net pension position represents the underlying commitments that the Council has in the long-run to pay retirement benefits. This has a substantial impact on the net worth of the Council as recorded in the balance sheet. It must be recognised that this figure is based on a number of assumptions (set out in this note) and is a snapshot of the position at 31 March 2025. The statutory arrangements for funding pensions in the LGPS allow the deficit to be made good by increased contributions over the working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The total contributions in cash expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 is £3,162,000.

Calculation of the pension asset ceiling

Under International Accounting Standard 19 (IAS19) Employee Benefits, if the council's defined benefit obligation becomes an asset, then the amount that can be recognised in the accounts is restricted to the amount of the pension asset ceiling.

The pension asset ceiling is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. This recognises that any asset arising at the date of the balance will most likely lead to a refund to the employer, or reduced contributions for a period of time.

The accounts must recognise the lower of the pension asset ceiling or the net defined benefit asset. The pension asset ceiling is calculated by working out the difference between the net present value of employer's future service costs and the net present value of future employer's contributions. If the net present value of future service costs is less than the net present value of future contributions, then the asset ceiling is set at £0. Furthermore, under IAS19, the International Financial Reporting Interpretations Committee (IFRIC 14) requires an additional liability to be recognised where agreed past service contributions would give rise to a future surplus and not be available after they are paid (that is, available as a refund or reduction in future contributions).

The council's actuary, Hymans Robertson LLP, have carried out the necessary calculations to determine what this liability amounts to. The remaining represents the unfunded liabilities which are not included in the asset ceiling adjustment and any liabilities as a result of past contributions.

In order to reduce the overall pension asset to the value of the pension asset ceiling, it is necessary to reflect a charge against the accounts. This charge appears in the Comprehensive Income and Expenditure Statement and is included under Other Comprehensive Income and Expenditure in the actuarial (gains) or losses on pension assets and liabilities.

Notes to the financial statements

33 Defined benefit pension scheme (continued)

Scheme assets

The fair value of the Surrey Pension Fund assets attributable to Runnymede Borough Council in respect of the Local Government Pension Scheme by investment category at 31 March are:

31 March 2024			31 March 2025		
£000	%		£000	£000	%
		Equity investments (by industry type):			
1,776		Consumer	1,356		
2,150		Manufacturing	2,484		
0		Energy and utilities	0		
1,784		Financial institutions	1,835		
1,834		Health and care	1,708		
3,232		Information technology	2,981		
<u>0</u>		Other	<u>117</u>		
10,776	8.00			10,481	7.49
		Bonds (by sector):			
<u>0</u>		UK Government	<u>0</u>		
0	0.00			0	0.00
		Private equity:			
20,625	15.31	All (Quoted prices not in active markets)		0	0.00
		Property (by location):			
4,259		UK	7,785		
<u>2,359</u>		Global	<u>20,465</u>		
6,618	4.91			28,250	20.18
		Investment funds:			
75,090		Equities	77,208		
<u>19,639</u>		Bonds	<u>20,562</u>		
94,729	70.30			97,770	69.85
		Derivatives:			
<u>(77)</u>		Foreign exchange	<u>522</u>		
(77)	(0.06)			522	0.37
2,085	1.55	Cash and cash equivalents		2,948	2.11
<u>134,756</u>	<u>100</u>	Total fair value of scheme assets		<u>139,971</u>	<u>100</u>

The expected return on assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on the gross redemption yields at the balance sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Notes to the financial statements

33 Defined benefit pension scheme (continued)

Basis for estimating assets and liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc discounted to present values. The figures used in compiling the accounting entries for pensions were supplied by the Surrey Fund actuary, Hymans Robertson. The actuary has based the value of the Employer's liabilities as at 31 March 2025 on his latest formal valuation of the scheme at **£114.2m**. The principal assumptions used by the actuary are:

	31 March 2024	31 March 2025
--	------------------	------------------

Mortality assumptions:

Longevity at 65 for current pensioners

Men 22.1 years 22.1 years

Women 24.6 years 24.6 years

Longevity at 65 for future pensioners

Men 22.7 years 22.6 years

Women 26.0 years 25.9 years

Rate of increase in pensions 2.80% 2.80%

Rate of increase in salaries 3.80% 3.80%

Rate for discounting scheme liabilities (see below) 4.80% 5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on **reasonably** possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and woman. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out below:

Change in assumptions at year ended at 31 March 2025	Approximate increase to employer liability (%)		Approximate monetary amount £000	
	31 March 2024	31 March 2025	31 March 2024	31 March 2025
1% decrease in real discount rate	2%	2%	2,260	1,844
1 year increase in life expectancy	4%	4%	5,255	4,591
1% increase in the salary increase rate	0%	0%	88	75
1% increase in the pension increase rate	2%	2%	2,211	1,820

The principal demographic assumption is the longevity assumption (i.e. member life expectancy). For sensitivity purposes, it is estimated that a one year increase in life expectancy would approximately increase the Employer's Defined Benefit Obligation by around 3-5%. In practice the actual cost of a one year increase in life expectancy will depend on the structure of the revised assumption (i.e. if improvements to survival rates predominantly apply to younger or older ages).

Notes to the financial statements

34 Contingent assets and liabilities

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 in the control of the Council.

There were no Contingent Assets at 31 March 2025

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 in 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 reliably.

The following Contingent Liabilities existed at 31 March 2025:

The Council has two Planning issues that are yet to be resolved. One relates to an appeal against an Enforcement Notice, the other stems from an application for judicial review against a past planning decision. Neither case has been determined and therefore no provisions have been included in the Comprehensive Income and Expenditure Account. It is estimated that if both cases are successfully appealed against, the maximum total costs awarded against the Council would be in the region of £100,000.

35 Reconciliation of liabilities arising from financing activities

	1 April 2024 £'000	Financing Cash Flows £'000	31 March 2025 £'000
Long term Borrowing	616,928	(29,815)	587,113
Short Term Borrowing	11,100	(185)	10,915
Total liabilities from financing activities	628,028	(30,000)	598,028

Housing Revenue Account Income and Expenditure Statement

The Housing Revenue Account (HRA) income and expenditure statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the movement on the HRA statement.

2023/24 £000	Note	2024/25 £000
	Income	
18,466	Dwelling rents	19,853
145	Non-dwelling rents	159
757	Charges for services and facilities	935
<u>19,368</u>	Total income	<u>20,947</u>
	Expenditure	
2,943	Repairs and maintenance	2,952
5,252	Supervision and management	7,309
383	Rents, rates, taxes and other charges	412
2,454	Depreciation of non-current assets	2,609
4,983	Impairment of non-current assets	510
0	Revenue Expenditure Funded from Capital	36
<u>16,015</u>	Total expenditure	<u>13,828</u>
(3,353)	Net cost/(surplus) of HRA services as included in the whole authority comprehensive income and expenditure statement	(7,119)
383	HRA services share of corporate and democratic core costs	420
43	HRA share of other amounts included in the whole authority cost of services but not allocated to specific services	43
<u>(2,927)</u>	Net cost for HRA services	<u>(6,656)</u>
	HRA share of the operating income and expenditure included in the comprehensive income and expenditure statement:	
	Other operating expenditure:	
(360)	Net (gains) and losses on the disposal of non-current assets	(710)
	Financing and investment income and expenditure:	
1,517	Financing and investment expense	1,427
53	Net interest on the net defined pension liability	(29)
(7)	HRA Impairments and Credit Loss adjustments	225
<u>(1,724)</u>	(Surplus) or deficit on provision of HRA services	<u>(5,743)</u>

Movement on the Housing Revenue Account Statement

This Statement takes the surplus or deficit on the HRA income and expenditure account and reconciles it to the surplus or deficit for the year on the HRA balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2023/24		2024/25	
£000		£000	£000
(36,767)	HRA balance at the beginning of the year		(39,456)
(1,724)	(Surplus) or deficit for year on the HRA income and expenditure account	(5,743)	
(996)	Adjustments between accounting basis and funding basis under statute	<u>5,372</u>	
(2,720)	Net (increase) or decrease before transfers to or from reserves	(371)	
31	Transfer to/(from) Earmarked Reserves	<u>261</u>	
(2,689)	(Surplus) or deficit in the year on the HRA		(110)
<u>(39,456)</u>	HRA Balance carried forward at the end of the year		<u>(39,566)</u>

Note to the movement on the Housing Revenue Account statement

2023/24		2024/25	
£000		Note	£000
Items included in the HRA income and expenditure statement but excluded from the movement on the HRA statement:			
(4,983)	Impairment of non-current assets		(510)
(547)	Pension costs charged to the HRA in accordance with IAS 19		(537)
(53)	Net interest on the net defined pension liability		29
(2,402)	HRA Depreciation/amortisation		(2,549)
0	Revenue Expenditure Funded from Capital		(36)
359	Net (gains) and losses on the disposal of non-current assets		710
Items not included in the HRA income and expenditure statement but included in the movement on the HRA statement:			
536	HRA share of employer's contributions to the Surrey Pension Fund		571
5,202	Transfer to/(from) the Major Repairs Reserve		6,973
892	Capital expenditure funded from balances		721
(996)	Adjustments between accounting basis and funding basis under statute		<u>5,372</u>

Notes to the Housing Revenue Account

36 Housing assets

Stock valuation - balance sheet basis

The basis for the balance sheet valuation for the bulk of the Council's housing stock is Existing Use Value - Social Housing (EUV-SH) as defined by the Royal Institution of Chartered Surveyors Appraisal and Valuation Manual. The EUV-SH is broadly based on the vacant possession value of the properties, adjusted to reflect the occupation by a secure tenant. The adjustment factor is prescribed by the government and is currently set at 33% of the vacant possession value. The factor broadly represents the ratio of local authority rents and yields to private sector rents and yields for the south-east region.

The properties in the HRA are comprehensively revalued by the Council's valuer every five years in accordance with the government directions contained in *Guidance for valuers on stock valuation for resource accounting 2016*, published by the Department for Communities and Local Government. The last full valuation was undertaken in March 2024.

Valuations for HRA assets are:

	Council dwellings	Other land and buildings	Plant Vehicles & Equip	Surplus Assets	Assets Under Construction	Investment Properties	Total
	£000	£000	£001	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2024	320,493	134	11	610	0	6,660	327,908
Additions	7,915	0	85	0	351	0	8,351
Accumulated depreciation and Impairment written out on revaluation to GCA	(4,668)	0	0	0	0	0	(4,668)
Revaluation increases/(decreases) recognised in the Revaluation Reserve	13,506	0	0	0	0	0	13,506
recognised in the Surplus/Deficit on the Provision of Services	1,040	0	0	0	0	0	1,040
Disposals	(1,266)	0	0	0	0	0	(1,266)
Other movements	0	0	0	0	0	0	0
At 31 March 2025	337,020	134	96	610	351	6,660	344,871
Accumulated depreciation and impairment							
At 1 April 2024	1,453	0	3	0	0	0	1,456
Depreciation charge in the year	2,549	0	8	0	0	0	2,557
Impairments charge in the year		0	0	0	0	0	0
Accumulated depreciation written out on revaluation	(4,668)	0	0	0	0	0	(4,668)
Impairment Losses/(Reversals) recognised in the Revaluation Reserve	616	0	0	0	0	0	616
Impairment Losses/(Reversals) recognised in the Surplus/Deficit on the Provision of	70	0	0	0	0	0	70
Disposals	(11)	0	0	0	0	0	(11)
At 31 March 2025	9	0	11	0	0	0	20
Net book value							
At 31 March 2025	337,011	134	85	610	351	6,660	344,851
At 31 March 2024	319,040	134	8	610	0	6,660	326,452

37 Stock valuation - vacant possession value

The vacant possession value and the balance sheet value of dwellings within the HRA show the economic cost of providing council housing at less than open market rent. The vacant possession value as at 1 April 2024 has been estimated at £956.8m for dwellings and £12.7m for other housing assets including development land. As at 31 March 25, these had increased to £1,005m and £12.7m respectively.

Notes to the Housing Revenue Account

38 Stock numbers

The Council was responsible for managing the following dwellings during 2024/25:

	Mobile Home stock	DIYSO stock	Houses & bungalows	Flats & maisonettes	Total stock
Stock at 1 April	17	34	1,857	981	2,889
Sales of dwellings	0	(1)	(5)	(1)	(7)
Demolitions, new builds & adaptations	0	0	0	0	0
Purchased properties	0	0	1	0	1
Mobile Homes	0	0	0	0	0
Stock at 31 March	17	33	1,853	980	2,883

Previously mobile homes were not reported in these stock numbers but have now been allocated a beacon in Asset Manager.

39 Capital expenditure

The following table summarises total capital expenditure on land, houses and other property accounted for within the HRA during 2024/25, and the source of finance:

2023/24		Source of funding in 2024/25				
Total Expenditure		Capital receipts	Revenue contributions	Major Repairs Reserve	Grants & Contributions	Total Expenditure
£000		£000	£000	£000	£000	£000
6,104	Improvements to stock	0	0	6,973	616	7,589
2,985	Purchase of property	0	195	0	130	325
0	Construction of new dwellings	0	351	0	0	351
87	New IT Systems	0	45	0	0	45
0	Play area replacement	0	129	0	0	129
9,176	Total capital expenditure on HRA assets	0	720	6,973	746	8,310

40 Capital receipts from HRA property

The following table summarises total capital receipts arising from the disposal of land, houses and other property accounted for within the HRA:

2023/24		2024/25		
Total £000		Land £000	Dwellings £000	Total £000
1,060	Sale of council houses (right-to-buy)	0	1,622	1,622
451	Shared ownership sales and receipts	0	410	410
1,511	Total capital receipts from HRA disposals	0	2,032	2,032

Notes to the Housing Revenue Account

41 HRA Impairments and Credit Loss adjustments - Debt provisions & Write offs

Rent arrears on all HRA housing was £810,387 (3.74% as a proportion of gross rent income (including some small other charges collected with rents)) as at 31 March 2025. This compares to £565,335 (2.86%) as at 31 March 2024.

A provision of £633,296 has been made for HRA arrears estimated to be uncollectable as at 31 March 2025 (£408,693 as at 31 March 2024).

Collection Fund Statement

The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates (business rates).

2023/24		
Business Rates £000	Council Tax £000	Total £000

2024/25		
Business Rates £000	Council Tax £000	Total £000

Note

Income

-	77,185	77,185
50,509	-	50,509
2,122	17	2,139
52,632	77,202	129,834

Council tax receivable	-	82,716	82,716
Business rates receivable	57,192	-	57,192
Transitional protection payment	611	-	611

Total income

57,803	82,716	140,519
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Expenditure

Contributions towards the previous year's surplus / (deficit)

46	-	46
9	2,061	2,070
-	376	376
36	227	263
91	2,664	2,755

Central Government	(5,121)	-	(5,121)
Surrey County Council	(1,024)	321	(703)
Surrey Police Authority	-	59	59
Runnymede Borough Council	(4,097)	35	(4,062)
	(10,242)	415	(9,827)

Precepts demands and shares:

44

32,022	-	32,022
6,404	58,401	64,805
-	10,828	10,828
25,618	6,447	32,065
64,044	75,676	139,720

Central Government	32,789	-	32,789
Surrey County Council	6,558	62,423	68,981
Surrey Police Authority	-	11,485	11,485
Runnymede Borough Council	26,231	6,760	32,991
	65,578	80,668	146,246

Charges to the Collection Fund:

252	-	252
(2,439)	-	(2,439)
69	158	227
(75)	363	288
2,407	-	2,407
142	-	142
356	521	878

Disregarded amounts related to Designated Area Growth	294	-	294
Transitional protection payment	-	-	0
Uncollectable amounts written off (net of write-ons)	(3)	-	(3)
Change in provision for doubtful debts and appeals	(75)	431	356
Changes to provision for appeals of rateable value	1,720	-	1,720
Cost of collection allowance	137	-	137
	2,073	431	2,504

Total expenditure

64,491	78,861	143,353
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57,409	81,514	138,923
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Surplus / (Deficit) in the year

(11,860)	(1,659)	(13,519)
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394	1,202	1,596
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Collection Fund Balance

(3,585)	2,627	(958)
(11,860)	(1,659)	(13,519)
(15,445)	968	(14,477)

Balance at start of the year	(15,445)	968	(14,477)
Surplus / (Deficit) in the year	394	1,202	1,596
	(15,051)	2,170	(12,881)

Surplus / (Deficit) at end of the year

Collection Fund Statement

42 Council tax

Council tax income derives from charges raised according to the value of residential properties, which have been classified into 8 valuation bands. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Surrey County Council, the Surrey Police Authority and Runnymede Borough Council for the forthcoming year and dividing this by the Council tax base.

The Council tax base is calculated before the start of the year by estimating the number of dwellings in each valuation band (adjusted for dwellings where discounts apply) and converting this into an equivalent number of band "D" dwellings. The calculation of the council tax base for 2023/24 and 2024/25 together with the resulting Council tax for each band is set out below:

Council tax base and amounts charged for 2023/24 and 2024/25						
2023/24		Band	Range of property values	Proportion	2024/25	
Band D equivalent number	Council tax £				Band D equivalent number	Council tax £
709	1,447.05	A	Up to £40,000	6/9	717	1,515.08
737	1,688.22	B	£40,000 to £52,000	7/9	780	1,767.59
5,047	1,929.39	C	£52,001 to £68,000	8/9	5109	2,020.11
9,486	2,170.57	D	£68,001 to £88,000	1	9581	2,272.62
7,465	2,652.92	E	£88,001 to £120,000	11/9	7495	2,777.65
5,402	3,135.27	F	£120,001 to £160,000	13/9	5486	3,282.67
4,761	3,617.62	G	£160,001 to £320,000	15/9	4857	3,787.70
2,103	4,341.14	H	More than £320,000	18/9	2135	4,545.24
45			Other properties		42	
35,755		Council tax base			36,202	
890		Less Provision for Non Collection			706	
34,865		Tax Base			35,496	

43 Business Rates (National non-domestic rates)

Business rates is organised on a national basis. The latest rating list came into force on 1 April 2017. The Government specifies a rate poundage and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount. The rate poundage set for 2024/25 was 54.6p (2023/24 was 51.2p). Small businesses had a lower rate poundage of 49.9p in 2024/25 (49.9p in 2023/24).

The 2010 valuation list has a rateable value of £104.4m as at 31 March 2025 (£104.4m at 31 March 2024). The 2017 list has a valuation of £131.1m as at 31 March 2025 (£132.1m at 31 March 2024) and the 2023 list has a valuation of £141.2m as at 31 March 2025 (£148.6m at 31 March 2024).

Collection Fund Statement

44 Distribution of the Collection Fund Balance

The Collection Fund includes the actual net cash payments to the precepting authorities - Surrey County Council and Surrey Police Authority for council tax and Central Government and Surrey County Council for business rates - and the Demand transferred from the Collection Fund to the General Fund of Runnymede Borough Council. The income and expenditure account includes the share of council tax and business rates income accounted for on a full accruals basis.

In accordance with regulations, the balance on the Collection Fund has to be estimated in January each year with the resulting estimate being distributed between the relevant precepting authorities the following year in order to get the Collection Fund balance to zero. However, changes in yields and assumptions about collectability during the year will result in a surplus or deficit on the fund at the year-end. There are statutory arrangements that ensure that any surplus or deficit arising is distributed to or recovered from the billing authority (Runnymede) General Fund and from precepting authorities in succeeding financial years.

The estimated Surplus / (Deficit) on the collection fund is split as follows:

2023/24			2024/25	
Business Rates	Council Tax		Business Rates	Council Tax
£000	£000		£000	£000
(7,723)	-	Central Government	(7,526)	-
(1,544)	748	Surrey County Council	(1,505)	1,681
-	138	Surrey Police Authority	-	308
(6,178)	82	Runnymede Borough Council	(6,020)	181
<u>(15,445)</u>	<u>968</u>		<u>(15,051)</u>	<u>2,170</u>
	<u>(14,477)</u>	Surplus (Deficit) on the collection fund as at 31 March		<u>(12,881)</u>

45 Introduction

For a variety of legal, regulatory and other reasons, a local authority chooses (or is required) to conduct their activities not through a single legal entity but through two or more legal entities which fall under its ultimate control. For this reason the financial statements of the local authority do not necessarily, in themselves, present a full picture of its economic activities or financial position. Because of this, The Code of Practice requires a local authority to prepare group accounts if it has a control over one or more other legal entities. The aim of the group accounts is to give an overall picture of the extended services and economic activity that is under the control of the local authority.

Runnymede Borough Council (the reporting authority) has three subsidiary companies:

RBC Investments (Surrey) Limited – (RBCI)

The Council owns 100% of the shares in RBCI. The purpose of the company is to hold investments in residential property around the borough and act as the holding company of RBC Services (Addlestone One) Limited.

RBC Services (Addlestone One) Limited – (RBCS)

The Council owns 1% of the shares in the company with the remaining 99% owned by RBC Investments (Surrey) Limited. RBCS was set up to publicise and promote the Addlestone One development and to carry out its ongoing maintenance via a service charge and to undertake other commercial service charge and property management activity for Council owned property including Egham & Chertsey Business Parks and Egham Town Centre Car Park.

RBC Heat Company Limited – (RBCH)

RBC Heat Company is 100% owned by RBC Services (Addlestone One) Limited, and therefore Runnymede Borough Council has influence over it via its shares in RBC Investments (Surrey) Limited and RBC Services (Addlestone One) Limited. RBCH provides heat to all the residential properties within the Magna Square and Addlestone One developments and selected commercial properties that wish to take it.

The Council is required to prepare the key statements to the accounts together with the relevant notes where they are materially different to the reporting of its own accounts. The following statements have been prepared:

- Group Comprehensive Income and Expenditure Statement
- Group Movement in Reserves Statement
- Group Balance Sheet
- Group Cash Flow Statement

Basis of consolidation

The group accounts have been prepared by consolidating the accounts of the Council and its subsidiaries on a line by line basis. The accounts of the subsidiaries have been prepared using the same accounting policies and practices to that of the Council. However some accounting policies and practices do differ in some respects from the authority's due to legislative requirements. The accounts of the subsidiaries have been prepared in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice). The accounts have been prepared under FRS 102. Any material differences are highlighted within the accounts themselves.

Accounting Policies

There are no material differences between the accounting policies that have been adopted by the subsidiaries and those adopted by the Council as set out from page 29. Where there are minor differences the impact of applying a consistent policy would not lead to a material change in the group accounts.

Group comprehensive income and expenditure statement

This statement shows, on an accruals basis, all the day to day expenditure and income for the group analysed by reporting segment and how it was financed. The statement shows the accounting cost in accordance with generally accepted accounting practices, rather than the cost according to the statutory regulations that specify the net expenditure that councils need to take into account when setting the annual council tax charge. The required adjustments between the accounting basis and funding basis under regulations are shown in the group movement in reserves statement.

Year ended 31 March 2024				Year ended 31 March 2025		
Expend	Income	Net		Expend	Income	Net
£000	£000	£000		£000	£000	£000
Gross expenditure, gross income and net expenditure of continuing operations						
16,206	19,559	(3,353)	Housing Revenue Account	13,980	21,099	(7,119)
17,759	15,152	2,607	Housing Committee	16,536	15,290	1,246
7,768	3,896	3,872	Community Services Committee	8,117	4,015	4,102
10,815	2,854	7,961	Environmental & Sustainability Committee	9,574	3,124	6,450
273	134	139	Licensing & Regulatory Committees	278	134	144
3,337	5,313	(1,976)	Planning Committee	3,607	6,755	(3,148)
10,032	3,211	6,821	Corporate Management Committee	11,151	6,009	5,142
66,190	50,119	16,071	Cost Of Services	63,243	56,426	6,817
	535		Other operating expenditure			2,058
	182,730		Financing and investment income and expenditure			(21,739)
	(13,210)		Taxation and non-specific grant income			(14,445)
	186,126		(Surplus) or deficit on provision of services			(27,309)
	(340)		Tax expenses of subsidiaries			(123)
	185,786		Group (Surplus) or deficit on provision of services			(27,432)
			Items that will not be reclassified to the (surplus) or deficit on provision of services:			
	(4,558)		(Surplus) or deficit on revaluation of non-current assets			(18,285)
	43,517		Impairment losses on non-current assets charged to the Revaluation Reserve			11,433
	(10,549)		Remeasurement of the net defined benefit liability or (asset)			6,450
	28,410		Other comprehensive (income) and expenditure			(402)
	214,196		Total comprehensive (income) and expenditure			(27,834)

Group movement in reserves statement

This statement records the increases and decreases in the Group's reserves during the course of the year, including surpluses or deficits of expenditure and income and transfers between reserves.

	General Fund Reserves	HRA Reserves	Major Repairs reserve	Capital Receipts reserve (Note a)	Capital grants unapplied reserve	Unusable reserves	Total Council reserves	Authority's share of subsidiaries reserves	Total Group reserves
	£000		£000	£000	£000	£000	£000	£000	£000
Movement in Reserves during 2024/25									
Total comprehensive income and expenditure	20,388	5,742	0	0	0	402	26,532	1,302	27,834
Adjustments between Group Accounts and Council Accounts	(115)		0	0	0	4,386	4,271	(4,271)	0
Net (increase)/Decrease before Adjustments	20,273	5,742	0	0	0	4,788	30,803	(2,969)	27,834
Adjustments between accounting basis and funding basis under regulations	(12,993)	(5,527)	0	2,111	785	15,624	0	0	0
Increase (decrease) in the year	7,280	215	0	2,111	785	20,412	30,803	(2,969)	27,834
Balance at 31 March 2024	61,049	39,506	0	13,333	4,317	96,868	215,073	541	215,614
Increase (decrease) in the year	7,280	215	0	2,111	785	20,412	30,803	(2,969)	27,834
Balance at 31 March 2025	68,329	39,721	0	15,444	5,102	117,280	245,876	(2,428)	243,448
Movement in Reserves during 2023/24									
Total comprehensive income and expenditure	(184,628)	1,724	0	0	0	(28,410)	(211,314)	(2,895)	(214,209)
Adjustments between Group Accounts and Council Accounts	(208)		0	0	0	(2,463)	(2,671)	2,671	0
Net (increase)/Decrease before Adjustments	(184,836)	1,724	0	0	0	(30,873)	(213,985)	(224)	(214,209)
Adjustments between accounting basis and funding basis under regulations	196,686	996	(902)	433	(41)	(197,172)	0	0	0
Increase (decrease) in the year	11,850	2,720	(902)	433	(41)	(228,045)	(213,985)	(224)	(214,209)
Balance at 31 March 2023	49,199	36,783	902	12,900	4,358	324,913	429,055	765	429,820
Increase (decrease) in the year	11,850	2,723	(902)	433	(41)	(228,045)	(213,982)	(224)	(214,206)
Balance at 31 March 2024	61,049	39,506	0	13,333	4,317	96,868	215,073	541	215,614

Group balance sheet

The group balance sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Group.

31 March 2024 £000		31 March 2025 £000
409,067	Property, Plant and Equipment	410,392
390,965	Investment Property	388,778
757	Intangible Assets	708
10	Long-term Investments	10
624	Long-term Debtors	766
340	Deferred Tax Asset	123
<u>801,763</u>	Long term Assets	<u>800,777</u>
42,676	Short-term Investments	48,589
69	Inventories and Work in Progress	80
14,329	Short-term Debtors and Payments in Advance	11,550
10,058	Cash and Cash Equivalents	14,999
300	Assets held for Sale	0
<u>67,432</u>	Current Assets	<u>75,218</u>
0	Bank Overdraft	
(11,100)	Short term Borrowing	(10,915)
(28,073)	Short-term Creditors	(30,015)
0	Short-term Lease Liability	(31)
(851)	Provisions	(1,739)
(3)	Grants Received in Advance - Revenue	(3)
<u>(40,027)</u>	Current Liabilities	<u>(42,703)</u>
(616,928)	Long term Borrowing	(587,113)
3,374	Liability Related to Pensions	(2,698)
0	Long term lease liability	(33)
<u>(613,554)</u>	Long term Liabilities	<u>(589,844)</u>
<u><u>215,614</u></u>	Net Assets	<u><u>243,448</u></u>
118,746	Usable Reserves	126,168
96,868	Unusable Reserves	117,280
<u><u>215,614</u></u>	Total Reserves	<u><u>243,448</u></u>

Group cashflow statement

The cash flow statement shows the changes in cash and cash equivalents of the Group during the reporting period.

2023/24 £000		2024/25 £000 £000	
185,786	Group (Surplus) or deficit on provision of services		(27,432)
(208,379)	Adjustments to net surplus or deficit on the provision of services for non-cash movements		(21,839)
	Adjustments for items included in the net surplus on the provision of services that are investing and financing activities:		
3,871	Interest Received	3,561	
(15,472)	Interest Paid	(15,259)	
189	Dividends received	158	
340	Deferred Tax Liability	123	
20,784	Other	27,039	
<u>9,712</u>			<u>15,622</u>
(12,881)	Net cash flow from Operating Activities		(33,649)
	Investing activities		
16,913	Purchase of property, plant and equipment, investment property and intangible assets	14,126	
5	Purchase of short term and long term investments	6,000	
0	Other payments for investing activities	60	
(6,422)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(12,377)	
(19,028)	Proceeds from the sale of short term and long term investments	0	
(3,319)	Other receipts from investing activities	(3,405)	
<u>(11,851)</u>	Net cash flow from investing activities		4,404
	Financing activities		
(20)	Cash receipts of short and long term borrowing	(7)	
15,565	Repayments of short and long term borrowing	30,005	
13,112	Other payments for financing activities	(5,694)	
<u>28,657</u>	Net cash flow from financing activities		24,304
<u>3,925</u>	Net (increase) or decrease in cash and cash equivalents		<u>(4,941)</u>
(13,983)	Cash and cash equivalents at the beginning of the reporting period		<u>(10,058)</u>
<u>(10,058)</u>	Cash and cash equivalents at the end of the reporting period		<u>(14,999)</u>

Notes to the Group accounts

46 Short term debtors

31 March 2024 £000		31 March 2025 £000
6,723	Trade Receivables	6,594
7,551	Council Tax and Business Rates	4,622
841	Prepayments	717
<u>2,048</u>	Other receivable amounts	<u>2,042</u>
17,163	Gross debtors	13,975
	Analysis of bad debt provision	
(607)	Council tax and Business Rate payers (attributable to Runnymede only)	(587)
(1,788)	General debtors	(1,181)
(439)	Council tenants arrears	(657)
<u>14,329</u>	Total provision for impairment and expected credit losses on gross	<u>11,550</u>

47 Creditors and receipts in advance

31 March 2024 £000		31 March 2025 £000
14,568	Trade payables	11,140
4,379	Other payables	6,728
2,503	Council Tax and Business Rates	4,846
6,623	Receipts in advance	7,301
<u>28,073</u>	Gross creditors and receipts in advance	<u>30,015</u>

Notes:

The debtors and creditors included within the Group Accounts exclude any amounts owed within the Group

Trust funds

48 Cabrera Recreation Ground Trust

The Council are trustees of the Cabrera Recreation Ground Trust under a scheme of management made by the Secretary of State for Education and Science in March 1972. The trust lands are:

1.9 acres of open space land at Trumps Green, Virginia Water, being the remnant of land the rest of which has been sold to the Surrey County Council for educational purposes under the terms of a Compulsory Purchase Order.

51.74 acres of land either side of the River Bourne between Wellington Avenue and Virginia Water Station car park. The land is completely undeveloped and has a considerable interest because of its fauna and flora content.

The Trust also has powers to make payments to other recreational institutions in Virginia Water to be applied in or towards the achievement of the Trust's objectives.

The Committee of Management consists of three Virginia Water ward members and two officers of Runnymede Borough Council. This arrangement places the management of Trust land in the hands of local residents.

The Charity has holdings with the Charities Official Investment Fund (income shares) and M&G Charifund shares with the aim of providing an attractive yield, steadily growing income and capital appreciation.

This Trust has not been audited as part of the Statement of Accounts audit.

Revenue account			
2023/24			2024/25
Actual			Actual
£			£
7,221	Income from investments and contributions etc.		15,136
(8,273)	Expenses and works		(12,715)
(2,242)	Gain/(loss) in valuation of investments		5,150
<u>(3,294)</u>	Surplus (deficit) for year		<u>7,570</u>

Balance sheet as at 31 March			
As at			As at
31 Mar 2024			31 Mar 2025
£			£
125,390	Fund balance at 1 April		122,095
(3,294)	Add surplus (deficit) for Year		7,570
<u>122,096</u>	Fund balance at 31 March		<u>129,665</u>
Represented by:			
Investments at market valuation:			
120,513	Charities official investment fund - income shares		125,662
Net current assets:			
1,583	Cash at bank		4,003
<u>122,096</u>			<u>129,665</u>

Trust funds

49 Other trust funds held by the Council

The Council acts as sole custodian trustee for four other trust funds. In these cases the funds do not represent assets of the Council and they have not been included in the consolidated balance sheet

These Trusts have not been audited as part of the Statement of Accounts audit.

Information on these trust funds are set out below:

Registered Charity No.	Name of Trust	Balance as at 31 March 24 £	Receipts in year £	Payments in year £	Balance as at 31 March 25 £
305021	Runnymede Pleasure Ground Trust	395,844	213,077	317,255	291,665
304999	Sir Edward Stern Trust fund	2,036	102	0	2,138
289262	Victory Park Trust fund	25	0	0	25
257032	Egham War Memorial Upkeep fund	3,460	262	0	3,723
	Totals	401,365	213,441	317,255	297,551

Runnymede Pleasure Ground Trust

In August 1928 sixteen acres of land at Runnymede were given to Egham Urban District Council on trust "for the perpetual use thereof by the public for the purposes of exercise and recreation as an open space". Subsequently a caretaker's cottage, a refreshment chalet, a tea garden, a roadway, a parking area, a bathing pavilion and a residential property were built on the land. The fund's monies at 31 March were invested with Runnymede Borough Council.

Sir Edward Stern Trust fund

The Sir Edward Stern Trust fund relates to a legacy made by Sir Edward Stern of Fan Court, Chertsey to the Chertsey Urban District Council in 1954. Income from the investment is credited to the Chertsey Recreation Ground, for the purposes of maintenance of that recreation ground, in accordance with the provisions of the will.

Victory Park Trust fund

In 1985, a small part of Victory Park recreation ground was sold to Surrey County Council for £25 for the purpose of a road improvement scheme. This area of land was part of the area of Victory Park which the Council holds in charitable trust and, on the directions of the Charity Commissioners, the sale proceeds of £25 have been invested in trust for Victory Park and the income from the investment is applied towards the maintenance and improvement of Victory Park.

Egham War Memorial Upkeep fund

The Egham War Memorial Upkeep fund is a trust set up in 1923 for the upkeep in perpetuity of the War Memorial in Egham Churchyard and in 1985 was amended to include the upkeep of other war memorials in the area of the former Civil Parish of Egham. The trustees are the Council and the Vicar of Egham. Income from investments is accumulated in the fund and may be used for expenditure which falls within the terms of the trust. The fund's monies at 31 March 2025 were £3,723 invested with Runnymede Borough Council and £1,000 invested with the charities official investment fund (market valuation of £3,021).

Other land

The Council holds various pieces of land (often for recreational purposes) which have been donated by benefactors, often with conditions that the land is held in trust. So far as it can do so under the trust, the Council manages these land holdings as if they were Council owned property. No endowment was given with such land holdings and the Council bears any deficit on the running costs thereto.

Annual Governance Statement 2024/25

Scope of responsibility

Runnymede Borough Council ("the Council") has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which it works, having regard to a combination of economy, efficiency and effectiveness. This includes a responsibility to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.

In discharging this duty, the Council must put in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has formally adopted a code of corporate governance which is consistent with the seven principles of the CIPFA/SOLACE¹ framework *Delivering Good Governance in Local Government 2016* and the Annual Governance Statement (AGS) explains how the Council has complied with its code.

Production of the AGS also meets the requirements of Regulation 6 of the Accounts and Audit Regulations 2015 to review its system of internal control and to publicly report on the outcome of that review. In line with the CIPFA/SOLACE framework, the AGS should be "an open and honest self-assessment" which:

- describes key elements of the Council's governance arrangements, covering key corporate systems and the range of activities for which the Council is responsible
- describes processes applied in reviewing their effectiveness
- lists actions to deal with significant governance issues identified.

The purpose of the Governance Framework

The governance framework comprises:

- the systems, policies, processes, culture and values by which the Council is directed and controlled; and
- the Council's activities through which it accounts to, engages with and leads the community.

The framework 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 that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of Runnymede Borough Council's policies, aims and objectives;
- to evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to manage those risks efficiently, effectively and economically.

The governance framework outlined in this document has been in place at Runnymede Borough Council for the year ended 31 March 2025 and up to the date of approval of the Statement of Accounts for 2024/25.

Response to the external environment

While the governance framework sets out the internal processes that the Council follows in

¹ CIPFA Chartered Institute of Public Finance and Accountancy / SOLACE The Society of Local Government Chief Executives and Senior Managers

Annual Governance Statement 2024/25

order to deliver outcomes, it must also be responsive to the changing external environment. For example, the effects of the cost-of-living crisis, including significant increases in energy costs and food prices, saw the Council continuing to administer grant funds during 2024/25, such as the Household Support Fund, requiring robust policies, processes and governance arrangements to be in place to ensure support reached those in need.

The Council continued to put additional measures in place to respond to other external stimuli, such as increased cyber security threat, through development of its cyber security action plan, and continuing to assist those fleeing conflict, for example through the continuation of the Homes for Ukraine Scheme and its participation in the Local Authority Housing Fund to purchase properties to support both Ukrainian and Afghan refugees.

In recent years, all councils have been working in an environment where the sector is under increasing scrutiny in respect of concerns about financial resilience and financial risk. In December 2023, the Council received a [non-statutory Best Value Notice](#) (NS BVN) from Government due to concerns over its level of debt and the substantial revenue income stream from commercial income used to support the delivery of both core and discretionary services. The NS BVN was not renewed following the 12-month review date in December 2024. The AGS will demonstrate how the Council's programmatic response, alongside a range of self-assessment and external reviews, supported this positive outcome. This process has provided a significant base of evidence to show how the Council's governance processes were challenged and tested throughout the year, and action plans for improvement developed where appropriate.

Devolution and Local Government Reorganisation (LGR) have now come into sharp focus across the sector, with Surrey being invited to submit interim plans for reorganisation in January, followed by final submissions in May 2025. Lessons learnt from the successful approach to the NS BVN have been carried forward to this new programme of work.

Examples of the impact of external events on the Council's governance framework are included in the AGS and demonstrate a constantly evolving, responsive approach to risk, adapting and strengthening governance arrangements where appropriate.

Review of the Governance Framework

Key elements of the governance framework in place at Runnymede Borough Council are set out in the Code of Corporate Governance contained within the Council's constitution. This framework supports delivery of the seven CIPFA/SOLACE principles of delivering good governance. The annual review undertaken, and culminating in the production of the AGS, ensures its continuing effectiveness in supporting these important principles.

Significant changes or areas of improvement to the governance framework that will be actioned in the forthcoming year are set out in **Appendix A** to this statement alongside commentary on the delivery of the key improvements identified as part of last year's review.

Measures undertaken to review effectiveness and examples of improvements made to the system of governance during the past year are shown against each of the seven principles of delivering good governance in the tables set out in **Appendix B**.

The Council's organisation chart as at the end of the 2024/25 financial year is provided at **Appendix C** of the statement.

Conclusion

The review of effectiveness carried out as part of the production of the 2024/25 Annual Governance Statement supports the conclusion that there is a sound system of internal control and governance in place at Runnymede Borough Council. The Council adapts to external change, moderating its plans in line with emerging risks, and responds to recommendations of auditing bodies and other external regulators. Where weaknesses in controls are identified, the Council acts to strengthen those controls.

As part of this review, no significant weaknesses in the governance framework have been identified. However, some areas of improvement to further enhance the Council's governance

Annual Governance Statement 2024/25

arrangements are planned for 2025/26 and are appended to this statement.

Signed on behalf of Runnymede Borough Council by:

Councillor L Gillham

Councillor R King

Councillor S Ringham

Councillor D Whyte

Co-Leaders of the Council

Date: xx xxx 2025

Mr. A Pritchard

Chief Executive

Date: xx xxx 2025

Annual Governance Statement 2024/25 - Appendix A

Review of actions from 2023/24 Annual Governance Statement

Item	Issues raised in 2023/24	Action taken during 2024/25
1.	<p>Best Value Notice Programme – response to DHLUC</p> <p>The Chief Executive is the sponsor for the Best Value Notice Programme and a Programme Board has been set up that meets fortnightly in order to ensure progress is made on each of the workstreams in the Programme and any other interdependent activities. The final output from the Programme will be the production of a report to DHLUC to demonstrate how the Council has addressed the concerns raised in the Notice, which will need to be produced ahead of the 12-month anniversary of its receipt (December 2024). Outputs from key workstreams will be reported to Members throughout the year.</p> <p>The workstreams within the Programme flow from the statutory best value guidance and aim to review how the Council secures continuous improvement in the way in which it works, having regard to a combination of economy, efficiency and effectiveness.</p> <p>Key elements of the Programme include:</p> <ul style="list-style-type: none"> • Undertaking a self-assessment against Best Value guidance and developing a gap analysis and subsequent action plan • Review of the capital programme to provide a longer-term view of capital resource requirements • External review of the governance of the Council's subsidiary companies 	<p>Examples of the actions taken during the year under the Council's NS BVN programme are embedded throughout the 2024/25 Annual Governance Statement. These actions, and the governance framework that surrounded the Council's response to MHCLG (formerly DLUHC), were considered by MHCLG and found to be sufficient to provide assurance that the Council was delivering against its best value duty and was committed to addressing the concerns of government over its high level of borrowing and income from commercial property investment. This meant that the NS BVN was not renewed at the end of its 12-month review period and no other intervention was proposed, other than maintaining an on-going dialogue with MHCLG to ensure the Council continued its efforts to address these concerns and mitigate risk.</p> <p>The first engagement session following withdrawal of the NS BVN took place in April 2025, with officers updating officials on reductions in the Council's borrowing and Capital Financing Requirement (CFR) which had been achieved through using the proceeds from the sale of debt-backed assets to repay borrowing. The Council had additionally benefited from a significant discount available from the Public Works Loan Board (PWLb) due to current borrowing rates being much higher than for all of the Council's existing loans. Further reductions to the CFR were made by setting aside the discount (which flows through the Council's general fund over a period of 10 years) as additional Voluntary Revenue Provision for future debt repayment.</p> <p>The following actions relate to key elements of the Programme:</p> <ul style="list-style-type: none"> • A self-assessment against Best Value guidance was completed and a gap analysis and subsequent action plan were drawn up. A review is currently being undertaken to refresh the self-assessment. Actions are being tracked via the Council's corporate performance processes. • A detailed 30-year capital plan was developed to support production of the Capital Programme, including IT systems, CCTV equipment and asset maintenance. Condition surveys were undertaken for all operational buildings, which allowed for planned, reactive and cyclical maintenance budgets to be adjusted in line with requirements. Major capital spend however, still needs to be considered and planned into future capital budgets.

Annual Governance Statement 2024/25 - Appendix A

<ul style="list-style-type: none"> Review of the resilience of the Council's commercial portfolio Review the capacity and capability of the Council's Assets and Regeneration team Demonstrate implementation of the Cipfa report recommendations Undertake an assessment of organisational culture and leadership capacity Deliver an external governance review (LGA Corporate Peer Challenge) <p>Given the significant extent of the work to be undertaken under the Best Value Programme, this will form the focus of the governance improvement work to be undertaken during 2024/25.</p> <p>It should be noted that for some workstreams, the work undertaken will provide an assessment of the Council's position from which will flow a future action plan, depending on the results of the assessment. It is likely that some of these action plans will form a programme of work to be delivered beyond the production of the 12-month report to DHLUC, and into the year beyond.</p>	<p>Surveys of a sample of the Council's car parks were carried out with the remainder to be commissioned in the future.</p> <ul style="list-style-type: none"> An external review of the governance of the Council's subsidiary companies was completed. Officers have developed an action plan which is at commencement to address the recommendations within the report. The resilience of the Council's commercial portfolio is assessed on an on-going basis under the Council's Asset Management Strategy. A risk-based approach is taken to identify key strategic assets to focus on and the proposals have been reported to Corporate Management Committee. A number of lower value assets that no longer meet the needs of the Council have been targeted for disposal. An external report on the possible configuration of the Council's Assets and Regeneration team was commissioned and the results have been used to inform the future structure which will be presented to Members for consideration. Cipfa capital assurance report recommendations are being tracked through the Continuous Improvement Programme Board. External specialists supported an assessment of organisational culture and leadership capacity and an action plan to address the findings has been developed. The Council took part in a Corporate Peer Challenge in October 2024, achieving a positive outcome and a small set of recommendations which are being tracked through to completion. A follow up is to be held with the review team later in 2025/26.
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Progress during 2024/25 on the remaining actions identified to strengthen compliance with the Financial Management Code

Item	Areas for enhancement (medium-term actions)	Responsible Officer	Status
2.	<p>Integration of the Nolan Principles into a future version of the Staff Code of Conduct</p> <p><i>Carried forward to 2024/25 due to the change of staff at Corporate Head of Service level.</i></p>	Corporate Head of HR & OD	Completed

Annual Governance Statement 2024/25 - Appendix A

11.	<p>Include Chief Financial Officer's specific responsibilities for ensuring that the statutory accounts comply with the Code of Practice on Local Authority Accounting in the United Kingdom in the CFO's role description, personal objectives and other relevant performance management mechanisms.</p> <p><i>Carried forward to 2024/25 due to the change of staff at Corporate Head of Service level.</i></p>	Corporate Head of HR & OD	Completed
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Areas of improvement recommended following the annual governance review of 2024/25

Item	Issues raised in 2024/25 for action in 2025/26	Responsible Officer
1.	<p>Responding to Local Government Reorganisation</p> <p>The Chief Executive is the sponsor for the Continuous Improvement Programme and a Continuous Improvement Programme Board (CIPB) has been set up that reflects the successful approach to the NS BVN. In addition to seeing through the outputs from workstreams under the NS BVN, including the Corporate Peer Challenge, and monitoring key programmes such as Savings and efficiencies, Service Review and Digital Transformation, the Board will also monitor the Council's progress towards LGR, in accordance with the government's response to the submissions made in May 2025 from Surrey councils. Should LGR proceed in the currently expected timescales, then a vast amount of collaborative work will be required, which will span the period up to (and beyond) the vesting date of the new unitary authorities. Other forms of governance will likely supplement the work of the CIPB such as a joint Programme Management Office and will be superseded in time by the formation of a shadow authority. Nevertheless it will be important for the Council to maintain its own strong governance processes to ensure that it is managing its inputs into the process and understanding its preparedness and readiness for change. This will therefore be the most significant governance action for the Council during 2025/26, much as the NS BVN response was for 2024/25.</p>	Chief Executive
2.	<p>Implementing the requirements of the Code of Practice for the Governance of Internal Audit in the UK</p> <p>An action plan has been developed in collaboration with the Council's internal auditor to ensure the Council is meeting the requirements of the Code.</p>	Assistant Chief Executive (s151) and the Corporate Head of Law and Governance
3.	<p>Review of Cipfa's updated guidance on the annual governance review and production of the Annual Governance Statement</p> <p>Councils are expected to comply with the new guidance when completing the 2025/26 governance review and AGS.</p>	Assistant Chief Executive (s151)
4.	<p>Review the practicality of appointing co-opted independent members to the Standards and Audit Committee</p>	Assistant Chief Executive (s151) and the Corporate Head of Law and Governance

Annual Governance Statement 2024/25 - Appendix A

	This action would be in line with Cipfa's Position Statement : Audit Committees in Local Authorities and Police 2022 and is referenced in the Annual Report of the Standards and Audit Committee presented to Full Council in April 2025.	
5.	<p>Implementation of improvements recommended following the self-assessment of the effectiveness of the Standards and Audit Committee</p> <p>The Standards and Audit Committee undertook two self-assessment exercises in April 2025, identifying actions to be undertaken, and areas where improvement is required to how the Committee undertakes its work, which are to be progressed during 2025/26.</p>	Assistant Chief Executive (s151) and the Corporate Head of Law and Governance

Annual Governance Statement 2024/25 - Appendix B

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

- ✓ The Council has adopted a [Constitution](#) which sets out how the Council operates and how decisions are made. The Constitution details the roles and functions of its various Committees and of its key statutory officers; sets out rules of procedure, standing orders and financial regulations; and includes various codes of conduct, operating protocols and key policies. The Constitution also contains the Council's [Local Code of Corporate Governance](#). A rolling programme of review of the Constitution is undertaken by the Constitution Member Working Party who make recommendations to the Corporate Management Committee for onward consideration by the full Council. During the municipal year 2024/25, the Working Party considered the following matters:
 - The Staff Code of Conduct was presented for review following the addition of the [Seven Principles of Public Life](#) (commonly known as the Nolan Principles). This was an outstanding requirement within the 2023/24 Annual Governance Statement to strengthen compliance with Cipfa's Financial Management code
 - Review of Member Working Parties and the potential creation of Task and Finish Groups
 - Review of contract standing orders to bring them into alignment with the Procurement Act 2023 and national procurement policy
 - Review and provide comments on the proposed Planning Policy Advisory Group to support production of the Local Plan before consideration by the Planning Committee, Corporate Management Committee and Council.
 - Review of the Mayoral Protocol
 - Review of the Corporate Code of Governance for the 2025/26 municipal year

 - ✓ The Council undertook an assessment of its Organisational Culture as one of the workstreams under its response to receipt of a non-statutory Best Value Notice from the Department for Levelling Up, Housing and Communities (DLUHC) in December 2023. This work involved a staff survey, plus group and individual feedback on the senior leadership team (SLT) with follow up individual coaching sessions. Results will be used to inform how the Council improves the experience for its employees and how its leadership team works together to deliver outcomes for the Council. The survey results were published and socialised across the organisation in December 2024. A cohort of staff have been trained in appreciative enquiry and follow up workshops are planned for early in 2025/26. A draft action plan is currently being developed as a result of the work undertaken to date.

 - ✓ The year has seen a stronger focus on Human Resource matters, with the development of extensive communication methods (Team Talks, staff forum, E-news); clear staff resource implications set out in relevant Committee reports; early discussion of staff issues in service review and service redesign; appropriate consultation with the Council's recognised trade union on employment issues; and the launch of the [Belong@Runnymede](#) programme supporting equality, diversity, inclusion and wellbeing. A rolling work programme has been developed to ensure that all employment-related policies are updated on a regular basis and remain fit for purpose. The implementation of the new integrated HR & Payroll system has automated staff management practices, increasing capability and capacity for employees and line managers across the Council.

 - ✓ The Local Government Association facilitated three workshop sessions during the year to support good working relationships between the co-leaders of the Council and senior officers.

 - ✓ The [Standards and Audit Committee](#) continues to have oversight of governance issues including ethical standards and code of conduct. In the municipal year 2024/25, six complaints were accepted about Councillors and/or Co-opted Members, compared with five in 2023/24. Two were closed following initial consideration by the Monitoring Officer. In both cases the complainants failed to substantiate their claims and no breach was found. In one of these cases the Monitoring Officer invoked the procedure for dealing with unreasonable actions by complainants. Two cases were resolved informally.
- Two cases are still open, this includes one from the previous year which is at the draft

Annual Governance Statement 2024/25 - Appendix B

report stage and has been shared with the relevant parties and remains confidential. The other open complaint is being considered by the Deputy Monitoring Officer, in consultation with the Independent Person. There were no Hearings in 2024/25 concerning the Member Code of Conduct.

Two complaints were not accepted. In the first case, the Monitoring Officer determined, after careful consideration of the facts as presented, that the Code of Conduct was not engaged at the time of the alleged incident. In the other case, it was considered, in consultation with the Independent Person, that it did not merit further investigation and was rejected accordingly.

The Standards and Audit Committee is also the final arbiter in relation to officer grievance procedures. During the year, two grading review appeals were considered by the sub-Committee.

- ✓ The Council also has a [Customer Complaints Policy](#) which recognises the importance of providing an excellent service to every member of our community. A core part of this is an open, responsive approach to feedback and complaints, the central monitoring of which is a key governance role. Complaints (and compliments) are analysed quarterly and a report on these and any lessons learnt is considered by the Standards and Audit Committee.

During 2024/25, the Council reviewed its complaint policy and processes in line with the revised Local Government and Social Care Ombudsman's Complaint Handling Code. An automated system was designed and implemented to support the monitoring of responses to complainants and to capture service requests. In response to the Ombudsman's new Code, an annual self-assessment against the Code has been introduced and will be presented to the Standards and Audit Committee in May 2025, alongside consideration of a set of performance indicators.

- ✓ Members and Officers are required to disclose any [gifts or hospitality](#) received in the course of their duties, where the value exceeds £50. Members are required to declare any personal interest in items coming before Committees and as part of the governance regime all Members are required to declare if they hold any executive positions with organisations that carry out business with the Council. Related Party Transaction declarations were completed by Councillors for 2024/25 as part of the evidence base to support the production of the relevant note in the Statement of Accounts.
- ✓ Senior officers are required to complete an annual declaration acknowledging their responsibility in managing the service areas under their responsibility in accordance with the Council's procedures and practices that uphold the internal control and assurance framework. Where an officer is unable to confirm compliance with any part of the declaration, or requests further training on any element, the Corporate Head of Finance will propose an action plan to address the potential gaps. All declarations were completed as part of the preparation of the 2024/25 AGS.

Principle B – Ensuring openness and comprehensive stakeholder engagement

- ✓ The Council is committed to making information available to the public as part of its normal business activities. Details about how to [access and request](#) information under the Freedom of Information Act 2000, can be found on the Council's website along with the Council's FOI [Publication Scheme](#). The Council also publishes [information](#) in line with the Local Government Transparency Code 2015. The Council publishes its [Contracts Register](#) on a quarterly basis of all live contracts with a total contract value above £5,000.
- ✓ The Council's Annual Governance Statement is published online as part of its [Statement of Accounts](#). Information notifying local electors about their rights to access this information, and the periods in which they can raise issues with the Council's external auditors, is also published on the Council's website.
- ✓ All Council meetings are open to the public except where personal or confidential matters are to be discussed. All agendas are published on the Council's website and are available by contacting the Council should electronic access not be possible. A full

Annual Governance Statement 2024/25 - Appendix B

record of decisions taken is also published. The Council is currently reviewing its process for recording delegated decisions. Standing Order 42, which provides an approval route for urgent items which cannot wait until the next Committee or Council meeting, has only been used once during the year (January 2025), for the urgent approval of a community event which was due to take place before the next sitting of the Englefield Green Committee. Efforts have also been made to reduce the number of reports which are exempt from publication. Where only a small part of the report is considered to fall under the exemption rules, this is moved to an exempt appendix so that the majority of the report can be made public. Greater challenge is provided in the process, by requiring the report author to identify the reason behind any exemption request, which is then reviewed by the monitoring officer, thus supporting transparency of decision-making. The Council installed new audio equipment in its Council Chamber during April 2025, including equipment to record and stream Council meetings online. The system was tested in late April and used for the first time at the Council meeting on May 6th, when the final submission to government on LGR in Surrey was debated.

- ✓ The Council engages with local businesses via [Business Runnymede](#), a partnership between the business community, education providers, police and the Council. In February, a breakfast briefing was held which included consultation on the Council's budget proposals for 2025/26 alongside updates on the 2025 Runnymede Business Awards and the positive outcome achieved through the lifting of the non-statutory best value notice received in December 2023.
- ✓ As part of its budget preparation for 2025/26, the Council decided to cease publication of its magazine, Runnymede Talks, and use other methods to communicate with its residents, businesses and local communities. The Council also has a strong social media presence as well as providing information on its own website, using these and other channels of communication to explain the work of the authority and promote decisions made by Members. Residents and other stakeholders are encouraged to engage through meetings, consultations and other methods.
- ✓ Recently, the Council set up an online Local Government Re-organisation information hub to share information and updates with staff on this significant process. It also joined with other District and Boroughs to issue a survey to local residents and key stakeholders entitled "Have your say: the future of local services in Surrey" to inform its submission to Government about reorganisation in Surrey.
- ✓ The Council runs a residents' e-newsletter which is sent to 2,000 subscribers as well as producing other service specific newsletters such as for housing or climate change.
- ✓ Internal communications include monthly all-staff emails; weekly "Friday message" from a member of the Corporate Leadership Team; the staff intranet and a regular in person and on-line staff forum. The frequency of the staff forum has increase during the period due to engagement over the Organisational Development plans including the staff survey process and latterly due to sharing information about LGR and what this might mean for staff.
- ✓ In order to involve all staff in the generation of savings initiatives to help close the projected future budget gap, a staff ideas campaign was launched. This involved the delivery of workshop sessions across Council sites including its Depot and Day Centres, as well as on-line sessions, to encourage staff to submit their ideas. A digital form was created to make idea submission as simple as possible with the ability to submit anonymously if desired. A commitment was made to provide every submitter (except those who chose to remain anonymous) with feedback about their idea. An update on progress, and a full list of submitted ideas, has been made available on the staff intranet.
- ✓ Work continued during the year on the establishment of a Citizens' Panel which will support increased public engagement with the Council. Stage one of this work has been to design, and recruit residents to, a panel that is representative of the borough's demography, across several characteristics. With this process completed at the end of Q4 2024/25, it is intended that the pilot engagement events will comments in 2025/26.
- ✓ Four Community Action Groups are held in the wards that rank in the 3rd/4th decile on the indices of multiple deprivation. These meetings are an opportunity to discuss needs, concerns and aspirations within these communities, and to support dialogue between

Annual Governance Statement 2024/25 - Appendix B

statutory agencies, voluntary sector organisations and residents. Going forward, it is hoped that these groups will evolve alongside the Citizen's Panel pilot to create a platform for local engagement and empowering of communities.

- ✓ A Planning Policy and Strategy Consultation Database has been developed to ensure residents do not miss out on important consultations and updates relating to the review of the Runnymede 2030 Local Plan and production of other planning policy documents.
- ✓ A list of open [consultations and surveys](#) is published online. During 2024/25, this included a survey to collect resident's views on the use of the Neighbourhood CIL Fund (a proportion of the Community Infrastructure Levy that the Council collects, which is directed to local neighbourhood schemes).

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

- ✓ Reports to Members for decision-making are assessed for any financial, legal and staffing implications and for any impact on equality and diversity. The Council has also introduced a mandatory requirement to consider any environmental, sustainability and bio-diversity implications of any proposed actions alongside risk implications.
- ✓ The Council's Medium-Term Financial Strategy seeks to deliver a sustainable budget to enable the Council to continue to deliver services into the future. In addition to its usual financial monitoring reports, reports detailing the achievement of savings and efficiencies and the progress made with service reviews, were presented throughout the year to the Overview and Scrutiny Select Committee. Approximately £3.4m of savings have been removed from the medium-term financial forecast as part of the budget setting process for 2024/25 and 2025/26 via the successful delivery of budget challenge sessions with service managers; review of the Council's staffing budget to better align with its establishment list; and delivery of savings initiatives.
- ✓ The Council's Corporate Business Plan 2022- 2026 was approved at Full Council in October 2022. The plan contains 5 themes: Empowering Communities, Health and Well Being, Economic Development, Climate Change and Organisational Development. A golden thread flows from the Corporate Business Plan through to individual Service Area plans, ensuring that the work of services supports the strategic aims of the Council and is adequately planned and resourced. An action tracker has been developed internally to track progress against the plan, and this is used both as a tool for performance management and to assist in business planning for the year. Review of the Corporate Business Plan has commenced, with the aim of reporting a summarised plan to Corporate Management Committee and Full Council in late Summer/early Autumn 2025. Due to LGR, the new Plan will cover a revised set of actions for 2025/26 and a forward look to 2026/27 only, with some projects deferred for decision-making by the new Unitary authority once formed. This will ensure that the Plan is focussed on clear deliverables within the remaining life span of the existing organisation.
- ✓ Business planning processes and budget preparation have been more closely aligned in the year to support successful delivery of outcomes.
- ✓ The Council ran a 12-month pilot scheme promoting financial inclusion and tackling debt. The successful results of the pilot were reported to the Corporate Management Team in April 2025 and the continuation of the service was approved. The holistic approach to debt and the support provided to those struggling to pay, has not only increased collection rates but has helped to prevent the eviction of vulnerable tenants and lines of communication have been opened with some of the Council's most difficult to engage customers. The Council also supports successful outcomes through the provision of short-term financial assistance via distribution of funds such as the Household Support Fund, the Runnymede Support Fund and the Council Tax Hardship Fund. The Council also delivered a revised Council Tax Support Scheme for 2025/26 supporting those least able to pay their council tax.
- ✓ The Council has improved its reporting around property asset lettings and disposals, providing more detailed information as to the holding costs of assets if retained unlet, achievable rent levels and alternative options for disposal where appropriate. Detailed

Annual Governance Statement 2024/25 - Appendix B

information on the performance of the Council's investment property holdings is now provided on a quarterly basis to both the Corporate Management Committee and the Overview and Scrutiny Select Committee so that decision-making is based on knowledge and evidence and the outcomes are sustainable.

- ✓ Social Value is considered for procurement activity and included in evaluation criteria where appropriate. The Procurement Strategy adopted by Full Council in April 2023 includes policies for Social Value and Sustainable Procurement (including Carbon Reduction) and an update to the procurement policy in respect of Modern Slavery. Examples of social value secured through the procurement process in the past 12 months include:
 - Roofing: Commitment to reduce carbon emissions, 3 employment opportunities, 6 work experience placements, 1 apprentice per year, 8 volunteering days per year
 - Decoration: Commitment to reduce carbon emissions, 2 employment opportunities, 2 group work experience, 1 apprentice per year, 6 resident training days, 6 days per year for community volunteer support days
 - Temporary Staff (tender in progress): Employment Opportunities, workshops for practical skills such as CV writing and volunteering hours in schools and colleges.
- ✓ During 2024/25 the new Head of Procurement rolled out training and awareness sessions across the Council, proposed amendments to the Contract Standing Orders to align them with changes in the Procurement Act 2023 and has commenced roll out of a new Contract Management Framework. Current work includes exploring use of a social value open-source tool, which supports the calculation of the benefit of social value, to be embedded within the tender process.
- ✓ The Council has declared its intention that all its operations will be Carbon Net Zero by 2030 and has thereby committed to tackling climate change across every aspect of its service provision and estate. Significant work has been undertaken in this area during 2024/25 and progress against the detailed climate change and nature action plan was presented to Corporate Management Committee in April 2025. Progress has been made during the year in areas such as projects to install EV charging points at the civic centre, training staff to deliver further rounds of carbon literacy training to a wider cohort of employees, and preparing for the establish of two Runnymede Environment Champion Networks (one internal, one external to help drive delivery of climate change actions throughout our communities The climate change and sustainability e-newsletter continues to be sent out on a quarterly basis, with the most recent newsletter (March 2025) being the 6th edition provided to the distribution list. The Council's Housing Team, supported by the Council's Bid Writer, have successfully secured significant levels of government funding to support energy efficiency across its housing stock such as external wall insulation, cavity wall insulation and installation of solar panels.
- ✓ A revised timetable for the update of the Runnymede 2030 Local Plan was approved by the Planning Committee in October 2024. Review of the Runnymede 2030 Local Plan will strengthen policies relating to Climate Change set out in the adopted Local Plan, including creating a strong, well-considered network of green and blue corridors and spaces, supporting adaption and resilience to climate change, helping to halt the loss of, and improving biodiversity, and contributing to the health and wellbeing of our communities. In addition, as part of the production of the review of the Local Plan, a Sustainability/ Strategic Environment Appraisal (SA/SEA) will be produced at each stage in the process. The SA/SEA document will ensure that environmental/ economic and social issues are considered throughout the production of the plan.
- ✓ During 2024/25, the Planning Policy Team commenced updates on significant sections of the Local Plan evidence base.
- ✓ The Council supports fair access to its services with support from its Equalities Group which advises officers on the production of Equality Impact Assessments.

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

Annual Governance Statement 2024/25 - Appendix B

- ✓ The Council sets overall strategy and policy, and has in place a well-defined organisational structure, with clearly understood lines of responsibility and delegation of authority to help ensure that strategies and policies are effectively implemented and adhered to. The system of internal control is based on a framework contained within the [Constitution](#) which sets out how decisions are taken and the processes and controls required in managing risk. As noted under Principle A, the Constitution is reviewed each year following consultation with staff and Councillors via the Constitution Member Working Party, ensuring this important framework document is constantly evolving to support delivery of the Council's work
- ✓ As outlined under Principle B, the Council uses a number of methods of engagement with its stakeholders in order to determine when and how interventions are necessary.
- ✓ Key performance indicators continue to be monitored by Members alongside regular reporting on the progress of key projects. A development for 2025/26 is to ensure biannual reporting of progress against service area plans is made by all service areas to the relevant committee, as the approach is not currently consistent across all services.
- ✓ As noted under Principle C, a review of the Council's Corporate Business Plan has commenced to realign the plan with the current administration's priorities and to take account of the impact of LGR on the resources and work programme of the Council over the next two years.
- ✓ The Medium-Term Financial Strategy (MTFS) sets the context for the annual budget setting, ensuring resources are matched to priorities. Realistic estimates are drawn up, taking account of the whole life costing of capital projects, and ensuring a sustainable funding strategy is developed alongside other key strategies such as the Treasury Management Strategy, Minimum Revenue Provision Statement and the Capital and Investment Strategy. This provides a core framework to underpin the delivery of the Council's intended outcomes. During 2024/25, production of the MTFS was brought forward from December to October to better support the budget planning process. The MTFS was reviewed by the Local Government Association's Financial Sustainability Advisor during July 2024 with no significant improvements suggested.
- ✓ Greater alignment between the business planning and budget planning processes have provided efficiencies, with closer working between the Project Management Office, the Corporate Head of Finance and the Corporate Head of Human Resources and Organisation Development; supporting the delivery of savings and efficiencies, budget challenge workshops, establishment reviews and Member engagement.
- ✓ The Council's rolling programme of service reviews continued during the year with progress reported to the NS BVN Programme Board and more latterly to the Continuous Improvement Programme Board, in addition to reporting to the Overview and Scrutiny Select Committee.
- ✓ The Service Review, Communications and Transformation Member Working Party has been rebranded as the Digital Transformation Member Working Party and refocused on a programme of digital transformation, to ensure the Council has the right tools to deliver its intended outcomes at the same time as supporting residents and customers to engage effectively with Council services. Due to the essential role of Digital Services in the transition to a new unitary authority under LGR, the Digital Transformation Programme, which sits under the Service Review Board, will now also report directly into the Continuous Improvement Programme Board for enhanced oversight of the programme.
- ✓ The Council's risk management framework was further embedded during the year, with quarterly review of the Corporate Risk Register by the Corporate Leadership Team and biannual reporting to the Standards and Audit Committee, including detailed focus on specific risk areas such as Climate Change and Emergency Planning ([October 2024](#)) and compliance risk (May 2025). Additionally, a risk management framework briefing was delivered to officers at service area management team meetings during Q4 2024/25. The Council reviewed its Risk Appetite Statements in November 2024, creating a new risk category by splitting out risks relating to the holding of investment property, reflecting the high profile of this area of work and ensuring a focus on the mitigation of the specific risks relating to property investment. The monitoring of risk and the measures put in

Annual Governance Statement 2024/25 - Appendix B

place to mitigate risk is an important element of determining what further interventions may be necessary.

- ✓ 2024/25 saw the first year of internal audit services delivered by Southern Internal Audit Partnership (SIAP). SIAP take a risk-based approach to audit planning for the year, taking the Council's risk register and the prevailing local government landscape into account when pulling the plan together. The assurance reports themselves are also presented from a risk perspective in that the scope of the audit and its terms of reference are built around identification of the risk or risks that the review is designed to test. All management responses to the observations made in the reports are tracked with progress on implementation reported back to the Standards and Audit Committee, thus ensuring that all identified interventions are actioned.
- ✓ During the year, the Council has undertaken a vast range of both external and internal reviews, many prompted by the workstreams sitting under the NS BVN response programme. These reviews have been designed to test and challenge, and to support improvement and development of, the Council's governance processes in support of delivering improved outcomes for its residents, communities and staff. Each review or self-assessment has resulted in a set of actions to be taken forward. For several of these reviews the Council has also committed to follow up progress or to undertake similar reviews in the future, so that an on-going cycle of review and improvement is embedded into the organisation's culture. Examples of external review and self-assessments undertaken in the year include:
 - [Self-assessment](#) against the Government's revised best value guidance, action plan and re-assessment planned for July 2025
 - [Governance Review of Council companies May 2024](#)
 - External check and challenge on capacity review of Assets and Regeneration resources December 2024
 - [Local Government Corporate Peer Challenge October 2024](#)
 - Introduction of a self-assessment exercise by the Standards and Audit Committee and an [Annual Report](#) on the work of the Committee to Full Council in April 2025 in line with Cipfa best practice,
- ✓ Throughout 2024/25, the Council continued its engagement with the Ministry of Housing, Communities and Local Government (MHCLG) which had commenced during the sector engagement on the (then) proposed capital risk metrics to be included in the Levelling up and Regeneration Act 2023 and resulted in the Council's receipt of a non-statutory [Best Value Notice](#). The notice acknowledged the steps the Council had already taken to address the recommendations identified in the CIPFA capital review of July 2023 but requested continued engagement to provide assurance of improvement and full delivery of those recommendations. The Council formed a robust governance programme to respond to the Notice and deliver the necessary interventions to ensure a positive outcome, which resulted in [the lifting of the Notice in December 2024](#). Engagement with MHCLG continues on a quarterly basis to provide assurance that the Council is continuing to implement the recommendations of the review and that it is managing its debt position and delivering on its best value duties. This successful programmatic approach has formed the basis of the new Continuous Improvement Programme Board, which will now focus on delivery of those recommendations, oversight of the Savings and Efficiencies and Services Review Programmes, and preparation for LGR.

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

- ✓ As noted under Principle D, the Council carries out service reviews to ensure it has the capacity to deliver outcomes. This programme has continued throughout 2024/25.
- ✓ The Medium-Term Financial Strategy is aligned with the Corporate Business Plan so that appropriate levels of resources (financial and staffing) are allocated to programmes of work.

Annual Governance Statement 2024/25 - Appendix B

- ✓ The Council participates in a number of partnership arrangements which enable it to address capacity and resilience. These include:
 - In 2015/16 the Council set up an employee-led mutual with Spelthorne Borough Council called Applied Resilience. This has increased both Councils' capacity to respond to civil emergencies including severe weather events such as storms, flooding or heatwaves, and to address business continuity. This arrangement continued in 2024/25 with a new contract being awarded to Applied Resilience in September 2023 for a 3-year period.
 - Community Services provides a range of services in partnership with Surrey Heath Borough Council.
 - Safer Runnymede provides a CCTV service for a number of other organisations including neighbouring councils, Thorpe Park and various NHS establishments. The service has seen further expansion during 2024/25.
 - The Council also works with other partners such as the Surrey Environmental Partnership and the Heathrow Strategic Planning Group which highlight potential future capacity and resource requirements allowing the Council to properly plan for them.
 - During 2024/25, the Council worked with colleagues across all Surrey councils to draw together the data on which to base submissions to government for future reorganisation.
- ✓ 2024/25 saw the continuation of a number of Member working groups, providing access for all Members to be involved in developing policy, supported by a range of cross-departmental officer working groups. This has been particularly effective in progressing climate change activity which affects every service area within the Council. The working group provides a focus point to ensure a shared understanding of the aims and priorities of the climate change programme and how each department can contribute, bringing together the right people to ensure progress is made.
- ✓ The Organisational Development Strategy includes a Talent Management Strategy.
- ✓ Annual budgets are set aside for both corporate training and professional development. The Council commits to supporting the cost of membership of appropriate professional bodies for officers.
- ✓ The Council has a leadership and staff competency framework that sets out the behaviours expected by managers and staff in the delivery of their daily work and the aims of the Council. The framework forms part of the conversations held during continuous performance management meetings which consist of regular one-to-one sessions, a six-month review and an annual appraisal. An individual development plan is produced alongside the appraisal process. The process has been reviewed in year with an e-form being introduced for the 2024/25 year-end appraisals to help streamline the process and the recording of outcomes. Further changes are planned for 2025/26.
- ✓ Senior Leaders in the organisation have continued to participate in management development sessions throughout the year alongside specific training on key strategic topics such as carbon literacy training and refresher risk assessment. Mandatory completion of a suite of e-learning modules is required of all staff including topics such as safeguarding, cyber security, data protection, manual handling, harassment and bullying including sexual harassment and stress awareness. A variety of optional e-learning modules are also easily accessible.
- ✓ A Workforce Planning tool has been developed internally to support services to review their resources. The approach was endorsed through receipt of a "reasonable" assurance opinion following a review by internal audit. The process is currently being piloted before being rolled out across the Council.
- ✓ The Council has continued to support the take up of apprenticeships within the Council and participation in the [National Graduate Development Programme](#) which supports new entrants to the local government sector and adds capacity to the organisation. Two members of staff continued their participation in the District Council's Network (DCN) Staff Development Programme this year, which encourages future leaders in their

Annual Governance Statement 2024/25 - Appendix B

professional development and leadership potential. The Council also supported a successful application to the [Solace Springboard Leadership Programme](#) while other senior staff participated in the Local Government Executive Leadership Programme. Staff also took part in the 2025 DCN conference held nearby in Old Windsor. The apprenticeship scheme within the Council was refocused on encouraging existing employees to take up apprenticeships, supporting recruitment and retention, developing existing skillsets as well as encouraging staff to gain new skills in new areas.

- ✓ Secondment opportunities have been used across the Council, with examples in Communications, Housing, and Customer, Digital and Collection Services to provide greater opportunities for staff to try a new area of work or to step up into a more senior position.
- ✓ The Project Management Office has responsibility for embedding a project management approach across the organisation to support, monitor and report on the progress of projects within the Council's Project Portfolio. This includes the provision of a range of in-house training and support tools.
- ✓ The Council is supported by bodies such as the Local Government Association who can provide advice and support where required, to Members and officers. The Local Government Association facilitated three workshop sessions during the year to support good working relationships between the co-leaders of the Council and senior officers. The co-leaders developed a protocol for working together and for their engagement with officers which has supported clear lines of leadership.
- ✓ The Senior Leadership Team, comprising the Chief Executive, Assistant Chief Executives, Corporate Heads of Service and members of the Chief Executive's office, meet on a monthly basis to debate cross-service issues. The Corporate Leadership Team led by the Chief Executive and supported by the Monitoring officer and the two Assistant Chief Executives meets on a weekly basis. The officer structure in place at the end of 2024/25 is appended to this Statement.
- ✓ The non-statutory Best Value Notice programme included two key workstreams relating to organisational capacity and capability. One workstream was around the capacity and capability of the Assets and Regeneration team to support the essential work of managing the Council's large portfolio of both commercial and operational assets and the significant income stream flowing from its investment assets. This work is drawing to a conclusion following an external review and the proposals will be reported to Members in the coming months. The other workstream was to provide an assessment of organisational culture and leadership capacity across the Council. A key objective of this workstream was to develop an action plan to support a high performing, one team corporate culture across all council departments, that actively contributes to strong governance and delivery. Development of the action plan is nearing completion.
- ✓ The health and wellbeing of staff is of paramount importance to the Council, and it supports individuals in maintaining both their physical and mental health in a variety of ways including a focus in April on stress awareness with the provision of free taster meditation sessions, quiet rooms made available for staff use, lunchtime walks, mental health first aiders and much more. The Council is also committed to fostering a workplace where everyone feels valued, supported, and celebrated. Rooted in the Council's Organisational Development Strategy (2022–2026) and Employee Wellbeing Strategy, the [Belong@Runnymede](#) programme is designed to promote inclusion and belonging at work, celebrate diversity and improve employee wellbeing
- ✓ Member induction sessions are held for new Members after local elections and an extensive Member training programme has been devised for all Members during 2024/25 for the new municipal year with input from Members and via the Constitution Member Working Party. During the year, Members participated in a wide range of training sessions and new sessions were introduced to provide the opportunity for Members to be briefed on complex topics such as asset disposals or the process behind carbon credits, for example.

Principle F– Managing risks and performance through robust internal control and strong public financial management.

Annual Governance Statement 2024/25 - Appendix B

- ✓ The Council's system of internal financial control is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability. Managers within the Council undertake development and maintenance of the system. The system includes:
 - Comprehensive budgeting systems
 - Clearly defined capital expenditure guidelines
 - Named budget managers who hold devolved responsibility for delivering services within their approved budget
 - Setting and monitoring of key performance indicators
 - Regular financial monitoring reports comparing financial performance against forecasts
 - Project management and procurement training and templates
 - Financial regulations and contract standing orders as set out in the [Constitution](#)
- ✓ The Council undertook a detailed self-assessment against CIPFA's new Financial Management Code and reported its findings to the [Standards and Audit Committee](#) in January 2022. While the self-assessment demonstrated compliance with the Code, a number of improvements or enhancements were recommended for implementation over the short to medium term. The remaining two actions were completed during 2024/25 as planned. The first of these was to include the Chief Financial Officer's specific responsibilities for ensuring that the statutory accounts comply with the Code of Practice on Local Authority Accounting in the United Kingdom in the CFO's role description, personal objectives and other relevant performance management mechanisms. The second was to integrate the Nolan principles into the staff Code of Conduct.
- ✓ The Standards and Audit Committee undertook a self-assessment of its effectiveness and presented its first annual report to Full Council, including confirmation that the Committee was delivering against the core functions set out in Cipfa's best practice guide.
- ✓ The Standards and Audit Committee monitors the implementation of recommendations made by the internal audit service, ensuring that management action is taken to address any identified weaknesses or potential improvements to the system of internal control. The Assistant Chief Executive (s151 Officer) raises internal audit matters on a regular basis at SLT meetings, encouraging engagement with the audit team and timely response to the implementation of recommendations. The Council joined the Southern Internal Audit Partnership to deliver the Council's internal audit service from April 2024. The internal auditor has engaged with Members and senior officers and considered the Council's risk register alongside the Partnership's in-depth knowledge of the sector, to provide a risk-based audit programme. The overall internal audit opinion provides "reasonable" assurance over the controls in place at the Council. The monitoring of actions arising from the assurance reviews during the year, ensures that risks are adequately mitigated.
- ✓ The [Overview and Scrutiny Select Committee](#) may review decisions made or actions taken relating to the discharge of any of the Council's functions. In exceptional cases it may "call in" the decision of another Committee for further consideration before it is implemented. The Committee makes reports and recommendations to the Full Council or the appropriate Committee and presents [an annual report](#) on its work programme to the Full Council. The main aim of the Overview and Scrutiny Select Committee is to act as a "critical friend" to the Council to promote better services, policies and decisions. No Member may be involved in scrutinising a decision in which they have been directly involved. The Committee also plays a key role in the monitoring of the delivery of savings and efficiencies under the approved approach to achieving financial sustainability. For the year ahead, a workshop session has been arranged with the Committee ahead of the first formal meeting of the municipal year, to discuss the work programme for the year and any area of focus. Alongside this, both members of the Committee and senior

Annual Governance Statement 2024/25 - Appendix B

officers will be asked to submit potential areas for scrutiny so that a balanced and focused work programme can be devised, with clear understanding of the scope of the work.

- ✓ The Council also has [Planning](#), [Licensing](#) and [Regulatory](#) Committees which discharge the regulatory functions in respect of planning applications and enforcement, and the regulation of taxis, private hire vehicles and other licenses including liquor and public entertainment.
- ✓ As noted under Principle D, work continued in the year on embedding and maturing the Council's Risk Management Framework. The Standards and Audit Committee's work programme includes twice early reporting of risk matters while the Corporate Leadership Team review the Corporate Risk Register on a quarterly basis. Risk Appetite Statements were reviewed and amended in line with current views on the level of risk the Council is willing to accept under each risk category. Property risks were split into two areas (investment holding and compliance) to better reflect the two distinct types of risk pertinent to the Council. All Committee reports include a mandatory section on risk, which can then be linked back to the risk register. The Council's previous internal auditor carried out an assurance review of Risk Management in March 2024 which gained a "reasonable" assurance rating and made 1 Important, 3 Routine and 1 Operational recommendation while recognising the significant progress made during the year. All recommendations were implemented during 2024/25. The Council's s151 officer and the Head of Business Planning, Projects and Performance attended service area team meetings across the Council during the year, to increase the visibility of the risk management framework and the risk register and to facilitate wider discussions about risk management beyond the senior leadership team.
- ✓ The Council carried out a debrief event following Storm Henck, using an external facilitator, to capture learning from the Council's response to the event and provide a programme of actions for implementation in 2024/25. All actions have been implemented with the exception of two items related to embedding employee responsibilities into employment contracts and job descriptions which are both with HR for consideration.
- ✓ Business continuity plans are regularly updated.
- ✓ The Council's arrangements for Whistleblowing and its Anti-Fraud and Corruption Policy are currently being reviewed. The Council participates in the National Fraud Initiative and recently took part in a pathfinder project with central government, to review payments made under Covid business support schemes. The Council has a strong record of dealing with fraud and has achieved its highest savings to date during 2024/25, with £768,120 notional savings (calculated under Cabinet Office methodology) and £106,895 cashable savings delivered. A Member briefing session on risk and fraud awareness was delivered in April 2025.
- ✓ Procurement and contract management have been strengthened through the provision of training and awareness sessions. Contract standing orders have been reviewed in light of the Procurement Act 2023. The number of waivers approved in year has been reduced. A Member briefing session was held during 2024/25 and an annual report presented to Standards and Audit to increase Member awareness of this service area. All contract renewals are now being considered in the context of LGR.
- ✓ Cyber security remains high priority for the Council and the following work was undertaken during 2024/25 to mitigate risk.
 - Signed up to: Protective Domain Name Service (DNS), Early Warning and Domain check – National Cyber Security Centre (NCSC) government services
 - Implemented Sophos XDR - Threat detection on the desktop
 - Security Information and Event Management (SIEM) Upgrade to Cloud based system
 - 3 monthly data recovery tests
 - Tested warm standby Disaster Recovery site in Farnborough.
 - Passed Cyber Essentials Plus and Public Services Network (PSN) certification.

Annual Governance Statement 2024/25 - Appendix B

- Maintained Certified Information Systems Security Professional (CISSP) and Certified Cloud Security Professional (CCSP) certifications
- Storage Area Network (SAN) and Server farm upgraded and patched.
- ✓ The Council has a Continuous Performance Management system in place including regular one-to-one conversations and performance reviews, promoting the following benefits;
 - Greater individual and, as a result, Council success
 - The clarification of roles and responsibilities
 - The ability to adapt to change and align with Council priorities
 - Enabling succession planning through regular personal and career development discussions
 - The identification of training and development needs

As noted under Principle E, the process has been reviewed in year with an e-form being introduced for the 2024/25 year-end appraisals to help streamline the process and the recording of outcomes, with further changes planned for 2025/26. All job descriptions were updated during 2024/25 as part of a Council-wide pay and grading review which will support robust performance management though having an up-to-date description of roles and responsibilities against which performance is measured.

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

- ✓ In March 2024, the Standards and Audit Committee considered a [report](#) on their draft work programme for the year ahead and a number of proposed improvements to support the effectiveness of the Committee in carrying out its governance role. These improvements included the development of a process for the self-assessment of the Committee's effectiveness; the provision of an annual report on the work of the Committee to Full Council; and exploration of the potential to seek co-opted independent members to sit on the Committee. The first two of these actions have been completed. In addition, Full Council approved in [April 2024](#) that the Standards and Audit Committee would have responsibility for approval of the Annual Governance Statement and the Statement of Accounts, aligning these tasks with the Committee's other governance work.
- ✓ The Council has a standard template for committee reports designed to capture relevant information for the reader, stakeholder or decision-maker in a fair, balanced and understandable way. The template has been updated during the year to improve clarity and consistency and to encompass recommendations from committees on mandatory sections. Financial reporting on property transactions has been developed to include a greater level of detail to aid understanding of options when considering the sale or letting of assets. The number of decisions made via urgency procedures under Standing Order 42 has been reduced, aiding transparency.
- ✓ All public reports are available on the Council's website. Where reports are not able to be made public due to containing sensitive, personal or commercial information for example, this is made clear on the relevant agenda. Where exemptions from publication exist, consideration has been given to moving sensitive information to an exempt appendix so that the majority of the report can be made public.
- ✓ Members of the public have access to formal Committee and Council meetings and have rights to speak at public meetings as laid out in the Constitution. Live streaming of Council meetings has been introduced from May 2025.
- ✓ The Council regularly reports on its performance, through the monitoring of key performance indicators, project performance and financial monitoring reports, in addition to receiving reports from its internal and external auditors. For 2025/26 a consistent approach to the reporting of progress against service area plans will be introduced.

Annual Governance Statement 2024/25 - Appendix B

- ✓ The Council was late publishing its draft Statement of Accounts for 2023/24, but these are now available on the website for public inspection, and good progress is being made with the 2024/25 Accounts for publication by the end of June 2025. The severe delays experienced with public sector audit mean that the external audit of the Council's Accounts for the years 2019/20 to 2022/23 are not yet complete. The Council has made a formal complaint to its auditor for these years and has written to Public Sector Audit Appointments (PSAA), who monitor contract performance, and the Institute of Chartered Accountants in England and Wales, to express its concerns.
- ✓ New external auditors were appointed to Runnymede Borough Council by PSAA for the 5-year period from 2023/24. The new audit team are engaging with Members and officers and progressing their audit planning and Value for Money reporting for the 2024/25 financial year.
- ✓ Two sessions have been held between the Council's new internal auditor (SIAP) and the senior leadership team to consider the first year of operation, share feedback and discuss improvements to processes for 2025/26.
- ✓ In January 2025, SIAP reported to the Standards and Audit Committee on the [Implementation of Global Internal Audit Standards](#), setting out the [Standards](#) to be applied and a [Roadmap](#) to implementation by April 2025. The report also referenced consultation on the Code of Practice for the Governance of Internal Audit in the UK which closed in November 2024. The Head of Internal Audit met with the Council's s151 officer and Monitoring Officer to discuss the approach to changes introduced following the consultation and an action plan has been developed to be undertaken in collaboration between the Council and SIAP. The Council will need to declare its conformance with the Code in its 2025/26 Annual Governance Statement and each year thereafter.
- ✓ Updated guidance on the annual governance review and the preparation of the AGS was issued by Cipfa for consultation in January 2025. Councils will be expected to comply with the new guidance when they prepare their reviews for 2025/26. The draft guidance has been considered when preparing the AGS for 2024/25.
- ✓ The implementation of internal and external audit recommendations is monitored by the Standards and Audit Committee. Both the Head of Internal Audit and the External Auditor have unfettered access to the Committee and can meet in private with Members should the need arise. The Council's s151 officer reported on progress made against the recommendations of the Interim Annual Auditor's Report in January 2025.
- ✓ The Council supports both the CIPFA Statement on the Role of the Chief Financial Officer in Local Government and its Statement on the Role of the Head of Internal Audit.
- ✓ As part of the annual governance review, senior managers are asked to complete a declaration that acknowledges their role in upholding the internal control and assurance framework. This covers areas such as reviewing internal controls and implementing audit recommendations, deployment of resources, achievement of targets and production of service plans, risk management, familiarisation with Council procedures and decision-making. The declarations also provide an opportunity for Managers to request further guidance or training.
- ✓ The Council reports its partnership arrangements in its Statement of Accounts and ensures robust mechanisms are in place for monitoring the delivery of partnership work, thorough contractual arrangements and Service Level Agreements.
- ✓ The Council welcomes peer challenge, reviews and inspections from regulatory bodies which help it form action plans for continuous improvement. This has been ably demonstrated in its response to receipt of the NS BVN in December 2023, and how this response led to the notice not being renewed in December 2024. Examples of these external reviews are set out under Principle A, alongside examples of internal self-assessment exercises.

Annual Governance Statement 2024/25 - Appendix C

