

Royal Borough of Greenwich

Statement of Accounts

2024/25

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Introduction from Councillor Denise Hyland, Cabinet Member for Finance, Resources and Social Value, Royal Borough of Greenwich

This statement of accounts covers the financial year 1 April 2024 to 31 March 2025.

Over the past year we have continued to serve our residents in the face of ongoing economic uncertainty and rising service demands, balancing our budgets in the face of the cost of living and housing crises, coupled with the pressures caused by decades of underfunding from the previous government. Even in these difficult conditions we have stayed true to our mission: to protect and support the most vulnerable in our communities while building a stronger, fairer Greenwich for the future.

Despite financial uncertainty we are working to meet the rising demand for adult and children's social care, homelessness support and special educational needs provision, with our new special school in Kidbrooke set to open next year. Further to this we have delivered real outcomes - reducing our use of temporary accommodation hotels by 84%, cutting costs and providing better living conditions for those in need. In addition, launched our Wellbeing in Schools Hubs which helps children and families get the mental health support they need.

More than 5,000 people were supported through adult social care. Nearly 20,000 children entitled to free school meals received cash payments during the holidays. Care leavers were given direct support, and the borough also opened the Royal Hill Independent Living Service, the first of its kind in the country. In addition, 221 pensioners were helped to claim over £939,000 in previously unclaimed Pension Credit, boosting incomes for some of the borough's older residents.

We continue to invest heavily in our borough's future through our regeneration programme, including multi-million-pound improvements to Woolwich Town Centre and the construction of a landmark new leisure centre, Woolwich Waves.

This year alone, we have invested over £228 million in our housing programme, improving and decarbonising existing homes while also delivering much-needed new homes. This forms part of our long-term commitment to increasing the supply of high-quality council housing across Royal Greenwich.

We are also putting our money into fighting climate change through the launch of a £1 million Community Energy Fund for local organisations to get the funding they need for green projects. Back in September 2024, we launched the Greenwich Green Investment scheme raising over £500,000 to support similar council-led projects while offering 4% return to residents.

We have taken important steps to modernise how the council works. A new workforce strategy, transforming our financial systems, and stronger engagement with residents will help us deliver more effective services. Furthermore, our Greenwich Co-operative Commission has started to reshape how we think about community businesses, social care and energy.

These achievements reflect our values, ability to adapt to increasing challenges and our belief that local government can be a vital force for good. We govern with integrity, inclusion and ambition because we believe Royal Greenwich should be a place where everyone can live happily, regardless of background or circumstance. In the year ahead, we remain committed to protecting vital services, investing in our communities and improving the lives of our residents. If tough decisions need to be made, we will ensure our residents and local organisations are a part of the process, creating an equitable future for all.

Councillor Denise Hyland
Cabinet Member for Finance, Resources and Social Value, Royal Borough of Greenwich

Narrative Report

The Royal Borough of Greenwich is one of 33 London Boroughs. The borough is home to:

- a World Heritage site
- the O2 arena
- Greenwich Park
- the Cutty Sark
- the Royal Arsenal in Woolwich and
- the Prime Meridian

These are just a few of the world class attractions in the borough.

The Authority operated in 2024/25 with a Leader / Cabinet system with 55 councillors in total (23 wards); The political balance as at 31st March 2025 was 50 Labour, 4 Conservative and 1 Independent councillors. The previous Borough wide elections took place in May 2022.

Over the course of 2024/25, the authority was grouped into 7 distinct directorates:

- Children's Services
- Health and Adult Services
- Place and Growth (previously known as DRES)
- Housing and Safer Communities
- Communities, Environment and Central
- Resources (previously part of Finance & Legal Services)
- Legal & Democratic Services (previously part of Finance & Legal Services)

Council Services

The Royal Borough of Greenwich offers services to residents in the following areas:

- **Advice and Benefits** - Welfare Rights, Housing Benefit and debt, as well as what to do in an emergency
- **Business** - Business support services, doing business with the council, and information about licensing and trading standards
- **Community and Living** - births, deaths, marriages and citizenship, community safety and anti-social behaviour, community grant funding and family history research
- **Council and Democracy** – information on councillors, local matters, voting, council tax
- **Education and Learning** - schools and colleges, childcare arrangements, adult learning courses, and help with schooling costs
- **Environment and Planning** - recycling, street cleaning, noise and pollution, planning and conservation, building control and parks and open spaces
- **Health and Social Care** - adult care services, support for families and children and people with disabilities
- **Housing** - Exchanging a council home, access services for council tenants, assessing housing options and information for landlords and leaseholders
- **Jobs and careers** - council jobs and other opportunities through Greenwich Local Labour and Business (GLLaB)
- **Leisure and Culture** - local leisure facilities, libraries, entertainment and events, as well as tourist information
- **Transport and streets** - parking and transport information, as well as resources for cyclists and foot tunnel users

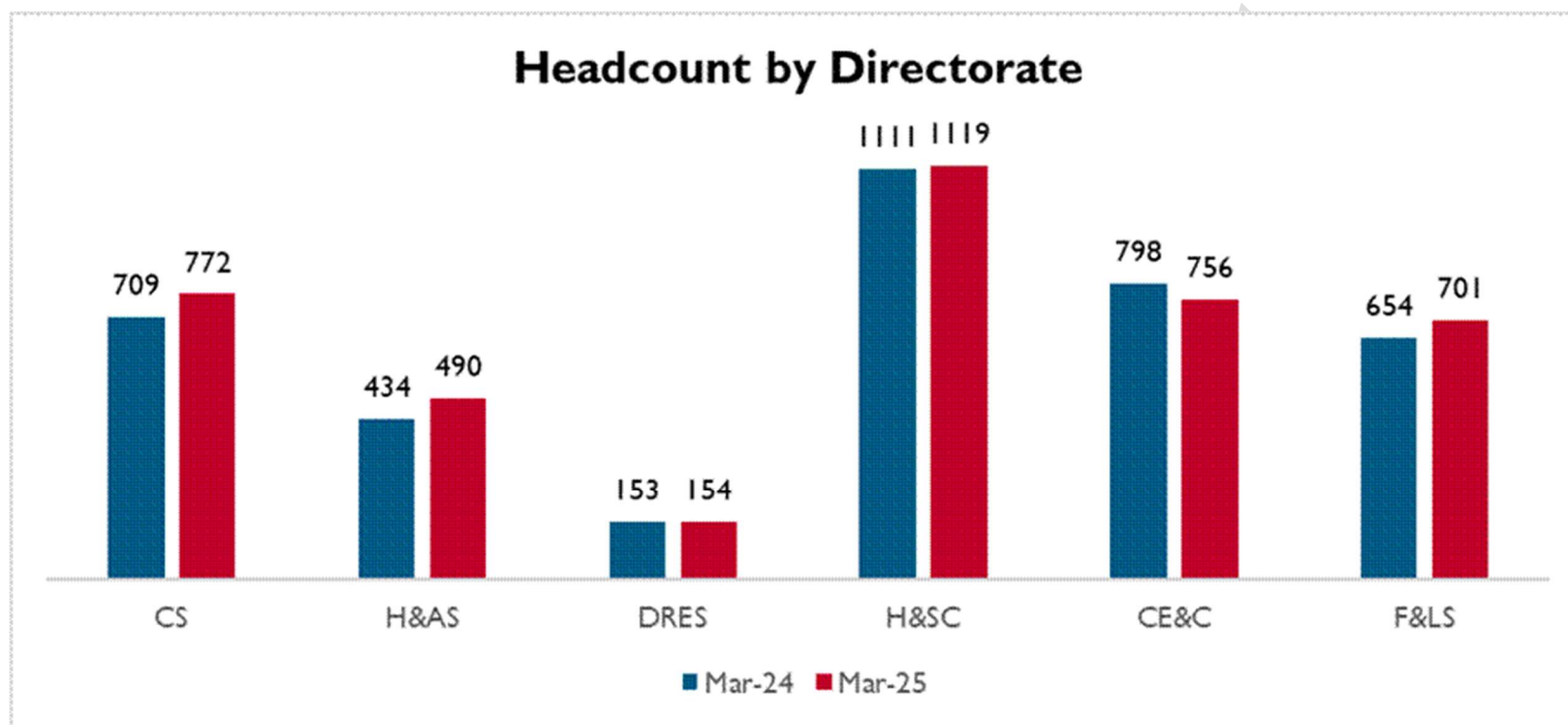
More information on the above services is available on our website www.royalgreenwich.gov.uk

Staffing

The Royal Borough of Greenwich employs 4,000 staff. The demographic composition of the workforce as at 31 March 2025 was:

- 57% female
- 38% black and global majority
- 6% with a disability
- an average age of 46.6
- an average of 11.1 years service

The number of staff working in each Directorate as at 31st March 2025 is illustrated in the chart below:



Future Challenges

The UK Economic Position impacts the delivery of the services throughout the council in multiple ways. The performance of the UK economy affect the Government funding received and the costs incurred to deliver council services.

On 26th February 2025 a MTFS report was presented to Council. The report set out the forecasted budget position for the Authority between 2025/2026 and 2028/29. The report showed a budget gap of £29.7m in 25/26, increasing to £121.8m in 28/29. The MTFS balances the financial implications of objectives and policies against constraints in resources and provides the basis for decision making.

The Council continues to face increases in demand for services, inflationary cost increases, and demographic cost pressures, particularly in Childrens' Social Care, Special Educational Needs and Disabilities (SEND), Adult Social Care and temporary accommodation.

Individual local authorities receive core grant allocations via the Local Government Finance Settlement. In recent years this has been provisionally released in December preceding the following financial year (final grant allocations confirmed in the February). 2025/26 was the seventh one-year settlement in a row. The absence of a long-term settlement hinders the ability of local authorities to plan effectively for the medium-term and drives us to make assumptions and judgements about future years. All such assumptions and judgements are underpinned where possible by third party reference sources, for example, the Office of Budget Responsibility (OBR), and the Bank of England (BOE).

In the Autumn Statement, on 30 October 2024, the government announced a commitment to reforming the approach to funding allocations within the Local Government Finance Settlement by redistributing funding to ensure that it reflects an up-to-date assessment of need and local revenues. This will start with a targeted approach to allocating additional funding in 2025/26, ahead of a broader redistribution of funding through a multi-year settlement from 2026/27.

Local Government has been awaiting funding reform since the original planned 2019/20 implementation and has been repeatedly deferred. Most recently this was deferred to 2025/26.

On the 11 June 2025, Chancellor of the Exchequer, Rachel Reeves MP, delivered her first multi-year Spending Review which set government departmental expenditure limits for the next three years (2026-27 to 2028-29). The results of the Spending Review set the government's departmental budget limits. Local government funding allocations will not be known until the provisional local government finance settlement is announced including brough level details are announced. This remains a significant risk to the Council.

Performance

In 2022, The Royal Borough of Greenwich launched "Our Greenwich", which is the corporate plan for the four years of the current administration. It focuses on the change we collectively want to see in our borough. It has been developed with residents, partners and staff. The plan continues to evolve through our yearly action planning process which once again reached out to all our stakeholders to ensure we are continuing to focus on

delivering the changes that are most important to Greenwich. The document is structured around five themes of People, Place, Economy, Community and Organisation leading to 20 missions:

- 1 People's health supports them in living their best life
- 2 People will not experience discrimination
- 3 Those in financial need can access the right support, advice and opportunities to improve their situation
- 4 Children and young people can reach their full potential
- 5 Everyone in Greenwich is safer, and feels safer
- 6 People in Greenwich have access to a safe and secure home that meets their needs
- 7 It is easier, safer and greener to move around the borough and the rest of London
- 8 Development delivers positive change to an area for existing and new communities
- 9 Neighbourhoods are vibrant, safe and attractive with community services that meet the needs of local residents
- 10 Greenwich plays an active role in tackling the climate crisis and improving environmental sustainability, in line with our commitment of being carbon neutral by 2030
- 11 Everyone has the opportunity to secure a good job
- 12 Town centres, high streets and shopping parades are vibrant, prosperous, well-maintained places that meet the needs of local people
- 13 Our economy attracts new high value businesses whilst strengthening its foundations
- 14 The voluntary, community and socially motivated sectors in Greenwich are strengthened and able to provide more support to the most in need
- 15 Our Council is better at listening to communities, and communities feel they are heard
- 16 We develop networks with communities, key partners and businesses to meet need and address challenges together
- 17 We design our services around the needs of our residents
- 18 Our Council is an adaptive organisation, enabling it to navigate the increasing number of challenges it faces while remaining financially sustainable
- 19 Our Council works in the most efficient and effective ways possible
- 20 Our Council is a great place to work, with a diverse workforce who have the right skills and are motivated and empowered to deliver

Over the last year we have:

People:

- In 2024, our Children's Social Care Services have been rated **Outstanding** by Ofsted
- We have invested over £1.5 million each year into supporting attendance and mental health and wellbeing of children and young people and their families through our new Wellbeing in Schools Hubs (WiSH). The WiSH service is now fully staffed and operational across 9 secondary schools in the borough and has the capacity to support 108 families.
- We have invested £1m into expanding specialist mental health support to expand the preventative and targeted support in Children's Centres, Schools and a joint Children's Services and CAMHS integrated team.
- We are on track to deliver a new all-through school for children with autism-spectrum disorder with complex needs providing an additional 240 specialist school places in the borough. We are anticipating the first phase (128 post-16 places) to be completed by January 2026.
- Extensively co-produced a Mental Health vision with residents that will guide how we improve lives in the borough.
- We continue to support over 5,000 people at any one time with our Adult Social Care provision. Focused on a prevent; reduce delay approaches to supporting people to live as independently as possible.
- Digital Health and Care Technology (DHACT) – extensive service design exercise coproduced with residents and providers went live in 2025. The service is focused on maximising independence for our residents and supporting the system aspirations on a home first approach to service delivery
- Developed a market for people to personalise and control their care through Individual Service Funds and Direct Payments and supported the set up of 11 new care and support community micro-enterprises.
- The Royal Hill Independent Living Service (RHILS) opened on 22nd July 2024. This is a first-of-its-kind independent living service for people with learning disabilities and autistic people opens in Greenwich will support residents, increasing empowerment, independence and peer support. The project has also been nominated for an LGC Future Places award.
- Published a new Health and Wellbeing Strategy for the Borough
- Won a national award for our fostering service
- Launched the Greenwich Supports Strategy, which sets out the borough's approach to prevent and reduce poverty

- The Welfare Rights Service and Money Advice Teams achieved over £8.5million in financial gains from increases in benefit entitlement for residents, and supported residents with nearly £2m in debts to reach affordable repayment arrangements or appropriate debt solutions
- We helped 221 residents through our Emergency Support Scheme who moved from temporary accommodation with furniture for their new home
- We provided cash payments to 428 care leavers, and 19461 children entitled to free school meals during the school holidays
- Awarded Borough of Sanctuary status
- We helped 221 pensioners get more than £939,000 in unclaimed Pension Credit

Place:

- We have taken significant steps to reduce our temporary accommodation cost pressure and provide more suitable homes for residents. By the end of 2024/25 we had reduced our use of hotel rooms from a peak of 279 in early 2024 to 41 rooms (as at end of April 2025 this is fewer than 20), over the 2 years 2023/24 and 2024/25 we have reduced our spend on TA by in excess of £5 million with another £4m cost reduction due in 2025/26. We are in discussions with MHCLG, Cabinet Officer and Treasury amongst others based on our success so far and we are working with Government and London Councils towards significant changes to reduce homelessness nationally.
- We've helped households facing homelessness into secure accommodation 1746 times in the last year
- We are reducing energy bills and carbon emissions through our Social Housing Decarbonisation Programme, adaptations to 350 properties either complete or have works in progress, with 600 to be completed by September 2025
- We launched our Greenwich Green Investment Initiative. The first tranche closed on 30th November 24. It performed exceptionally well in a challenging market environment raising £562k. from 451 investors at an average of £1,132. The next tranche will be launched in June 25. The Council intends to utilise funds generated to support a range of projects aligned to its climate action plan. Qualifying projects that commenced during the financial year include, the replacement of gas boilers and installation of air source heat pumps at 4 corporate sites, including the Eltham Centre, and three maintained schools
- Achieved further improvements to our housing repairs service including
 - Significantly reduced the backlog of empty (void) homes from over 400 to under 170 helping to house those in needs and decrease rent loss to HRA by c.£1m a year
 - Reduced the backlog of repairs from c.12,000 to c.3500.

- Launched a new damp and mould service
- Adding new repairs “follow-up” line for better customer services, restructured service for better outcome for residents, updated communication and website content.
- Vastly improved safety in residents home by completing c.12,000 Electrical Safety Tests
- £500k per year more spend on resources to go into residents safety and an additional £200k per year to be added to this. Ensure that we are meeting fire safety and building safety requirements
- Continued construction of our new leisure centre in Woolwich. “Woolwich Waves” is due to open in late 2025, providing high-quality sport and leisure facilities. The scheme will also provide new social rent homes delivered by the Council’s residential development partner.
- Completed the works on the regeneration of Woolwich town centre, making significant improvements to Powis Street and Beresford Square including new seating areas and dedicated space for market stalls

Economy:

- The Royal Borough of Greenwich Co-operative Commission was launched in April 2024. Chaired by Lord Bassam of Brighton, it focuses on implementing co-operative principles in 3 main areas: supporting new and existing co-operative start-ups and businesses, social care, community energy (including a £1m community energy fund).
- We've developed a long-term vision for the future of co-operative collaboration within the borough, applying a range of insights from experts in the sector. Following a public call for evidence, we heard presentations from expert witnesses and hosted meetings with a range of external organisations. This comprehensive report titled includes 12 recommendations to advance co-operative principles and practices in Royal Greenwich.

Communities:

- Agreed and implemented a new Community Engagement Pledge to support the Council to engage more often and more consistently with residents to improve trust and give more influence to residents in the decisions that affect their lives

Organisation:

- Transformation is underway with the procurement of a new financial system, which will modernise our financial processes, improve data quality, and better support evidence-based decision-making across the Council.
- Published our new 2025-2029 Our Greenwich Workforce Strategy and staff survey action plan to ensure we have a productive and motivated workforce fit for the future need of the organisation
- The Council's operating model has been enhanced to align key support functions and strengthening strategic leadership.

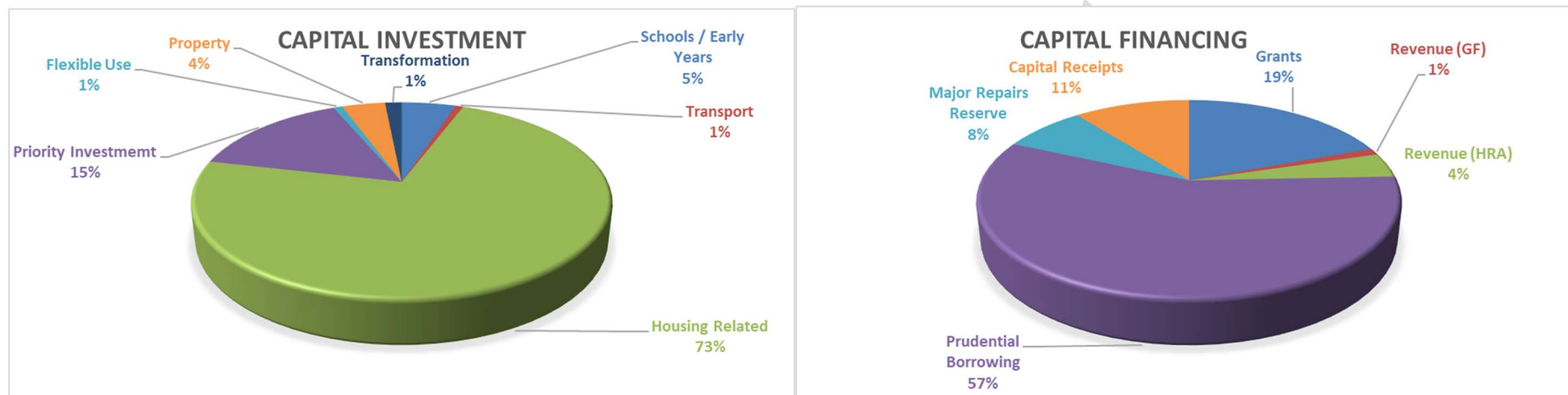
Financial Performance

The Council continues to face significant pressures from government policy, alongside local / national demographic and economic trends. Against this backdrop, the borough is reviewing how to best utilise its natural and financial resources in order to counter these pressures. The Council has a medium term financial strategy in place covering a rolling four year period.

Capital

Capital investment totalled £343m in 2024/25, of which £250m was deployed on housing related projects that deliver new homes and improvements to the existing stock. Capital investment continues to be made on educational establishments, as part of transformational regeneration projects and towards the Council's Carbon Neutral commitment. During the financial year Royal Greenwich took further advantage of the time limited Flexible Use of Capital Receipts directive, with £3m of service transformation costs funded from capital receipts.

Financing for the capital investment programme is derived from various sources including revenue and grant streams, capital receipts and borrowing. All borrowing undertaken is sustainable, in that debt servicing costs are supported by identified revenue budgets.



External borrowing at 31 March 2025 was £733m.

Revenue Outturn

The table below shows the final revenue position for the Authority for 2024/25:

Forecast Spend versus Budget	2024/25 Overspend / (Underspend)
	Actual Outturn £m
Departmental	
Children's	10.4
Communities, Environment & Central	(1.3)
Finance & Legal	0.8
Health & Adults (incl. Nil Recourse)	4.7
Housing & Safer Communities	(2.7)
Place & Growth (Regeneration, Enterprise & Skills)	(1.2)
Service Total	10.7
Corporate	

Treasury Management	1.4
Business Rates Additional Income	(5.3)
Council Tax and Business Rates Credits	(0.9)
Freedom Pass one-off support for transport budget	(0.8)
GSP surplus distribution	(0.6)
Departmental Reserve support	(2.5)
Additional Section 106 resources	(3.9)
Risk reserve support	(5.0)
Programmed savings that will not be delivered	0.7
Programmed savings at risk of non-delivery in 2024/25:	
delayed due to timing issues	8.2
delayed due to delivery issues	1.5
over-programming of savings in budget	(3.3)
Corporate Total	(10.5)
Net General Fund (GF) Position	0.2
Dedicated Schools Grant (DSG)	8.9
Housing Revenue Account (HRA)	1.6

The key budgetary pressures in 2024/25 were in:

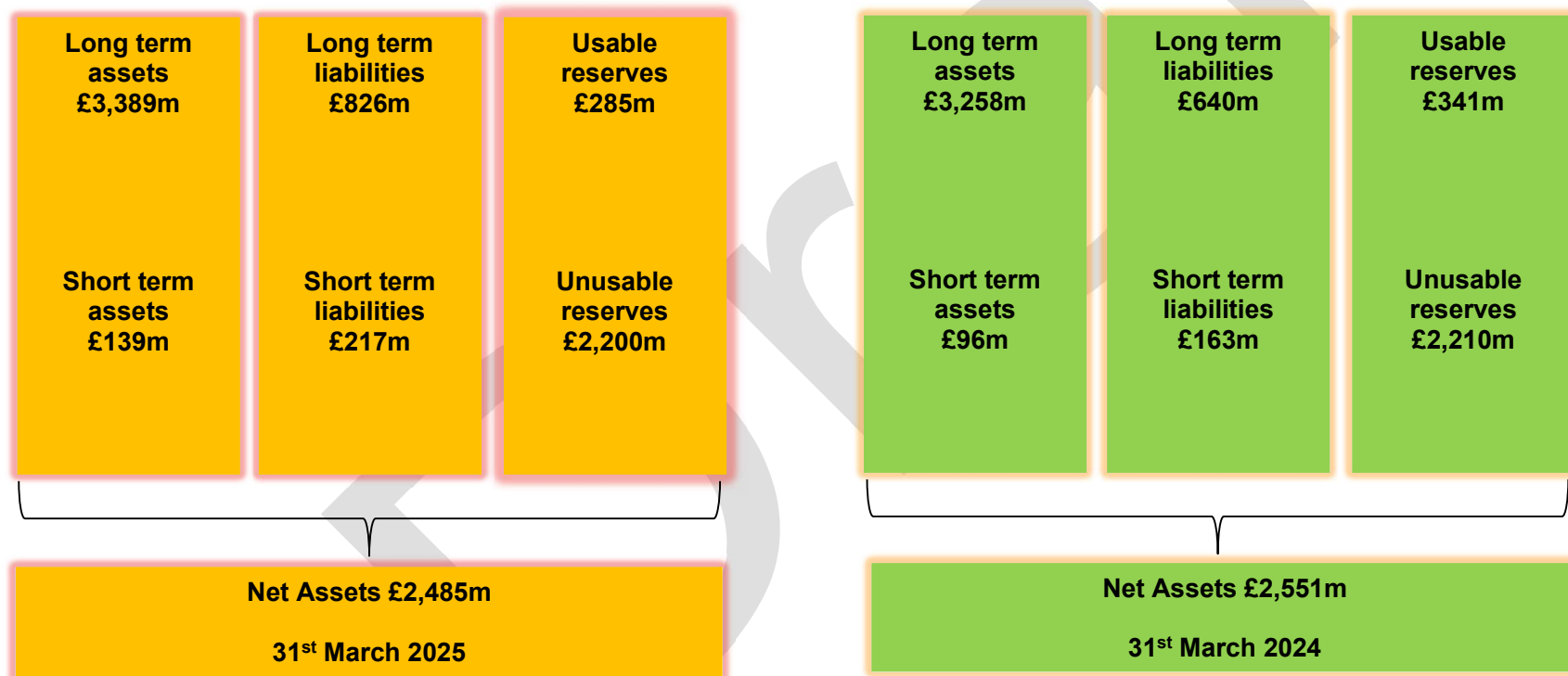
- Health & Adults – The significant cost pressure continues to be the provision of care packages, The trajectory of increase for care package expenditure in the earlier part of the year was less steep than in the previous year but has increased quarter on quarter throughout the year and is 14% more than for 2023/24.

- Children's Services - additional pressures on placement and transport budgets. This financial year has seen an increasing prevalence of high costing placements. The total spend for placements was £37m out of a total budget of £88m representing 42% of the Children's directorate budget.

These pressures have been met through a combination of one-off resources and underspends in other Directorates.

Balance Sheet

The balance sheet has seen an decrease in its net worth as can be seen in the graphic below.



Housing Revenue Account

The Council maintains a stock of 20,449 social rented homes and 5,200 leaseholders as at the 31st March 2025. A £463m multi-year programme to increase and improve its housing stock is underway, with £228m of investment during 2024/25.

The Council manages its own Housing Stock and collected £122m in dwelling rents and £27m in service charges in 2024/25. This income is held in a ring-fenced account (the Housing Revenue Account) which can only be used for managing and maintaining the housing stock and associated services.

Pension Liabilities

The Royal Borough of Greenwich Pension Fund is independently revalued every three years (triennial valuation). The most recent revaluation, as at 31 March 2022, assessed the funding level at 103% compared with 97% in 2019.

The Council is an employer within the Royal Borough of Greenwich pension fund and plans to achieve a 100% funding level over a period of no more than 20 years. The triennial valuation confirmed that the contribution rate payable would continue to be frozen – such that it will have remained at the same level for over a decade now

Strategic Risks for the coming year

A risk management strategy is in place to identify and evaluate risk. The risks with high likelihood and with the highest potential impact have been included in the table below:

Risk	Impact
Medium Term Finance Strategy	<ul style="list-style-type: none"> • Adverse impact on the Council's financial standing • Threat to service delivery and inability to deliver other significant priorities • Threat of failure to fulfil statutory duties
Cyber Security & Data Breaches	<ul style="list-style-type: none"> • Staff unable to access systems and deliver services which disrupts council business. • Threat actors gain access to Council data and systems possibly resulting in temporary or permanent loss of data and/or sensitive data exposure in the public domain • Financial penalties imposed due to a breach of regulations • Disconnection from the Public Sector Network (PSN) and/or data sharing/access with other organisations • Reputational damage including loss of public confidence in the organisation
Achieving Carbon Neutral by 2030	<ul style="list-style-type: none"> • Council unable to evidence progress in emissions reduction • Service provision disrupted by extreme weather events. • Reputational damage due to perceived lack of action to tackle climate change by Council. • Reduced health of residents attributed to extreme weather and poor air quality. • Damage to infrastructure and local businesses.
Business Continuity, Emergency Planning	<ul style="list-style-type: none"> • Key services fail to support the recovery efforts
Health & Safety, Compliance and Wellbeing Procedures	<ul style="list-style-type: none"> • Breach of statutory duty resulting in increased risk of injury to persons and damage to property
Key Strategic Partnerships and Supply Chain Security	<ul style="list-style-type: none"> • Potential failure of services • External pressures force suppliers to cut back on contracts/performance. • Budget loss where sums have been invested in services before delivery.

Health & Safety. Compliance and Wellbeing Procedures	<ul style="list-style-type: none"> • Breach of Statutory Duty • Compensation Claims • Reputational damage
Loss of life and limb through lack of residential building safety	<ul style="list-style-type: none"> • Lack of effective maintenance / compliance regime • Residents at risk of injury • Resources to raise conditions of properties
Demand for School Places	<ul style="list-style-type: none"> • Failure to meet statutory duty • More children qualify for school transport resulting in additional budget pressure • More tribunals and admission appeals putting pressure on existing provision • Quality of education is impacted, particularly for those with Special Education Needs / Education Health & Care • Potential family breakdowns as a result of insufficient school places for our most vulnerable children and young people
Government Welfare Legislation – Impact on Service delivery	<ul style="list-style-type: none"> • Increased pressure on council resources for housing and support • Increased demand for temporary accommodation for vulnerable household and refugees • Increased rent arrears in all housing sectors leading to more homelessness approaches
Government Welfare Legislation – Impact on Income Collection	<ul style="list-style-type: none"> • Increase demand for services • Increase in bad debts • Failure to meet statutory duty
Preventable Incident to the Wellbeing of a Child or Adult	<ul style="list-style-type: none"> • Reputational damage and loss of public confidence • Disruption of an event – investigation, legal action, staff recruitment and retention, compensation • Potential loss of service / government commissioners
Capacity - Workforce Planning	<ul style="list-style-type: none"> • Inability to deliver RBG objectives and compromised service. • Reduced oversight leading to potential increase in staffing costs to the Council • Staff morale negatively impacted • Increase Employee Relations activity and high levels of sickness absence
Health & Safety. Compliance and Wellbeing Procedures	<ul style="list-style-type: none"> • Breach of Statutory Duty • Compensation Claims

Loss of life and limb through lack of residential building safety	<ul style="list-style-type: none"> • Lack of effective maintenance / compliance regime • Residents at risk of injury • Resources to raise conditions of properties
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Structure of the Statement of Accounts

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 Main Financial Statements are:

Movement in Reserves Statement -

The net of the authority's short/long term assets and liabilities is represented by its reserves – this is also known as its net worth. Reserves are usable or unusable and this note shows how the main usable plus total unusable reserves have changed.

Comprehensive Income and Expenditure Statement -

This is the income and expenditure for the authority on a financial accounting basis i.e. it reflects the cost to the authority of running services, but does not reflect the cash position.

Balance Sheet - a snapshot of the Council's assets, liabilities, cash balances and reserves at the year-end date.

Cash Flow Statement - This takes the surplus or deficit from the income and expenditure statement and reconciles it to the actual movement in cash on the balance sheet.

Additional Statements / Other Notes are:

Expenditure and Funding Analysis – shows how funding available to the Council has been used in providing services in comparison with those resources used by Authorities in accordance with Generally Accepted Accounting Practices.

Collection Fund Statement - this contains statements that reflect 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.

Housing Revenue Account - this shows the economic cost in the year of the landlord responsibility for social housing provision in accordance with accounting standards, rather than the amount to be funded from rents and government grants.

Pension Fund Account - the Royal Borough of Greenwich Pension Fund is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Greenwich.

Accounting Policies - the main underlying accounting policies underpinning the financial statements.

Annual Governance Statement - this sets out a framework in relation to risk management and internal control, along with efficiency and effectiveness.

Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Section 151 Officer.
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- approve the Statement of Accounts and certification.

The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC *Code of Practice on Local Authority Accounting in the United Kingdom* (the Code).

In preparing this Statement of Accounts, the Section 151 Officer has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent
- complied with the local authority Code.

The Section 151 Officer has also:

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

Approval of Accounts and Certification of the Section 151 Officer

I hereby certify that the Statement of Accounts give a true and fair view of the financial position of the Authority at the reporting date and of its expenditure and income for the year ended 31st March 2025.

I hereby certify that the Statement of Accounts is approved.

Damon Cook CPFA
CFO - Section 151 Officer

Dated **xx/xx/xx**

Independent auditor’s report to the members of Royal Borough of Greenwich Council

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Draft

Comprehensive Income and Expenditure Statement

2023/24			Comprehensive Income and Expenditure Statement	2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
81,531	(26,913)	54,618	Communities & Environment	98,846	(29,750)	69,096
167,916	(134,680)	33,236	Finance & Legal Services	165,983	(135,115)	30,868
53,800	(26,932)	26,868	Housing & Safer Communities	53,394	(32,783)	20,611
218,650	(135,895)	82,755	Housing Revenue Account	221,762	(160,026)	61,736
189,584	(102,639)	86,945	Health & Adult's Services	215,338	(113,292)	102,046
50,777	(40,892)	9,885	Place & Growth	50,759	(46,633)	4,126
414,278	(299,406)	114,871	Children's Services	442,218	(319,272)	122,945
1,176,536	(767,357)	409,178	Net Cost of Services	1,248,300	(836,871)	411,428
1,610	(15,071)	(13,460)	Other Operating Expenditure (Note 3)	1,621	(12,494)	(10,873)
70,424	(5,362)	65,062	Financing and Investment Income and Expenditure (Note 4)	30,737	(3,525)	27,212
0	(360,983)	(360,983)	Taxation and Non-Specific Grant Income (Note 5)	0	(383,446)	(383,446)
72,034	(381,416)	(309,381)	Other Income and Expenditure	32,358	(399,465)	(367,107)
1,248,570	(1,148,773)	99,797	(Surplus) or Deficit on Provision of Services	1,280,658	(1,236,336)	44,321
		42,922	(Surplus) or deficit on revaluation of property, plant & equipment assets (Note 8)			53,440
		(105,873)	Re-measurement of the net defined benefit liability / (asset) (Note 19)			(32,250)
		(62,951)	Other Comprehensive Income and Expenditure			21,190
		36,846	Total Comprehensive Income and Expenditure			65,511

Movement in Reserves Statement

Movement in Reserves Statement 2024/25	Revenue Reserves			Capital Reserves			Unusable Reserves	Total Authority Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserves	Capital Grants Unapplied	Total Usable Reserves		
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2024 carried forward	(213,456)	(9,837)	(41,959)	0	(75,297)	(340,548)	(2,210,392)	(2,550,940)
Movement in Reserves During 2024/25								
Total Comprehensive Income and Expenditure	(4,554)	48,876	0	0	0	44,321	21,190	65,511
Adj between accounting basis & funding basis under regs (Note 6)	28,566	(47,189)	16,627	0	13,159	11,163	(11,163)	0
(Increase) / Decrease in 2024/25	24,012	1,686	16,627	0	13,159	55,484	10,027	65,511
Balance at 31 March 2025 carried forward	(189,444)	(8,151)	(25,332)	0	(62,138)	(285,064)	(2,200,364)	(2,485,428)
General Fund balance comprises:								
Amounts Earmarked (Note 7)	(170,721)							
Amounts Uncommitted	(18,723)							
Total General Fund Balance at 31 March 2025	(189,444)							

Movement in Reserves Statement 2023/24	Revenue Reserves			Capital Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserves	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 carried forward	(228,165)	(15,462)	(75,423)	(6,748)	(84,546)	(410,344)	(2,177,443)	(2,587,788)
Movement in Reserves During 2023/24								
Total Comprehensive Income and Expenditure	50,985	48,812	0	0	0	99,797	(62,951)	36,846
Adj between accounting basis & funding basis under regs (Note 6)	(36,275)	(43,187)	33,464	6,748	9,249	(30,002)	30,002	0
(Increase) / Decrease in 2023/24	14,710	5,625	33,464	6,748	9,249	69,795	(32,949)	36,846
Balance at 31 March 2024 carried forward	(213,456)	(9,837)	(41,959)	0	(75,297)	(340,548)	(2,210,392)	(2,550,940)
General Fund balance comprises:								
Amounts Earmarked (Note 7)	(194,560)							
Amounts Uncommitted	(18,896)							
Total General Fund Balance at 31 March 2024	(213,456)							

Balance Sheet

31 March 2024 £000	Balance Sheet	Notes	31 March 2025 £000
3,209,461	Property, Plant & Equipment	9	3,339,067
770	Heritage Assets		770
4,166	Investment Properties	10	4,168
40,019	Long Term Investments	16	39,813
3,831	Long Term Debtors	16	5,242
3,258,247	Long Term Assets		3,389,060
431	Short Term Investments	16	7,077
1,189	Assets Held for Sale	12	1,896
1,391	Inventories		721
83,151	Short Term Debtors	20	109,661
10,618	Cash and Cash Equivalents	Cashflow	20,418
96,780	Current Assets		139,772
(788)	Cash and Cash Equivalents	Cashflow	(709)
(23,873)	Short Term Borrowing	16	(64,080)
(234)	Short Term Deferred Income	14	(214)
(131,995)	Short Term Creditors	22	(148,120)
(6,331)	Receipts in Advance	5	(4,286)
(163,220)	Current Liabilities		(217,409)
(55,217)	Net Pension Liability	19	(15,324)
(12,421)	Provisions	23	(9,691)
(443,338)	Long Term Borrowing	16	(673,854)
(1,629)	Long Term Deferred Income	14	(1,413)
(128,260)	Other Long-Term Liabilities	14/16	(125,712)
(640,865)	Long Term Liabilities		(825,995)
2,550,940	Net Assets		2,485,428
(340,548)	Usable Reserves	MIRS	(285,063)
(2,210,392)	Unusable Reserves	8	(2,200,365)
(2,550,940)	Total Reserves		(2,485,428)

Cash Flow Statement

2023/24	Cash Flow Statement	2024/25
£000		£000
(99,797)	Net surplus or (deficit) on the provision of services	(44,321)
235,548	Adj to net surplus or deficit on the provision of services for non cash movements (Cash Flow Note 1)	124,525
(83,934)	Adj for items incl in net surplus / deficit on the provision of services that are investing and financing activities (Cash Flow Note 1)	(73,016)
51,817	Net cash flows from Operating Activities	7,187
(91,888)	Investing Activities (Cash Flow Note 2)	(278,456)
18,323	Financing Activities (Cash Flow Note 3)	281,147
(21,748)	Net increase or (decrease) in cash and cash equivalents	9,878
31,578	Cash and cash equivalents at the beginning of the reporting period	9,830
9,830	Cash and cash equivalents at the end of the reporting period (Cash Flow Note 5)	19,708

Cash Flow Note 1 - Operating Activities

The cash flows for operating activities include the following items:

6,397	Interest received	2,522
(26,469)	Interest paid	(28,968)

The surplus or deficit on the provision of services has been adjusted for the following non-cash movements:

52,642	Depreciation	44,331
103,518	Impairment and downward valuations	99,278
16,131	Increase / (decrease) in creditors	4,949
3,633	(Increase) / decrease in debtors	(25,160)
(532)	(Increase) / decrease in inventories	670
(1,851)	Increase / (decrease) in receipts in advance	(2,045)
(1,758)	Movement in pension liability	(7,643)
13,450	Increase / (decrease) in expected credit loss provision	5,454
4,514	Increase / (decrease) in other provisions	(2,730)
45,802	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	7,421
235,548		124,525

The surplus or deficit on the provision of services has been adjusted for the following items that are investing and financial activities:

(5,763)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(19,957)
(78,171)	Capital Grants credited to surplus or deficit on the provision of services	(53,059)
(83,934)		(73,016)

Cash Flow Note 2 - Investing Activities

(287,027)	Purchase of property, plant and equipment, investment property and intangible assets	(336,817)
5,763	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	19,957
110,329	Purchase/Proceeds from short-term and long-term investments	(6,441)
79,047	Capital Grant receipts	44,845
(91,888)	Net cash flows from investing activities	(278,456)

Cash Flow Note 3 - Financing Activities

67,000	Cash receipts of short- and long-term borrowing	305,562
(4,411)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	(4,364)
(23,518)	Repayments of short-term and long-term borrowing	(36,608)
(20,748)	Collection Fund adjustments	16,558
18,323	Net cash flows from financing activities	281,147

Cash Flow Note 4 - Reconciliation of Liabilities Arising from Financing Activities

	2024/25 1 April £000	Financing Cash flows	Other non-cash changes	2024/25 31 March £000
Long-term borrowings	443,338	289,562	(59,045)	673,854
Short-term borrowings	23,873	(20,608)	60,815	64,080
Lease liabilities	1,663	(1,016)	8,479	9,126
On balance sheet PFI liabilities	82,204	(3,348)	0	78,856
Total liabilities from financing activities	551,077	264,589	10,249	825,915

	2023/24 1 April £000	Financing Cash flows	Other non-cash changes	2023/24 31 March £000
Long-term borrowings	412,946	51,000	(20,608)	443,338
Short-term borrowings	10,619	(7,518)	20,772	23,873
Lease liabilities	1,665	(2)	0	1,663
On balance sheet PFI liabilities	86,613	(4,409)	0	82,204
Total liabilities from financing activities	511,844	39,071	164	551,077

Cash Flow Note 5 - Cash and Cash Equivalents

2023/24 £000		2024/25 £000
10,618	Cash and bank balances	20,418
(788)	Bank overdraft	(709)
9,830	Total cash and cash equivalents	19,708

Notes to the Accounts

Note I – Expenditure and Funding Analysis

2023/24			Expenditure and Funding Analysis	2024/25		
Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments Between the Funding and Accounting Basis	Net Expenditure in CIES		Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustments Between the Funding and Accounting Basis	Net Expenditure in CIES
£000	£000	£000		£000	£000	£000
58,667	(11,249)	47,418	Communities & Environment	74,105	(5,009)	69,096
13,465	19,772	33,237	Finance & Legal Services	8,977	21,891	30,868
28,485	(1,617)	26,868	Housing & Safer Communities	21,319	(708)	20,611
(7,106)	89,861	82,755	Housing Revenue Account	(15,367)	77,103	61,736
87,628	(683)	86,945	Health & Adult Services	101,798	248	102,046
402	9,483	9,885	Place & Growth	691	3,436	4,126
7,819	(619)	7,200	Transportation & Parking	0	0	0
106,069	8,801	114,870	Children's Services	113,027	9,918	122,945
295,429	113,749	409,178	Net Cost of Services	304,550	106,878	411,428
1,610	(15,070)	(13,460)	Other Operating Expenditure (Note 3)	1,621	(12,494)	(10,873)
21,271	43,791	65,062	Financing and Investment Income and Expenditure (Note 4)	28,216	(1,004)	27,212
(297,976)	(63,007)	(360,983)	Taxation and Non-Specific Grant Income (Note 5)	(308,689)	(74,757)	(383,446)
(275,095)	(34,286)	(309,381)	Other Income and Expenditure			
20,334	79,463	99,797	(Surplus) or Deficit on the Provision of Services	25,698	18,623	44,321
(243,627)			Opening General Fund Balance & Housing Revenue Account Balance	(223,293)		
20,334			(Surplus) or Deficit on General Fund & Housing Revenue Account Balance in Year	25,698		

(223,293)	Closing General Fund Balance & Housing Revenue Account Balance			(197,595)
Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts 2024/25				
	Adjustments for Capital Purposes £000	Net Change in Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Communities & Environment	(3,896)	(1,100)	(13)	(5,009)
Finance & Legal Services	21,859	92	(61)	21,891
Housing & Safer Communities	(435)	(260)	(14)	(708)
Housing Revenue Account	78,421	(1,557)	239	77,103
Health & Adult's Services	966	(796)	78	248
Place & Growth	4,002	(263)	(302)	3,436
Transportation & Parking	0	0	0	0
Children's Services	3,640	(2,755)	9,033*	9,918
Net Cost of Services	104,557	(6,639)	8,961	106,878
Other Operating Expenditure	(12,494)	0	0	(12,494)
Financing and Investment Income and Expenditure	0	(1,004)	0	(1,004)
Taxation and Non-Specific Grant Income	(69,269)	0	(5,488)**	(74,757)
Other Income and Expenditure	(81,763)	(1,004)	(5,488)	(88,255)
Difference Between General Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (Surplus)/Deficit on Provision of Services	22,794	(7,643)	3,473	18,623

*Balance includes £8.916m transfer to Dedicated Schools Grant Adjustment Account

**Change in the Council Tax and Business Rates Adjustment Account

Note: The split between the GF and HRA is shown in the first 2 columns of the Movement in Reserves Statement (page 25), and is supported by the breakdown of each in Note 6 Adjustments between Accounting basis and funding Basis (page 37).

**Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts
2023/24**

	Adjustments for Capital Purposes £000	Net Change in Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Communities & Environment	(10,300)	(849)	(100)	(11,249)
Finance & Legal Services	20,424	(949)	297	19,772
Housing & Safer Communities	(1,456)	(200)	39	(1,617)
Housing Revenue Account	90,914	(1,191)	138	89,861
Health & Adult's Services	(106)	(585)	8	(683)
Regeneration, Enterprise and Skills	10,159	(224)	(452)	9,483
Transportation & Parking	(608)	0	(11)	(619)
Children's Services	10,829	(2,142)	114	8,801
Net Cost of Services	119,856	(6,140)	33	113,749
Other Operating Expenditure	(15,070)	0	0	(15,070)
Financing and Investment Income and Expenditure	39,408	4,383	0	43,791
Taxation and Non-Specific Grant Income	(78,170)	0	15,163*	(63,007)
Other Income and Expenditure	(53,832)	4,383	15,163	(34,286)
Difference Between General Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (Surplus)/Deficit on Provision of Services	66,024	(1,757)	15,196	79,463

*Change in the Council Tax and Business Rates Adjustment Account

Note 2 – Expenditure and Income Analysed by Nature

2023/24 £000	Expenditure and Income Analysed by Nature	2024/25 £000
	Expenditure	
297,766	Employee Expenses	316,868
763,296	Other Service Expenditure	769,668
119,856	Depreciation, Amortisation, Impairment & Reversal of Impairment	161,763
26,633	Interest Payments	30,737
1,610	Precepts & Levies	1,621
39,408	(Gains)/Loss on the disposal of non-current assets	0
1,248,570	Total Expenditure	1,280,658
	Income	
(226,629)*	Fees, Charges and Other Service Income	(253,414)
(5,362)	Interest and Investment Income	(3,525)
(360,983)	Taxation and Non-Specific Grant Income	(383,446)
(540,728)*	Government Grants & Contributions	(583,456)
(15,071)	(Gains)/losses on the disposal of non-current assets	(12,494)
(1,148,773)	Total Income	(1,236,336)
99,797	Surplus or Deficit on the Provision of Services	44,321

*Prior year figures have been restated to aid comparison with current year

Note 3 - Other Operating Expenditure

2023/24 £000	Other Operating Expenditure	2024/25 £000
1,610	Levies	1,621
(15,071)	(Gains) / losses on the disposal of non-current assets	(12,494)
(13,460)	Total	(10,873)

Note 4 - Financing and Investment Income and Expenditure

2023/24 £000	Financing and Investment Income and Expenditure	2024/25 £000
26,633	Interest payable and similar charges	30,737
4,383	Pensions interest cost and expected return on pensions assets	(1,004)
39,408	(Gain)/Loss on Disposal of Academies	0
(5,362)	Interest receivable and similar income	(2,521)
65,062	Total	27,212

Note 5 – Taxation and Grant Income

Taxation and non-specific grant income

The Authority credited the following Grants, Contributions and Donations to the Comprehensive Income and Expenditure Statement in 2024/25:

2023/24 £000	Taxation and Non-Specific Grant Income	2024/25 £000
(119,156)	Council Tax Income	(127,594)
(105,500)	Business Rates	(121,753)
(29,604)	Revenue Support Grant	(31,565)
(24,236)	Social Care Grant	(31,592)
(4,316)	Other Government Grant	(1,673)
(78,170)	Capital Grants and Contributions	(69,269)
(360,983)	Total	(383,445)

Specific Grant Income

Grant Income	2023/24* £000	2024/25 £000
Dedicated Schools Grant	(236,507)	(255,465)
Rent Allowance Subsidy	(62,201)	(59,705)
Rent Rebate Subsidy	(51,084)	(55,414)

Public Health Grant	(25,493)	(26,107)
Improved Better Care Fund	(15,434)	(15,434)
Private Finance Initiative – Building Schools for the Future	(12,291)	(12,291)
Pupil Premium	(10,775)	(10,353)
Post 16 Grant	(9,152)	(9,571)
Market Sustainability & Improvement Fund	(5,138)	(5,820)
Universal Free School Meals	(3,385)	(4,772)
Household Support Fund	(4,639)	(4,757)
Teachers Pension Grant	(336)	(3,948)
Flexible Homelessness Support Grant	(3,640)	(3,651)
Core School Budget Grant	(4,766)	(3,469)
Adult Social Care Discharge Fund	(2,164)	(3,606)
Rough Sleeping Initiative	(2,014)	(3,149)
Contain Outbreak Management Fund	(1,486)	(3,127)
Teachers Pay Grant	(1,653)	(2,687)
Infants Free School Meal Grant	(2,391)	(2,189)
Private Finance Initiative – Neighbourhood Resource Centres	(2,091)	(2,091)
Unaccompanied Asylum Seeking Children Grant	(1,600)	(1,979)
Skills Funding Agency	(1,752)	(1,792)
Ukrainian Resettlement Scheme	(3,591)	(1,716)
Supplemental Substance Misuse Treatment & Recovery Grant	(638)	(1,042)
Family Hub	(1,687)	(1,404)
Benefit Administration Grant	(1,654)	(1,290)
Holiday Activities and Food Grant	(1,234)	(1,399)
Traffic Management Group	(1,507)	(1,252)
Supporting Families Grant	(1,259)	(1,097)
Other Miscellaneous Grants & Contributions	(69,166)	(82,879)
Total	(540,729)	(583,456)

*Prior year figures have been restated to aid comparison with current year

The Authority has received a number of Grants and Contributions that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned if not spent. The balances at the year-end are as follows:

Revenue Grant Receipts in Advance	2023/24 £000	2024/25 £000
Revenue Support Grant	0	(2,896)
Skills Funding Agency	(869)	(939)
Devolved Formula Grant	(679)	(385)
Contain Outbreak Management Fund	(3,067)	0
Energy Bills Support Scheme	(832)	0
LA Practical Support Fund	(613)	0
Holiday Activities and Food Grant	(145)	0
Other (under £100k each)	(125)	(66)
Total	(6,331)	(4,286)

Note 6 - 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 the resources that are specified by statutory provisions as being available to the Authority to meet future capital and revenue expenditure.

Adjustments between Accounting Basis and Funding Basis under Regulations 2024/25

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£000	£000	£000	£000	£000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	6,041	1,602	0	0	0
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	235	0	0	0	0

**Adjustments between Accounting Basis and Funding Basis under Regulations
2024/25**

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£000	£000	£000	£000	£000
Council Tax and Business Rates (transfers to or from Collection Fund Adjustment Account)	5,488	0	0	0	0
Transfer of Schools Budget to DSG Unusable Reserve	(8,916)				
Holiday pay (transferred to the Accumulated Absences Reserve)	(40)	(239)	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	8,439	(108,030)	0	0	(69,269)
Total Adjustments to Revenue Resources	11,246	(106,667)	0	0	(69,269)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	356	19,897	(20,253)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(296)	296	0	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	(42)	0	0	0	0
Posting of Housing Revenue Account resources from revenue to the Major Repairs Reserve	0	26,165	0	(26,165)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	13,221	0	0	0	0
Capital expenditure financed from the revenue balances (transfer to the Capital Adjustment Account)	3,785	13,712	0	0	0
Total Adjustments between Revenue and Capital Resources	17,320	59,478	(19,957)	(26,165)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	36,584	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	26,165	0
Application of capital grants to finance capital expenditure	0	0	0	0	82,429
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	0	0	36,584	26,165	82,429
Total Adjustments	28,566	(47,189)	16,627	0	13,159

**Adjustments between Accounting Basis and Funding Basis under Regulations
2023/24**

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£000	£000	£000	£000	£000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to (or from) the Pensions Reserve)	1,794	(36)	0	0	0
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	235	0	0	0	0
Council Tax and Business Rates (transfers to or from Collection Fund Adjustment Account)	(15,163)	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	(132)	(138)	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	(43,627)	(99,226)	0	0	(78,170)
Total Adjustments to Revenue Resources	(56,893)	(99,400)	0	0	(78,170)
Adjustments between Revenue and Capital Resources					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	4,509	17,177	(21,686)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(222)	222	0	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0
Posting of Housing Revenue Account resources from revenue to the Major Repairs Reserve	0	26,704	0	(26,704)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	12,601	0	0	0	0
Capital expenditure financed from the revenue balances (transfer to the Capital Adjustment Account)	3,507	12,554	0	0	0
Total Adjustments between Revenue and Capital Resources	20,617	56,212	(21,464)	(26,704)	0
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	54,928	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	33,452	0
Application of capital grants to finance capital expenditure	0	0	0	0	87,419
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	0	0	54,928	33,452	87,419

**Adjustments between Accounting Basis and Funding Basis under Regulations
2023/24**

	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£000	£000	£000	£000	£000
Total Adjustments	(36,276)	(43,187)	33,464	6,748	9,249

Note 7a – Movements in Earmarked Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

Earmarked Reserves	31/03/23 £000	Transfers Out £000	Transfers In £000	31/03/24 £000	Transfers Out £000	Transfers In £000	31/03/25 £000
Other Earmarked Reserves	(43,893)	13,751	(10,643)	(40,785)	9,353	(8,181)	(39,613)
Schools	(16,645)	6,638	(1,659)	(11,666)	4,293	(544)	(7,917)
Education and Social Care	(23,267)	5,125	(4,951)	(23,093)	6,461	(3,064)	(19,697)
Risk	(49,410)	8,842	(4,282)	(44,850)	8,285	(3,804)	(40,369)
Joint Funds Held for Social Care	(9,481)	886	(130)	(8,723)	56	(352)	(9,019)
Total (excluding revenue reserves held specifically for capital purpose)	(142,695)	35,242	(21,665)	(129,118)	28,447	(15,945)	(116,615)
Reserves held specifically for Capital purposes							
Priority Investment Programme	(1,417)	543	(372)	(1,246)	1,314	(485)	(417)
Schools Capital	(4,668)	0	0	(4,668)	0	0	(4,668)
Section 106 Contributions	(9,282)	3,112	(873)	(7,044)	503	(2,201)	(8,742)
Vehicles and Other Capital Reserves	(24,755)	7,078	(8,385)	(26,062)	3,892	(7,180)	(29,350)
Minimum Revenue Provision Capacity	(26,453)	30	0	(26,423)	17,695	(2,200)	(10,928)
Total Reserves held specifically for Capital purposes	(66,575)	10,763	(9,630)	(65,442)	23,404	(12,066)	(54,104)
Total Earmarked Reserves	(209,270)	46,005	(31,295)	(194,560)	51,852	(28,011)	(170,719)

Purpose of Revenue reserves held:

Revenue Reserves

- Schools - Specifically held to support Schools' revenue activity
- Education and Social Care – Reserves are held to support social care provision for adults and children
- Risk - This reserve provides for service risks and budgetary pressures. This reserve is linked to the Council's Risk Management Strategy and is provided as part of its assessment of its overall financial standing.
- Other Earmarked Reserves – Other revenue reserves held to support revenue activity, not reflected above

Revenue Reserves held for Capital Purposes

- Priority Investment Programme - This reserve is held to support the delivery of Priority Investment Programme
- Schools Capital – This reserve is specifically held to support Schools' capital activity.
- Section 106 contributions - This reserve is operated to meet expenditure plans associated with the planning approval process.
- Vehicles and Other Capital Reserves - This reserve is held to fund the vehicle provision and other capital activity.
- Minimum Revenue Provision Capacity – This Reserve reflects the Minimum Revenue Provision capacity held by the Council.

Note 7b – Capital Receipts Reserve

2023/24 Reserved £000	2023/24 Usable £000		2024/25 Reserved £000	2024/25 Usable £000
		General Fund		
0	(11,055)	Balance at 1st April	0	(12,474)
0	(4,509)	Cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure statement	0	(356)
0	(10)	Transfer from Deferred Capital Receipts Reserve Reserve upon receipt of cash	0	0
0	3,099	Use of Capital Receipts Reserve to finance new capital expenditure	0	3,235
0	(12,474)	Balance at 31st March	0	(19,595)
		Housing Revenue Account		
0	(64,368)	Balance at 1st April	0	(29,484)
(2,320)	(17,178)	Cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure statement	0	(19,897)

0	222	Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	0	296
0	58,537	Use of Capital Receipts Reserve to finance new capital expenditure	0	33,348
0	0	Contribution from the Capital Receipts Reserve to finance the payments to the Government capital receipts pool	0	0
0	(6,697)	Transfer from Deferred Capital Receipts Reserve upon receipt of cash	0	0
2,320	0	Reserved receipts available to repay debt (c/f)	0	0
(0)	(29,484)	Balance at 31st March	0	(15,736)
(0)	(41,958)	Total	(0)	(25,331)

Note 7c - Capital Grants Unapplied Reserve

The capital grants unapplied 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 the capital expenditure against which it can be applied and/or the financial year in which this can take place.

	2023/24	2024/25
	£000	£000
Gov – Schools & Education	46,867	35,205
Gov – Disabled Facility Grant	7,056	7,765
Gov – Sustainable Warmth	2	2
Gov – Community Capacity Social Care	2,505	2,505
Gov – Future High Streets	6,115	0
GLA – Housing Grants	1,135	0
Community Infrastructure Levy	4,986	13,659
Other	6,631	3,002
Balance at end of the year	75,297	62,138

Note 8 – Unusable Reserves

2023/24	Unusable Reserves	2024/25
£000		£000
(720,706)	Revaluation Reserve	(646,584)
(1,514,900)	Capital Adjustment Account	(1,542,573)

998	Financial Instruments Adjustment Account	763
55,217	Pensions Reserve	15,324
(5,793)	Council Taxpayers Adjustment Account	(2,798)
(37,932)	Deferred Capital Receipts Reserve	(37,932)
3,071	Business Ratepayers Adjustment Account	(5,412)
9,654	Accumulated Absences Account	9,933
0	Dedicated Schools Grant Adjustment	8,916
(2,210,392)	Total Unusable Reserves	(2,220,365)

Revaluation Reserve

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its property, plant and equipment. The balance is reduced when assets with accumulated gains are:

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

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

2023/24 £000	Revaluation Reserve	2024/25 £000
(802,005)	Balance at 1 April	(720,705)
(136,142)	Upward revaluation of assets	(56,815)
179,066	Downward revaluation of assets & impairment losses not charged to the Surplus or Deficit on the Provision of	110,255
42,924	Surplus / deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of	53,440
21,674	Difference between fair value depreciation and historical cost depreciation	20,250
16,702	Accumulated gains on assets sold or scrapped	431
38,376	Amount written off to the Capital Adjustment Account	20,681
(720,705)	Balance at 31 March	(646,584)

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).
- is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement
- contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Authority
- contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note I provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000	Capital Adjustment Account	2024/25 £000	£000
(1,490,250)	Balance b/f		(1,514,900)
0	Adjustment to balance b/f		(9,420)
(1,490,250)	Balance at 1 April		(1,524,320)
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive I&E Statement</u>		
52,642	Charges for depreciation and impairment of non current assets	53,751	
103,518	Revaluation losses on property, plant and equipment	99,278	
23,243	Revenue expenditure funded from capital under statute	8,410	
45,802	Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive I&E Statement	7,421	
225,204		168,860	
(16,702)	Adjusting amounts written out of the Revaluation Reserve	(431)	
(21,674)	Adjusting amounts written out of the Revaluation Reserve for the difference between fair value depreciation and historical cost depreciation	(20,250)	
186,828	Net written out amount of the cost of non current assets consumed in the year		148,179
	<u>Capital financing applied in the year</u>		
(61,945)	Use of the Capital Receipts Reserve to finance new capital expenditure	(36,584)	
(33,452)	Use of the Major Repairs Reserve to finance new capital expenditure	(26,165)	
(55,003)	Capital grants and contributions credited to the Comprehensive I&E Statement that have been applied to capital financing	(60,244)	
(32,416)	Application of grants to capital financing from the Capital Grants Unapplied Account	(5,891)	
(12,601)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(20,052)	
(16,061)	Capital expenditure charged against the General Fund and HRA balances	(17,496)	
(211,478)			(166,432)
(1,514,900)	Balance at 31 March		(1,542,573)

Financial Instruments Adjustment Account

The Financial Instruments Adjustment 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 benefiting from gains per statutory provisions. The Authority uses the Account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred, but reversed out of the General Fund Balance to the Account in the Movement in Reserves Statement. Over time, the expense is posted back to the General Fund Balance in accordance with statutory arrangements for spreading the burden on council tax. In the Authority's case, this period is the unexpired term that was outstanding on the loans when they were redeemed. As a result, the balance on the Account at 31 March 2025 will be charged to the General Fund until extinguished in 2031/32.

2023/24 £000	Financial Instruments Adjustment Account	2024/25	
		£000	£000
1,233	Balance at 1 April		998
(235)	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(235)	
(235)	Amount by which finance costs charged to the Comprehensive I&E Statement are different from finance costs chargeable in the year in accordance with statutory requirements		(235)
998	Balance at 31 March		763

Pensions Reserve

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

2023/24 £000	Pensions Reserve	2024/25	
		£000	£000
162,848	Balance at 1 April		55,217
	Adjustment to balance b/f*		4,114

(105,873)	Actuarial gains or losses on pensions assets and liabilities	(36,103)
38,674	Reversal of retirement benefit items debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive I&E Statement	33,671
(40,432)	Employer's pensions contributions and direct payments to pensioners payable in the year	(41,575)
55,217	Balance at 31 March	15,324

*The adjustment to opening balance is detail in note 19- Defined Benefit Pension Scheme

Deferred Capital Receipts Reserve

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

2023/24	Deferred Capital Receipts Reserve	2024/25
£000		£000
(40,767)	Balance b/f	(37,932)
(4,181)	Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	0
7,016	Transfer to the capital receipts reserve upon receipt of cash	0
(37,932)	Balance at 31 March	(37,932)

Council Taxpayers Adjustment Account

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

2023/24	Council Taxpayers Adjustment Account	2024/25
£000		£000
(10,171)	Balance at 1 April	(5,793)
4,378	Amount by which council tax income credited to the Comprehensive I&E Statement is different from council tax income calculated for the year in accordance with statutory requirements	2,995
(5,793)	Balance at 31 March	(2,798)

Business Ratepayers Adjustment Account

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

2023/24 £000	Business Ratepayers Adjustment Account	2024/25 £000
(7,714)	Balance at 1 April	3,071
10,785	Amount by which business rates income credited to the Comprehensive I&E Statement is different from business rates income calculated for the year in accordance with statutory requirements	(8,483)
3,071	Balance at 31 March	(5,412)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year e.g. 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	Accumulated Absences Account	2024/25 £000	£000
9,383	Balance at 1 April	9,654	
(9,383)	Settlement or cancellation of accrual made at the end of the preceding year	(9,654)	
9,654	Amounts accrued at the end of the current year	9,933	
271	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		279
9,654	Balance at 31 March	9,933	

Dedicated Schools Grant Adjustment Account

The Local Authorities (Capital Finance and Accounting) regulations were amended on 29 November 2020. New accounting treatment is required for local authorities' schools budget deficits relating to its accounts for a financial year beginning 1 April 2022 to 1 April 2025. Local authorities are not permitted to charge the value of the deficit to the general fund. Any historical deficit and in year deficit is to be recorded in a Dedicated Schools Grant adjustment account, a newly created unusable reserve.

2023/24 £000	Dedicated Schools Grant Adjustment Account	2024/25 £000
0	Balance at 1 April	0
0	In year Dedicated Schools Grant deficit	8,916
0	Balance at 31 March	8,916

Note 9 - Property, Plant and Equipment

Movements 2024/25	Council Dwellings £000	Other Land and Buildings £000	Vehicles Plant Furniture and Equipment £000	Community Assets £000	Surplus assets £000	Assets under Construction £000	Total Property Plant and Equipment £000	PFI assets within PPE £000
Cost or valuation								
At 1 April 2024	1,544,812	1,263,272	32,691	13,109	44,846	190,560	3,089,291	168,949
Adjustment to Balance b/fwd	0	8,584	836	0	0	0	9,420	0
Additions	139,248	56,791	1,643	628	759	128,831	327,899	0
Revaluation increases / (decreases) recognised in Revaluation Reserve	(66,789)	(9,834)	0	0	(15,594)	0	(92,216)	(678)
Revaluation increases / (decreases) recognised in SoDoPS	(93,429)	(8,206)	0	0	(2,196)	0	(103,831)	0
Derecognise – Disposals	(7,317)	0	(2,227)	0	0	0	(9,544)	0
Derecognise – Other	0	0	0	0	0	0	0	0
Assets reclassified (to) / from Held for Sale	0	(2,011)	0	0	964	0	(1,047)	0
Assets reclassified / Other movements in cost or valuation	37,850	(22,157)	0	(659)	22,816	(37,850)	0	0
At 31 March 2025	1,554,375	1,286,439	32,943	13,079	51,595	281,540	3,219,972	168,271
Accumulated depreciation and Impairment								
At 1 April 2024	0	5,207	17,095	0	0	0	22,302	505
Depreciation charge	25,240	18,417	4,074	0	822	0	48,553	1,761
Depreciation written out to the Revaluation Reserve	(12,997)	(16,171)	0	0	(1,656)	0	(30,824)	(1,255)
Depreciation written out to the SoDoPS	(12,090)	(642)	0	0	(59)	0	(12,791)	0
Derecognise – Disposals	(119)	0	(2,004)	0	0	0	(2,123)	0
Other movements in depreciation and Impairment	0	(910)	0	0	893	0	(17)	0

At 31 March 2025	34	5,901	19,165	0	0	0	25,100	1,011
Net Book Value:								
At 31 March 2024	1,544,812	1,258,066	15,596	13,109	44,846	190,560	3,066,989	168,444
At 31 March 2025	1,554,341	1,280,538	13,778	13,079	51,595	281,540	3,194,872	167,260
Revaluations:								
Historic Cost	0	0	13,778	13,079	0	281,540	308,397	0
At 31 March 2025	1,554,341	644,354	0	0	51,595	0	2,250,290	137,171
At 31 March 2024	0	491,484	0	0	0	0	491,484	30,089
At 31 March 2023	0	92,869	0	0	0	0	92,869	0
At 31 March 2022	0	8,557	0	0	0	0	8,557	0
At 31 March 2021	0	35,634	0	0	0	0	35,634	0
At 31 March 2020	0	7,642	0	0	0	0	7,642	0

Movements								
2023/24								
	Council Dwellings	Other Land and Buildings	Vehicles Plant Furniture and Equipment	Community Assets	Surplus assets	Assets under Construction	Total Property Plant and Equipment	PFI assets within PPE
	£000	£000	£000	£000	£000	£000	£000	£000

Cost or valuation								
At 1 April 2023 *	1,599,949	1,303,365	32,438	11,854	23,431	66,823	3,037,860	161,499
Additions	124,838	38,129	1,002	1,255	0	126,038	291,262	0
Revaluation increases / (decreases) recognised in Revaluation Reserve	(88,086)	(24,048)	0	0	24,453	0	(87,681)	7,450
Revaluation increases / (decreases) recognised in SoDoPS	(86,174)	(16,969)	0	0	(3,508)	0	(106,651)	0
Derecognise – Disposals	(5,715)	(39,986)	(750)	0	0	0	(46,451)	0
Derecognise – Other	0	0	0	0	0	0	0	0
Assets reclassified (to) / from Held for Sale	0	0	0	0	950	0	950	0
Other movements in cost or valuation	0	2,781	0	0	(480)	(2,301)	0	0
At 31 March 2024	1,544,812	1,263,272	32,690	13,109	44,846	190,560	3,089,289	168,949

Accumulated depreciation and Impairment

At 1 April 2023 *	(53)	(9,513)	(15,226)	(0)	(0)	(0)	(24,792)	(0)
Depreciation charge	(25,999)	(19,112)	(2,544)	(0)	(28)	(0)	(47,683)	(1,693)
Depreciation written out to the Revaluation Reserve	14,583	21,483	0	0	28	0	36,094	1,188
Depreciation written out to the SoDoPS	11,376	1,377	0	0	0	0	12,753	0
Derecognise – Disposals	93	558	675	0	0	0	1,326	0
Other movements in depreciation and Impairment	0	0	0	0	0	0	0	0
At 31 March 2024	0	(5,207)	(17,095)	(0)	0	0	(22,302)	(505)
Net Book Value At 31 March 2023	1,599,897	1,293,852	17,212	11,854	23,431	66,823	3,013,069	161,499
Net Book Value At 31 March 2024	1,544,812	1,258,066	15,596	13,109	44,846	190,560	3,066,989	168,444

Revaluations:

Historic Cost	0	0	15,596	13,109	0	190,560	219,265	0
At 31 March 2024	1,544,812	1,098,511	0	0	44,846	0	2,688,169	137,849
At 31 March 2023	0	98,476	0	0	0	0	98,476	30,595
At 31 March 2022	0	28,574	0	0	0	0	28,574	0
At 31 March 2021	0	29,540	0	0	0	0	29,540	0
At 31 March 2020	0	2,965	0	0	0	0	2,965	0

Depreciation

The following useful lives and depreciation rates have been used in the calculation of depreciation:

- Council Dwellings: 40 years
- Other Buildings: 5 – 125 years
- Vehicles, Plant, Furniture and Equipment: 4 - 10 years
- Infrastructure: 25 – 100 years
- Surplus: 4 – 40 years
- Community Assets: The majority of these assets are not depreciated as they have an indeterminable life. Where a community asset is being used as an operational building, then it has been depreciated in line with the policy relating to that category of asset.

Capital Commitments

As at 31 March 2025, the Authority had entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2024/25 and future years budgeted to cost £273.7m. Similar commitments at 31 March 2024 were £336.25m. The major commitments are:

- Housing Projects - £197.52m
- Transportation Capital Programme - £1.03m
- Schools Capital Programme - £24.19m
- Regeneration projects - £31.9m
- Property - £15.75m
- Other schemes - £3.27m

The Authority has also made available a £54.7m loan facility to Meridian Home Start Ltd for the delivery of affordable housing within the borough. As at 31 March 2025 £38.7m of this facility had been drawn down leaving up to £16m available for future years.

Non Current Assets – Schools

There were no in-year school academy conversions. (three in 2023/24):

This resulted in the sum of £nil being written out of the Royal Boroughs Balance Sheet (£39.4 in 2023/24).

Revaluations

The Authority carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. Valuations were carried out internally and externally (Wilks Head and Eve and VoA). Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimations set out in the professional standards of the Royal Institution of Chartered Surveyors. In estimating fair value, regard has been given to the nature of the property by reference to its use, location, size, method of construction, age, all other relevant matters, and the prevailing market forces.

All Held for Sale assets, Surplus assets and Investment Properties are measured at fair value and have been categorised as having a level 3 input level in the fair value hierarchy, except for these valued at £1. Further information on fair value measurement can be found under accounting policies and table below.

2023/24	Surplus Assets FV valuation technique	2024/25
£000		£000
38,977	Estimated sales price assuming development potential	29,184
1,518	Estimated sales price by direct comparison	2,720

4,351	Capitalisation of rental value	19,690
44,846	Net Book Value at 31 March	51,595

Note 9b – Infrastructure Assets

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

	2023/24 £000	2024/25 £000
Net book value (modified historical cost)		
At 1 April	139,552	142,424
Additions	7,832	6,886
Derecognition	0	0
Depreciation	(4,960)	(5,163)
Net Book Value at 31 March	142,424	144,147

	2023/24 £000	2024/25 £000
Infrastructure Assets	142,424	144,147
Other PPE assets	3,066,989	3,194,872
Total PPE assets	3,209,413	3,339,019

The authority has elected to not to report the gross cost and accumulated depreciation of infrastructure assets in accordance with 4.1.4.3 of the code as it is unable to accurately calculate the value of any infrastructure asset, such as roads and street lighting, that have been disposed of or replaced during the financial year. The authority has determined that the carrying amounts to be derecognised for infrastructure assets when there is replacement expenditure is nil. The

authority believes that the economic benefit from the net book value of infrastructure assets, as reported at the 31 March 2025, will continue to be realised through continued use.

Note 10 – Investment Properties

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

	2023/24	2024/25
	£000	£000
Rental income from investment property	335	335
Net gain/(loss)	335	335

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

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

	2023/24	2024/25
	£000	£000
Balance at start of the year	4,810	4,166
Net Gains/Losses from fair value adjustment	(644)	2
Balance at end of the year	4,166	4,168

Note 10A – Surplus Assets

Surplus assets are those assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale. The fair value of surplus assets 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 following table summarises the movement in the fair value of surplus assets over the year:

	2023/24 £000	2024/25 £000
Balance at start of the year	23,431	44,846
Additions	0	759
Transfers:		
To/from property, plant and equipment	470	23,780
Depreciation	(28)	(822)
Other Changes	20,973	(16,968)
Balance at end of the year	44,846	51,595

Note 11 – Impairment Losses

The Authority's Valuer has assessed there has been no impairment with regards to the overall asset portfolio in 2024/25 (nil in 2023/24).

Note 12 – Assets Held for Sale

Assets Held for Sale	2023/24 £000	2024/25 £000
Balance outstanding at start of year	3,127	1,189
Assets newly classified as held for sale – Property, Plant and Equipment	0	2,011
Additions	0	0
Revaluation gains	225	0
Revaluation losses	(536)	(339)
Assets declassified as held for sale – Property, Plant and Equipment	(950)	(964)
Assets sold	(677)	0
Balance outstanding at year-end	1,189	1,896

Note 13 – Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table below (including the value of assets acquired under finance leases and PFI contracts), together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement, a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The Capital Financing Requirement is analysed in the second part of the note.

2023/24 £000	Capital Expenditure and Capital Financing	2024/25 £000
869,125	Opening Capital Financing Requirement b/f	980,262
0	Adjustment to balance b/f	(6,824)
869,125	Opening Capital Financing Requirement	973,438
	Capital Investment	
299,372	Property, Plant and Equipment	334,785
23,243	Revenue expenditure funded from capital under statute	8,410
	Sources of Finance	
(61,636)	Capital receipts	(36,584)
(87,419)	Government grants and other contributions	(66,135)
(49,513)	Direct revenue contributions	(43,411)
(309)	Principal Loan Repayment	
(12,601)	MRP	(13,228)
980,262	Closing Capital Financing Requirement	1,157,275
	Explanation of Movement in Year	
(1,868)	Increase in underlying need to borrow (supported by government financial assistance)	(1,868)
113,005	Increase in underlying need to borrow (unsupported by government financial assistance)	185,705
111,137	Increase / (decrease) in Capital Financing Requirement	183,837

Note 14 – Private Finance Initiatives and Similar Contracts

Part I - Private Finance Initiatives

The Authority has two PFI contracts.

Provision of Neighbourhood Resource Centres (NRCs)

A PFI agreement was signed in 2002 for the provision of three Centres. The three NRCs were designed to replace the Authority's four Homes for Elderly People (HEP) and deliver a range of high quality services for older people. The NRCs opened between May and August 2004 and the contract is for 30 years. The Authority is leasing the sites to the Provider for 30 years at nil value and will be returned to the Authority for nil consideration at the end of the contract.

Provision of two secondary schools

The Authority entered into an agreement in 2009 for the provision of two schools, Crown Woods and Thomas Tallis. The schools came into operation during 2011/12 and the contract runs for 25 years. The sites were made available to the operator at nil value for the duration of the contract. In September 2014, Crown Woods converted to academy status. The Authority undertook a refinancing exercise of the PFI contract in 2016/17.

In accordance with the Code of Practice on Local Authority Accounting the assets provided under the PFI contracts and the sites provided by the Authority are recognised on the authority's Balance Sheet. Movements in value are detailed in the analysis movement on Property, Plant and Equipment

Under these contracts the Authority paid £14.780m (NRCs) and £17,887m (secondary schools) in 2024/25. The Authority is required to make the following payments to the Providers of these contracts:

Year	NRCs			Secondary Schools		
	Services £000	Interest £000	Capital £000	Services £000	Interest £000	Capital £000
2025/26	12,672	694	505	7,952	5,458	2,893
2026/27 to 2029/30	51,504	3,189	3,804	30,544	19,499	16,883
2030/31 to 2034/35	62,112	2,168	7,808	44,734	12,629	30,352
2035/36 to 2039/40	0	0	0	9,716	3,053	16,073
Total	126,288	6,051	12,117	92,946	40,639	66,201

Although the payments made to the contractors are described as unitary payments, they have been calculated to compensate the contractors for the fair value of the services delivered, the capital expenditure incurred in providing the facilities and interest payable. The payments under these PFI agreements are partially linked to Retail Price Index, adjusted for on an annual basis, and can be reduced if the contractor fails to meet the service or availability standards set-out in the contracts. The liability outstanding to pay the contractors for the capital expenditure incurred is as follows:

	NRCs		Secondary Schools	
	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000
Outstanding Liability				
Balance outstanding at start of year	13,179	12,571	73,434	69,631
Payments during the year	(608)	(455)	(3,803)	(3,431)
Balance outstanding at year-end	12,571	12,116	69,631	66,200

The Authority has the right to terminate the contracts provided it compensates the contractors in full for all costs incurred, including the repayment of outstanding debt. In accordance with the contracts, the Authority may opt to refinance the PFIs through the contractors. During 2016/17 the Authority authorised the refinancing of its Secondary School PFI with the gain shared with the contractor. The savings realised by the Authority during 2024/25 and applied as a reduction in the interest charge was £0.236m (£0.258m 2023/24). The amounts held as deferred income in respect of this transaction at 31 March 2025 is;

PFI Deferred Income	2023/24	2024/25
	£000	£000
Not later than one year	236	216
Later than one year and not later than five years	761	696
Late than five years	867	715
Total	1,864	1,627

Part 2 – Section 106 Liabilities

Section 106 receipts are monies paid to the Authority by developers in relation to the granting of planning permission and typically detail works that are required to be carried out or relate to the provision of new facilities as a result of that permission (e.g. affordable homes, early years provision). These sums are ring-fenced and can only be spent as part of an agreement with the developer. As at 31st March 2025, the Authority held £41.906m of S106 liabilities (£48.280m 2023/24).

Note 15 – Leases

Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority. Material leases include dwellings in Greenwich Millenium Village and the Greenwich Centre

	Dwellings	Land and buildings	Vehicles, plant and equipment	Total
	£000	£000	£000	£000
Opening Balance at 1 April 2024	15,643	32,016	0	47,659
Adjustments	0	8,584	836	9,420
Balance at 1 April 2024	15,643	40,600	836	57,079
Additions	29	264	0	293
Revaluations	(73)	0	0	(73)
Depreciation and amortisation	0	(1,076)	(263)	(1,339)
Disposals	0	0	0	0
Balance at 31 March 2025	15,599	39,788	574	55,960

Transactions under leases

The authority incurred the following expenses and cash flows in relation to leases.

	2023/24 £000	2024/25 £000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities		6,754

Expense relating to short term leases	216
Expenses relating to low-value items	2
Income from sub-letting right of use assets	(641)
Cashflow statement	
Total cash outflow for leases	4,364

Maturity analysis of lease liabilities

	2024/25 £000
Less than one year	778
One to five years	1,913
More than five years	53,371
Total undiscounted liabilities	56,062

The authority leases a range of assets to support service delivery including dwellings, vehicles and data servers. In addition, school and neighbourhood resources centres held under PFI arrangements are also recognised as right-of-use assets. There is no exposure to any further cash outflows, such as variable lease payments and residual value guarantees.

Transactions under leases

The authority made the following gains and losses as a lessor during the year.

	2023/24 £000	2024/25 £000
Finance Leases		
Finance income on the net investment in the lease	0	0
Operating Leases		
Total lease income	6,490	6,743

Net investment in finance leases

The authority experienced the following changes in the carrying amount of its net investment in finance leases during the year.

	2023/24 £000	2024/25 £000
Net investment at 1 April	308	308
Payments by lessees	(0)	(0)
Net investment at 31 March	308	308

Maturity analysis of lease receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts).

	Finance leases		Operating Leases	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Less than one year	75	75	5,667	5,203
One to two years	75	75	4,425	4,073
Two to three years	75	75	3,432	3,186
Three to four years	75	75	2,904	2,636
Four to five years	75	75	2,504	2,193
More than five years	7,340	7,265	27,704	26,699
Total undiscounted receivables	7,706	7,631	46,636	43,990

The total undiscounted receivables for finance leases reconcile to the net investment in leases as follows.

	2023/24 £000	2024/25 £000
Total undiscounted lease receivables	7,706	7,631
Unearned finance income	(7,398)	(7,323)
Net investment in leases	308	308

Note 16 - Financial Instruments

Categories of Financial Instruments

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

	Carrying Value			
	Long Term		Short Term	
	2023/24	2024/25	2023/24	2024/25
	£000	£000	£000	£000
<u>Investments*</u>				
Amortised Cost	40,019	39,813	431	7,077
<u>Debtors**</u>				
Amortised Cost	2,004	3,264	48,317	73,329
Cash and Cash Equivalents	0	0	11,631	20,418
Total Financial Assets	42,023	43,077	60,379	100,824
 <u>Borrowings</u>				
Financial Liabilities at amortised cost	(443,338)	(673,854)	(23,873)	(64,080)
<u>Other Long Term Liabilities</u>				
PFI and Finance Lease Liabilities	(79,980)	(83,806)	(3,888)	(4,177)
<u>Creditors***</u>				
Amortised Cost	0	0	(94,753)	(88,590)
Cash Overdrawn	0	0	(788)	(709)
Total Financial Liabilities	(523,318)	(757,660)	(123,302)	(157,556)

* Long Term Investment includes £37.459m (2023/24 £37.184m) held with Meridian home start.

** The figure for short-term debtors (net of bad debts provision) excludes prepayments of £6.300m (2023/24 £4.362m) and also excludes Collection Fund, NNDR and Government entries of £30.032m (2023/24 £30.472m). The figure for long-term debtors excludes Collection Fund entries of £1.978m (£1.827m 23/24)

*** The figure for creditors excludes prepaid income of £8.774m (2023/24 £9.884m) and also excludes Collection Fund and Government entries of £50.756m (2023/24 £28.371m)

Income, Expense, Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure statement in relation to financial instruments are made up as follows:

Income, Expense, Gain and Loss	2023/24			2024/25		
	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Financial Assets: measured at fair value through Profit and Loss	Financial Liabilities measured at amortised cost	Financial Assets: measured at amortised cost	Financial Assets: measured at fair value through Profit and Loss
	£000	£000	£000	£000	£000	£000
Interest Expense	(26,633)	0	0	(30,218)	0	0
Interest Income	0	4,929	0	0	2,176	0
Gains/(losses) on financial assets	0	0	0	0	0	0

Fair Values of Assets and Liabilities

Financial liabilities, financial assets represented by Investment, long-term debtors and creditors are carried in the Balance Sheet at amortised cost. Their 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:

- based on rates for equivalent loans at that date (new loan rates for PWLB)
- the fair value of trade and other receivables is taken to be the invoiced or billed amount.
- where an instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.

Except for the financial assets carried at fair value (described below), all other financial liabilities and financial assets represented by investment and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following:

- For loans from the PWLB payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price. As an alternative, we have assessed the cost of taking a new loan at PWLB new loan rates applicable to existing loans on Balance Sheet date (which could be viewed as a proxy for transfer value);
- For non-PWLB loans payable, PWLB new loan repayment rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable, the prevailing benchmark market rates have been used to provide the fair value;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

Financial liabilities are held with PWLB and Market lenders. All these investments and borrowings were not quoted on an active market and a Level 1 valuation is not available. To provide a fair value which provides a comparison to the carrying amount, we have used a financial model valuation provided by Link Asset Services. This valuation applies the net present value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date.

As new loan rate borrowing comparison would not reflect the effect of the penalty charge that PWLB would raise on early repayment, a supplementary measure of the fair value of PWLB Commitment is to compare the terms of these loans with estimates of the terms that would be offered for the market transactions undertaken at the balance sheet date, which has been assumed as the PWLB Premature Repayment Rate. At the balance sheet date, the fair value for PWLB would be £601m (23/24 £335m), LOBO £35.5m & Fixed rate loans £38m (23/24 £53m & 43m) and Other Loans £8.9m (23/24 £8.6m). The PFI liabilities using the new adoption of IFRS16 rate would be £88m (23/24 £86m measure using Premature Repayment Rate). The following table shows the Fair Value of PWLB, LOBO and Other Loans measured at New Loan Rate.

The fair values calculated are as follows:

Financial Liabilities Held at Amortised		31 March 2024		31 March 2025	
Costs		Carrying Amount	Fair Value	Carrying Amount	Fair Value
	Fair Value Level	£000	£000	£000	£000
PFI/ Finance Lease	2	(83,868)	(83,569)	(87,983)	(87,983)
PWLB	2	(343,394)	(302,058)	(630,216)	(600,792)
LOBO	2	(113,752)	(96,128)	(97,698)	(73,082)
Other Loans	2	(10,064)	(7,911)	(10,021)	(7,886)
Overdrawn	N/A	(788)	(788)	(709)	(709)
Short Term Creditors	N/A	(94,753)	(94,753)	(88,590)	(88,590)

The fair value of the liabilities is mostly lower than the carrying amount because the Authority's portfolio of loans includes a number of fixed rate loans where the interest rate payable is lower than the prevailing rates at the Balance Sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders lower than current market rates.

Assets	31 March 2024		31 March 2025	
	Fair Value Level	Carrying Amount	Fair Value	Carrying Amount
		£000	£000	£000
Financial assets held at amortised cost:				
Investment	2	40,449	40,021	46,890
Cash and cash equivalents	1	11,631	11,631	20,418
Short Term Debtors	N/A	48,317	48,317	73,329
Long Term Debtors	N/A	2,004	2,004	3,264

Assets and liabilities at fair value through profit or loss are carried in the Balance Sheet at their fair value. These fair values are based on public price quotations where there is an active market for the instrument. Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

Note 17 - Nature and Extent of Risks Arising from Financial Instruments

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

- credit risk – the possibility that other parties might fail to pay amounts due to the Authority
- liquidity risk – the possibility that the Authority might not have funds available to meet its commitments to make payments
- Re-financing risk - the possibility that the Authority might need to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- market risk – the possibility that financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements.

Overall Procedures for Managing Risk

The Authority's overall risk management procedures focus on the unpredictability of financial markets and are structured to implement suitable controls to minimise these risks. The procedures for risk management are set out through a legal framework based on the Local Government Act 2003 and associated regulations. This requires the Authority to comply with the CIPFA Prudential Code, the CIPFA Code of Practice on Treasury Management in the Public Services and investment guidance issued through the Act. Overall, these procedures require the Authority to manage risk in the following ways:

- by formally adopting the requirements of the CIPFA Treasury Management Code of Practice

- by the adoption of a Treasury Policy Statement and treasury management clauses within its financial regulations.
- by approving annually in advance prudential and treasury indicators for the following three years limiting:
 - the Authority's overall borrowing
 - its maximum and minimum exposures to fixed and variable rates
 - its maximum and minimum exposures to the maturity structure of its debt
 - its maximum annual exposures to investments maturing beyond a year.
- by the adoption of a Treasury Policy Statement and treasury management by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties in compliance with Government guidance.

These are required to be reported and approved before the start of the year to which they relate. These items are reported with the annual treasury management strategy, which outlines the detailed approach to managing risk in relation to the Authority's financial instrument exposure. Actual performance is also reported after each year, as is a mid-year update.

The annual treasury management strategy which incorporates the prudential indicators was approved by Council on 26 February 2025.

Credit Risk

Credit risk arises from deposits with banks and financial institutions, investment securities and as credit exposures to the Authority's customers. This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- credit default swap spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries
- share prices and news and information from the City via Bloomberg and other sources.
- UK institutions provided with support from the UK Government
- a £30m credit limit (with the exception of the UK Government)

The Authority does not expect any losses from non-performance by any of its counterparties in relation to deposits and securities. However, as required by the Code of Practice, the Council is required to calculate an Expected Credit Loss (ECL) for its financial assets, which reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. The Council's investment assets are held with counterparties with very low historical rates of default. Using the 12-month ECL model, at 31 March 2025 the Council's investment assets with a value of £39.94m had a calculated ECL of £0.053m; the Council has deemed this immaterial for adjusting the carrying values of those assets. The Authority does not generally allow credit for customers.

The past due but not impaired amount (forming part of the Authority's debtors) can be analysed by age as follows (all sums owing are due to be settled within one year):

Debtor Age	2023/24 £'000	2024/25 £'000
Less than three months	20,464	16,803
Three to six months	1,299	5,541
Six to one year	9,180	9,341
More than one year	18,192	21,417
Total	49,135	53,103

A summary of the credit quality of the Council's investments at 31 March 2025 is shown below:

31/03/2024 £'000				31/03/2025 £'000	
Amortised Cost			Fitch Ratings	Amortised Cost	
Long-Term	Short-Term			Long-Term	Short-Term
0	0	Debt Management Office	N/A	0	6,418
0	6	UK Sovereign/ Bank	AA-	0	6
37,185	315	Housing	N/A	36,914	544
235	11	Sports Clubs	N/A	224	11
400	100	Credit Union	N/A	300	100
1,921	4	Leisure	N/A	1,847	2
39,741	436			39,285	7,081
40,177	Total				46,366

Liquidity Risk

The Authority manages its liquidity position through the risk management procedures above, as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed. The Authority uses term investments in the DMO, which are

classified as “investment at amortised cost”, The Authority has ready access to borrowings from banks to cover any day- to-day cash flow needs and the PWLB and money markets for access to longer-term funds. The Authority is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. 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 (see Refinancing Risk). In the event of liquidity requirements, the council can borrow from PWLB, or other lenders such as LA to LA, and Banks mostly within 5 working days. Furthermore, officers regularly monitor investment and debt maturity profiles to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

Refinancing Risk

The Authority 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 Authority relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Authority approved treasury and investment strategies address the main risks, and the central treasury team address the operational risks within the approved parameters. This includes:

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

The Authority sets limits on the proportion of its fixed rate borrowing during specified periods. Interest rates on loans varied between 0.96% - 8.13% (2023/24: 0.96% - 8.13%). The principal maturity analysis of financial liabilities is as follows:

2023/24 £'000					2024/25 £'000			
PWLB	LOBO/Fixed*	Others	Total		PWLB	LOBO/Fixed*	Others	Total
20,000	-	608	20,608	Less than one year	40,000	-	712	40,712
0	-	608	608	Between one and two years	46,910	-	716	47,626
41,002	-	1,825	42,827	Between two and five years	204,092	-	2,176	206,268
45,729	-	3,529	49,258	Maturing in five to ten years	100,729	-	3,692	104,421
234,176	113,000	3,469	350,645	Maturing in more than ten years	234,176	97,000	2,697	333,873
340,907	113,000	10,039	463,946		625,907	97,000	9,993	732,900

* The LOBO maturity profile assumes that the lender will not exercise their option until maturity. It also includes £52.50m of loans now converted to fixed rate loans (as below).

Within the “more than ten years” category, are £44.5m of market loans (LOBO’s) made up of varied interest rates between 4.14% and 4.48%, all of which have options built into them whereby, after a period of time the lender may ask for the rate payable to be changed. The Authority has the option to either accept this increase or repay the loan in full, without penalty. The risk to the Authority is that these options get exercised at a time of unfavourable interest rates. The Authority has set a limit on its long-term borrowing that can be undertaken on this basis. The option dates have been spread over several years to ensure that the risk of this scenario occurring is reduced. All trade and other payables are due to be paid in less than one year. A further £52.5m is now with fixed rate loans between 3.89% and 4.55% interest with an Insurance company and a U.K. Bank in this category. Also included is an Amber Meef 2 LLP loan with £9.43m remaining for our street lighting capital program with a preferential rate of 0.96% and a Greenwich Green loan for £562k at a rate of 4%, whilst the remaining £625.9m is with PWLB Loans at various interest rates between 1.37% and 8.13%.

Market Risk

Interest Rate Risk

The Authority is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Authority. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- borrowings at fixed rates – the fair value of the liabilities will fall
- investments at variable rates – the interest income credited to the Surplus or Deficit on the Provision of Services will rise
- investments at fixed rates – the fair value of the assets will fall.

On 31 March 2025, 100% of the debt portfolio was held in fixed rate instruments, (assuming we hold our LOBO loans to maturity). Those debts are all purchased on a hold to maturity basis and therefore any temporary fluctuations in the market value of such products would have no impact on the Council’s finances. The council monitors the interest rate environment regularly. The probability of a LOBO loan being called primarily depends on the interest rate movement, future rate expectation, and other factors such as issuer business operational changes. Council treasury advisors analyse such conditions and inform officers of the probability of a LOBO loan about to be called. Council officers ensure sufficient funds are available to decide whether to accept new loan terms or pay off the loan balance. Investments are also subject to movements in Interest rates. Most of the investments were held as fixed rate, and on a fixed term basis. On 31 March 2025, £6,000.00 was held in a call accounts on variable interest rate. If variable interest rates had been 1% higher (with all other variables held constant) the financial effect would be a net increase in income of £60.00. The impact of a 1% fall in interest rates would be a net decrease in income of £60.00.

Borrowings are not carried at fair value, so nominal gains and losses on fixed rate borrowings would not impact on the Surplus or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income and Expenditure.

The Authority has a number of strategies for managing interest rate risk. During periods of falling interest rates and where economic circumstances make it favourable, fixed rate loans will be repaid early to limit exposure to losses. The risk of loss is ameliorated by the fact that a proportion of government grant payable on financing costs will normally move with prevailing interest rates or the Authority's cost of borrowing and provide compensation for a proportion of any higher costs. The treasury management team has an active strategy for assessing interest rate exposure. The long-term borrowing of the Authority is held at a fixed rate and thus there would be no effect on the Comprehensive Income and Expenditure Statement, or the debit to the Housing Revenue Account, if interest rates were different from those that prevailed on the Balance Sheet date. Investments are mostly held at fixed rates.

Price Risk

The Authority does not generally invest in equity shares and as at 31 March 2025 did not hold any Treasury Bills. Therefore, the Authority was not consequently exposed to gains or losses arising from movements in the prices of these instruments should they have wished to sell them before their maturity date. The Treasury Bills would be classified as 'Investment at amortised cost', meaning that all movements in price will impact on gains and losses recognised in income and expenditure in the surplus or deficit on the provision of services. It is the Authority's current policy (if they did hold any) not to trade these securities before their maturity date unless there are exceptional circumstances.

Foreign Exchange Risk

The Authority has no financial assets / liabilities denominated in foreign currencies and thus has no exposure to loss arising from movements in exchange rates.

Note 18 - Pensions Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the Authority are eligible to be members of the Teachers' Pension Scheme, administered by the Department for Education. Certain Public Health employees who transferred to the Authority on 1 April 2013 are eligible to be members of the NHS Pension Scheme. The Schemes provide relevant employees with specified benefits upon their retirement and the Authority contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Schemes are defined benefit schemes. However, the Schemes are unfunded and use notional funds as the basis for calculating the employers' contribution rate paid by local authorities. The Authority is not able to identify its share of the underlying financial position and performance of the Schemes with sufficient reliability for accounting purposes. For the purposes of this Statement of Accounts, they are accounted for on the same basis as defined contribution schemes.

In respect of Teacher's Pensions, the Authority is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and included within Note 19.

Scheme	Year ending 31 March 2024		Year ending 31 March 2025	
	Contributions paid	Percentage of pensionable pay	Contributions paid	Percentage of pensionable pay
	£000	%	£000	%
Teacher's Pensions	16,453	23.68	20,138	28.68
NHS Pension scheme	102	14.38	75	14.38
Total	16,555	-	20,213	-

*Total contributions paid into the Teachers' Pension Scheme in 2024/25 was £27,064m (£23.267m in 2023/24).

The estimated employer contributions for the NHS Pension Scheme for 2025/26 are £0.93m and for the Teachers' Pension Scheme the estimated 2025/26 employer contributions are £22.889m.

Note 19 - Defined Benefit Pension Schemes

Participation in Pension Schemes

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

The Authority participates in two post- employment schemes:

- The Local Government Pension Scheme (LGPS), administered locally by the Royal Borough of Greenwich (RBG) – this is a funded defined benefit career average re-valued earnings scheme, meaning that the Authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. The Authority is an employer within the London Pension Fund Authority (LPFA), which is also a LGPS fund.

- Discretionary post- retirement benefits upon early retirement – this is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pensions liabilities and cash has to be generated to meet actual pensions payments as they eventually fall due. No further awards have been made since 2008 in respect of the LGPS. However, this facility remains as part of the Teachers' Pension Scheme.

The policy for recognising actuarial gains and losses is that actuarial gains and losses are recognised in the reserves i.e. in Other Comprehensive Income and Expenditure.

Transactions Relating to Post-employment Benefits

The costs of retirement benefits are recognised in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions (in accordance with IAS 19). However, the charge required to be made against council tax is based on the cash payable in the year (derived from the employer contribution rates of 18.5% for RBG and 11.5% for LPFA, plus lump sums as required), therefore, the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

**Total Expense Recognised in the Comprehensive I&E Statement
for Post-Employment Benefits**

	2023/24	2024/25	
	Total	RBG	LPFA
	£000	£000	£000
Comprehensive I&E Statement			
<u>Cost of Services</u>			
Current service cost including admin expenses	33,538	32,966	156
Settlements and curtailments	454	1,553	0
Past Service Cost (Mc Cloud Impact)	-	-	-
<u>Financing and Investment Income and Expenditure</u>			
Net interest expense	4,383	(1,078)	74
Total Post Employment Benefit Charged to SoDoPS	38,375	33,441	230
 <u>Other Post Employment benefit Charged to the Comprehensive I&E Statement</u>			
Re-measurement of the net defined benefit liability comprising:			
Return on plan assets	(41,259)	10,383	1,689
Actuarial (gains) or losses arising on changes in demographic assumptions	(26,267)	(4,165)	(147)
Actuarial (gains) or losses arising on changes in financial assumptions	(33,879)	(200,124)	(4,294)
Experience gain/loss	(5,456)	(3,627)	(161)
Other Actuarial (gains) or losses	-	-	-
Impact of asset ceiling	4,841	161,519	2,824
Total Post Employment Benefit Charged to Other Comprehensive Income & Expenditure	(102,020)	(36,014)	(89)

Movement in Reserves Statement

Reversal of net charges made to SoDoPS for post- employment benefits (per Code)	(38,375)	(33,441)	(230)	(33,671)
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Actual amount charged against the General Fund Balance for Pensions in the Year

Employer's contributions payable to the scheme	35,912	37,714	159	37,873
Retirement benefits payable to pensioners	3,960	3,616	86	3,702
	39,872	41,330	245	41,575

*Restated

Pensions Assets and Liabilities recognised in the Balance Sheet

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

Pensions Assets and Liabilities recognised in the Balance Sheet	LGPS			
	2023/24*	2024/25		
	Total	RBG	LPFA	Total
	£000	£000	£000	£000
Present value of defined benefit obligation	(1,580,607)	(1,369,396)	(50,070)	(1,419,466)
Fair value of plan assets	1,582,980	1,530,321	98,052	1,628,373
Subtotal	2,373	160,925	47,982	208,907
Present value of defined benefit obligation (unfunded)	(18,769)	(13,171)	(1,700)	(14,871)
Other movements in liability/(assets) – asset ceiling	(42,935)	(161,519)	(47,841)	(209,360)
Net liability arising from Defined Benefit Obligation	(59,331)	(13,765)	(1,559)	(15,324)

*Restated

As at 31 March 2024 RBG had a funding surplus i.e. an asset of £160.93m, and the LPFA had a funding surplus of £47.98m.

Accounting standards only allow a surplus (asset) to be recognised to the extent that an employer can gain economic benefit from that surplus. Paragraph 64 of IAS 19 limits the measurement of the defined benefit asset to the "present value of economic benefits available in the form of refunds from the plan or

reductions in future contributions to the plan". This is known as an asset ceiling. An asset ceiling is required when the future projected contributions from an employer are calculated to be less than the surplus. IFRIC 14 limits the measurement of any defined benefit asset to the lower of the surplus in the defined benefit plan and the asset ceiling. Therefore, an asset ceiling is applicable to the Royal Borough of Greenwich Pension Fund and to Royal Borough of Greenwich as an employer within the LPFA Fund.

The table below shows a reconciliation of changes in the value of the asset ceiling in respect of the Royal Borough of Greenwich.

Reconciliation of asset ceiling		
	2023/24	2024/25
	£000	£000
Opening impact of asset ceiling	-	-
Interest on impact in asset ceiling	-	-
Actuarial losses/ (gains)	-	161,519
Closing impact of asset ceiling	-	161,519

The table below shows a reconciliation of changes in the value of the asset ceiling in respect of the LPFA.

Reconciliation of asset ceiling		
	2023/24	2024/25
	£000	£000
Opening impact of asset ceiling	36,349	42,935
Interest on impact in asset ceiling	1,745	2,082
Actuarial losses/ (gains)	4,841	2,824
Closing impact of asset ceiling	42,935	47,841

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

The expected return on scheme 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 gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets.

Reconciliation of movements in the Fair Value of the scheme (plan) assets	Local Government Pension Scheme*			
	2023/24*	2024/25		
	Total	RBG	LPFA	Total
	£000	£000	£000	£000
Opening balance 1 April	1,497,213	1,483,541	99,439	1,582,980
Interest on scheme assets	74,436	76,236	4,718	80,954
Re-measurement gain/ loss:				
Return on assets less interest	41,259	(10,383)	(1,689)	(12,072)
Other	-	-	-	-
Administration expenses	(1,138)	(1,340)	(30)	(1,370)
Employer contributions	39,872	41,330	245	41,575
Contributions by scheme participants	14,559	14,962	36	14,998
Benefits paid	(82,157)	(74,025)	(4,667)	(78,692)
Settlements	(1,064)	-	-	-
Closing balance 31 March	1,582,980	1,530,321	98,052	1,628,373

*Restated

**Please note that this reconciliation shows the movement in assets during the year and does not include actuarial (gains) or losses arising from demographic or financial assumptions, experience (gains) or losses and other actual balances, which are included in Table I for “Total Expense Recognised in the Comprehensive I&E Statement for Post-Employment Benefits”

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

Reconciliation of present value of the Scheme Liabilities (Defined Benefit Obligation)	LGPS (Funded)			Discretionary (Unfunded)				
	2023/24*			2024/25				
	Total	RBG	LPFA	Total	Total	RBG	LPFA	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening balance 1 April	(1,590,693)	(1,524,277)	(56,330)	(1,580,607)	(33,019)	(16,932)	(1,837)	(18,769)
Current service cost	(32,400)	(31,626)	(126)	(31,752)	-	-	-	-
Interest cost	(75,516)	(74,377)	(2,625)	(77,002)	(1,558)	(781)	(85)	(866)
Contributions by scheme participants	(14,559)	(14,962)	(36)	(14,998)	-	-	-	-
Remeasurement gains and losses	-	-	-	-	-	-	-	-
Change in demographic assumptions	24,322	4,117	142	4,259	1,945	48	5	53
Change in financial assumptions	33,649	199,283	4,268	203,551	230	841	26	867
Experience loss/(gain) on defined benefit obligation	(4,217)	3,590	156	3,746	9,673	37	5	42
Benefits paid	78,197	70,409	4,481	74,890	-	-	-	-
Unfunded Pension Payments	-	-	-	-	3,960	3,616	186	3,802
Settlements	1,287	-	-	-	-	-	-	-
Past service costs, including Curtailments	(677)	(1,553)	-	(1,553)	-	-	-	-
Closing balance 31 March	(1,580,607)	(1,369,396)	(50,070)	(1,419,466)	(18,769)	(13,171)	(1,700)	(14,871)

*Restated

Local Government Pension Scheme Assets

The Discretionary Benefits arrangement has no assets to cover its liabilities. The LGPS assets consist of the following categories, by amount and proportion of the total assets held:

RBG Pension Fund	2023/24			2024/25		
	Quoted price in active markets	Not quoted price in active markets	Total	Quoted price in active markets	Not quoted price in active markets	Total

	£000	£000	£000	£000	£000	£000
UK and Overseas Unit Trusts	-	-	-	-	-	-
Unitised insurance policies	-	-	-	-	-	-
Equity	-	704,358	704,358	-	683,478	683,478
Bonds	-	-	-	-	-	-
Fixed Income	-	280,933	280,933	-	415,416	415,416
Property	-	-	-	-	-	-
Property- Unit trust	-	117,226	117,226	-	131,213	131,213
Multi Asset	-	174,765	174,765	-	-	-
Absolute Return	-	-	-	-	88,634	88,634
Infrastructure	-	20,828	20,828	-	25,936	25,936
Private Debt	-	58,297	58,297	-	62,120	62,120
Diversified Alternative	-	90,088	90,088	-	70,168	70,168
Private equity	-	736	736	-	652	652
Property-Freehold	-	5,221	5,221	-	5,722	5,722
Cash/other investment balance	-	30,812	30,812	-	46,982	46,982
Closing balance 31 March	-	1,483,264	1,483,264	-	1,530,321	1,530,321

LPFA	2023/24			2024/25		
	Quoted price in active markets	Not quoted price in active markets	Total	Quoted price in active markets	Not quoted price in active markets	Total
	£000	£000	£000	£000	£000	£000
Equity investments	60,207	-	60,207	57,832	-	57,832
Property	-	9,097	9,097	-	8,936	8,936
Infrastructure	-	11,423	11,423	-	11,184	11,184
Target Return Portfolio	17,154	-	17,154	17,807	-	17,807
Cash	-	1,558	1,558	-	2,293	2,293
Closing balance 31 March	77,361	22,078	99,439	75,639	22,413	98,052

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years, dependent on assumptions about mortality rates, salary levels, etc. Both the LGPS and Discretionary Benefits liabilities have been assessed by Barnett-Waddingham, an independent firm of actuaries, using data from the full triennial valuation as at 31 March 2022.

The principal assumptions used by the actuary have been:

Assumptions	RBG		LPFA	
	2023/24	2024/25	2023/24	2024/25
Mortality assumptions (yrs)				
Longevity at 65 for current pensioners				
Men	19.3	19.2	20.6	20.6
Women	22.7	22.7	23.3	23.4
Longevity at 65 for future pensioners				
Men	20.6	20.6	20.9	20.9
Women	24.2	24.2	25.1	25.2
Other assumptions (%)				
Rate of inflation (CPI)	2.90	2.90	2.95	2.90
Rate of increase in salaries	3.90	3.90	3.95	3.90
Rate of increase in pensions	2.90	2.90	2.95	2.90
Rate for discounting scheme liabilities*	4.90	5.80	4.85	5.65

*Effectively also equal to the expected return.

RBG and LPFA assume all members will retire at one age for all tranches of benefit, which will be the weighted average tranche retirement age.

There has been changes in the rate for discounting scheme liabilities between 2023/24 and 2024/25 for the RBG and the LPFA schemes. The RBG discount rate increased by 0.90% and the LPFA discount rate increased by 0.80%. Had the discount rate remained at 2023/24 levels, the defined benefits obligation for RBG would have increased by £66.4m and LPFA would have increased by £2.5m.

Change in Assumptions	Increase in assumption			Decrease in assumption		
	RBG	LPFA	Total	RBG	LPFA	Total
	£000	£000	£000	£000	£000	£000
Rate for discounting scheme liabilities (increase or decrease by 0.1 %)	(18,720)	(473)	(19,193)	19,159	480	19,639
Rate of increase in salaries (increase or decrease by 0.1 %)	1,226	14	1,240	(1,218)	(14)	(1,232)
Rate of increase in pensions (increase or decrease by 0.1 %)	18,460	479	18,939	(18,042)	(472)	(18,514)
Longevity (increase or decrease in 1 year)	56,528	2,979	59,507	(54,050)	(2,805)	(56,855)

Impact on the authority's cash flows

The liabilities show the underlying commitments that the Authority has in the long run to pay post-employment (retirement) benefits. The total liability of £15.324m (2023/24: £59.331m) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet resulting in an overall balance of £2.485bn (2023/24: £2.551bn). However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- the deficit on the LGPS will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary
- finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The objective of the scheme is to achieve 100% funding. Funding levels are monitored on an annual basis. A triennial valuation was carried out as at 31 March 2022, utilising three pools of employers within the scheme. The valuation has taken account of the national changes to the scheme under the Public Pensions Services Act 2013. The Act provides for scheme regulations to be made within a common framework, to establish new career average re-valued earnings to pay pensions and other benefits to certain public servants. The next valuation will be calculated as at 31 March 2025, effective from 1 April 2026. The total contributions expected to be made in respect of funded defined benefits by the Authority in the year to 31 March 2026 are £37.74m. The weighted average duration of the defined benefit obligation for RBG scheme members is 20 years and LPFA scheme members 12 years.

Note 20 - Short Term Debtors

31-Mar-24	Short Term Debtors	31-Mar-25
£000		£000

13,106	HMRC – VAT	15,381
2,596	Other Central government bodies	3,774
2,872	Other local authorities	12,945
6,953	NHS bodies	10,785
9,809	Council Tax Arrears	8,220
1,206	Council Tax Court Cost	1,160
2,990	Housing Benefit Overpayment Debt	1,853
3,824	Housing Rents	2,338
348	Business Rates Arrears	1,014
22,905	Sundry Debtors	25,320
4,362	Prepayments	7,953
12,181	Other	18,917
83,151	Total	109,661

Debtors are shown net of bad debts provision of £77.990m at 31st March 2025 and £72.536m at 31st March 2024.

Note 21 – Debtors for Local Taxation

Aged Taxation Arrears	Council Tax		Business Rates	
	2023/24 £000	2024/25 £000	2023/24 £000	2024/25 £000
Not later than one year	4,455	3,871	202	523
Later than one year and not later than five years	5,165	4,287	138	471
Later than five years	189	62	8	20
Total	9,809	8,220	348	1,014

Council Tax debtors are shown net of expected credit loss provision of £30.668m at 31st March 2025 and Business Rates debtors are shown net of expected credit loss provision of £1.846m at 31st March 2025.

Note 22 - Short Term Creditors

31-Mar-24	Short Term Creditors	31-Mar-25
£000		£000
(2,171)	Central government bodies	(11,133)
(2,152)	MHCLG - Business Rate Prepayments	(2,274)
(6,960)	HMRC – PAYE & N.I.	(7,154)
(6,267)	Other local authorities	(10,270)
(2,890)	GLA – Business Rate Prepayments	(2,630)
(2,817)	NHS bodies	(4,272)
(9,654)	Accumulated Absences Account	(9,934)
(7,877)	HRA Prepayments	(7,410)
(7,105)	RBG Council Tax Prepayments	(6,858)
(1,956)	RBG Business Rates Prepayments	(1,844)
(916)	Other Prepayments	(1,086)
(81,230)	Other entities and individuals	(83,254)
(131,995)	Total	(148,120)

Note 23 – Provisions

Provisions	1 April 2024	Amounts Used/Reversed	Additional Provisions	31 March 2025
	£000	£000	£000	£000
Insurance	(6,574)	1,074	0	(5,500)
Business Rates Appeals	(4,879)	2,420	0	(2,459)
Other	(969)	317	(1,080)	(1,732)
Total (Long Term)	(12,421)	3,810	(1,080)	(9,691)

Insurance

The Authority's internal insurance fund account is used to cover the cost of insurance. The fund is used to meet the insurance premiums, meet the cost of the insurance claims beneath the insurance excess and provide for insurance claims that have yet to be settled. Through the fund a wide range of insurance risks are covered. These include public liability, employer's liability, vehicles and fire. The timing of any outstanding claims is dependent upon third party solicitors and the courts and it is therefore impossible to state clearly, when the resultant economic benefit transfer will occur. There is also uncertainty around existing claims so no assumptions have been made in respect of future events, and reimbursements. The costs within the Authority's internal insurance fund are met through contributions from departmental services towards the cost of insurance, through central support charges. The Authority previously used Municipal Mutual Insurance Limited to provide insurance cover, until its demise in the 1990s. MMI has continued to meet claims covering the period up until it ceased providing further cover. However, under the administration arrangements, there was provision for scheme creditors (of which the Authority is one) to be called upon to contribute to future scheme liability.

Business Rates Appeals

The Business Rates Appeals provision represents the Authority's share of contributions made to the Collection Fund Income and Expenditure Account for a provision in relation to business rate appeals.

Note 24 - Agency Services

Mayoral CIL

The Authority acts as an Agent for Transport for London in respect of Mayoral (CIL) raised to support strategic infrastructure projects across the Capital and is able to retain up to 4% for administration and collection purposes. During 2024/25 £0.059m was recognised as admin fee income (£0.135m 2023/24) and as at 31 March 2025 £0.288m was collected but not paid over on behalf of Transport for London (£1.013m in 2023/24).

Mayoral (CIL)		
	2023/24	2024/25
	£000	£000
Balance at start of the year	2,228	1,013
Contributions	1,973	822
Recognised administration fee	(135)	(59)
Transfers to TfL	(3,053)	(1,487)
Balance at end of the year	1,013	288

Council Tax and NDR

The collection of Council Tax and Business Rates income is in substance also an agency arrangement.

Note 25 - Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Education and Skills Funding Agency, the Dedicated Schools Grant (DSG). DSG is ring-fenced and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School Finance and Early Years (England) Regulations 2023. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2024/25:

Dedicated Schools Grant	Central Expenditure	Individual Schools Budget	Total
	£000	£000	£000
Final DSG for 2024/25 before academy and high needs recoupment			402,440
Academy and high needs figure recouped for 2024/25			143,484
Total DSG after academy and high needs recoupment for 2024/25			258,956
Plus: Brought Forward from 2023/24			832
Less: Carry-forward to 2025/26 agreed in advance			0
Agreed initial budgeted distribution in 2024/25	71,428	188,360	259,788
In year adjustments	0	(555)	(555)
Final Budget distribution for 2024/25	71,428	187,805	259,233
Less: Actual central expenditure	81,530		81,530

Less: Actual ISB deployed to schools		186,630	186,620
Plus: Local authority contribution for 2024/25	0	0	0
In year Carry-forward to 2024/25	(10,102)	1,186	(8,916)
Plus: Carry forward to 2025/26 agreed in advance			0
Carry forward to 2025/26			0
DSG Unusable Reserve at the end of 2023/24			0
Addition to DSG Unusable Reserve at the end of 2024/25			(8,916)
Total of DSG Unusable Reserve at the end of 2024/25			(8,916)
Net DSG Position at the end of 2024/25	0	0	(8,916)

The total amount of individual school reserve balances at 31 March 2025 was £5.978m (£8.894m at 31 March 2024).

The table below shows the prior year comparator, containing the details of the deployment of DSG receivable for 2023/24:

Dedicated Schools Grant	Central Expenditure	Individual Schools Budget	Total
	£000	£000	£000
Final DSG for 2023/24 before academy and high needs recoupment			369,204
Academy and high needs figure recouped for 2023/24			130,101
Total DSG after academy and high needs recoupment for 2023/24			239,103

Plus: Brought Forward from 2022/23			3,739
Less: Carry-forward to 2024/25 agreed in advance			0
Agreed initial budgeted distribution in 2023/24	65,738	177,104	242,842
In year adjustments	0	0	0
Final Budget distribution for 2023/24	65,738	177,104	242,842
Less: Actual central expenditure	47,682		47,682
Less: Actual ISB deployed to schools		194,329	194,329
In year Carry-forward to 2024/25	18,056	(17,224)	832
Plus: Local authority contribution for 2023/24	-	-	-
Carry-forward to 2024/25	18,056	(17,224)	832

The total amount of individual school reserve balances at 31 March 2024 was £8.894m (£9.591m at 31 March 2023).

Note 26 - Pooled Budgets

Under the terms of a Section 75 Agreement (National Health Service Act 2006), a partnership arrangement exists between the Authority and Oxleas National Health Service Foundation Trust in respect of mental health. The pooled budgets meet the cost of providing all care co-ordinating services for people from this client group.

Greenwich Integrated Mental Health Service	2023/24	2024/25
	£000	£000
Funding provided to the pooled budget by		
the Authority	(2,708)	(2,714)
the Trust	(35,274)	(40,461)
Sub Total	(37,982)	(43,174)

Expenditure met from the pooled budget by

the Authority	2,576	2,706
the Trust	40,736	40,621
Sub Total	43,311	43,327
Net (surplus) / deficit arising on the pooled budget during the year	5,329	153

As it is the lead partner, all detailed transactions are shown in Oxleas Trust accounts.

From 2015/16, there has been a national requirement to operate the BCF as a pooled budget. Resources are transferred to individual Integrated Care Boards (ICB's) from NHS England, and from the ICBs to the pooled budgets. The Authority and South East London (SEL) ICB have entered into such an arrangement, and an agreed level of funding has been entered into a single pot that has then been used to commission and/or deliver health and social care services. The total BCF pot for Greenwich in 2024/25 (The Authority & SEL ICB), was £36.236m (incl. DFG & ASC Discharge funds).

Better Care Fund	2023/24 £000	2024/25 £000
Pooled Budget Funding		
the Authority	(18,895)	(21,548)
the Greenwich CCG	(12,889)	(14,688)
Sub Total	(31,784)	(36,236)
Expenditure incurred from pooled budget		
the Authority	18,895	20,839
the Greenwich CCG	12,889	14,688
Sub Total	31,784	35,527
Net (surplus) / deficit arising on the pooled budget during the year	0	(709)

Note 27 - External Audit Costs

The Authority has incurred the following costs in relation to the audit of the Statement of Accounts, certification of grant claims and to non-audit services provided by the Authority's external auditors:

External Audit Costs	2023/24 £000	2024/25 £000
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Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	483	516
Fees payable to external auditors for the certification of grant claims and audit services carried out by the appointed auditor prior to 24/25	151	102
Total	634	618

Note 28 - Related Parties

The Authority is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority. The UK Government exerts significant control over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides a significant amount of its funding in the form of grants, and prescribes the terms of many transactions that the Authority has with other parties (e.g., housing benefits). Grants received from government departments are set out in Note 5 Taxation and Grant Income.

Officers

- J Carswell, an employee of the Authority, is married to the Executive Director of London & Quadrant Housing Association. An amount of £42,976.75 was paid to the organisation from the Authority during the year, £3,000 owed at end of the year (£31,341.44 paid in 2023/24).
- T Dorling, an employee of the Authority, is Board of Director of D G Cities Limited and Director and CEO of DG Connect Ltd. See note below.
- K Scotford, an employee of the Authority, is Non-Executive Director on the board of Greenwich Service Plus and Greenwich Service Solution Ltd. See note below.
- V Geoghegan an employee of the Authority, is a Board Director for the Planning Officers Society, which is a public sector organisation that represents public sector planners. An amount of £535.00 was paid to the organisation (no transactions recorded in 2023/2024).
- M Armstrong, an employee of the Authority, is seconded full time to support the senior management and financial strategies of Greenwich Service Plus and Greenwich Service Solutions Ltd. Please see note below.
- M Bakalovic an employee of the Authority, is the Managing director of Greenwich Service Plus and Greenwich Service Solutions Ltd, both owned by the council and provide services to RBG residents. Please see note below.
- M Rankin, an employee of the Authority sits on the board of Directors of Digital Greenwich Connect Ltd, a joint venture company in which DG Cities Ltd (a council owned company) has 50% ownership. Please see note below.

Members of the Authority have direct control over the Authority's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 29.

- Councillor J Fahy, is on the Board of Directors of Greenwich and Bexley Credit Union. Payments for investments on behalf of members were paid over from the Authority to the amount of £1,211,052 during the year (£1,354,680 paid in 2023/24). In addition to the above, in 2024/25 the Greenwich and Bexley Credit Union repaid the Authority £100,000 of a £500,000 loan which was provided in 2019/20.
- Councillor L Bird is chair of board of Directors of East Greenwich Bridge CIC, an amount of £29,940.50 was paid to the organisation during the year (£28,621 2023/2024).
- Councillor A Khaireh, employed at the Greenwich Islamic Centre, an amount of £12,600 was paid to the organisation during the year (£42,180 in 2023/24).
- Councillor S Littlewood, is appointed by RBG to the board of GLL. An amount of £18,597,059 was paid to the company in 2024/25, £10,391 owed as at 31/03/2025
- Councillor J Ranabhat's partner is chair of Greenwich Mummies Forum, for which an amount of £29,941 was paid to the organisation from RBG in 2024/25
- Councillor I Cooke was Chair of GS Plus until July 2024. Please see note below.
- Councillor D Hyland is Non-Executive Director at Greenwich Development Corp which includes Greenwich Enterprise Board and Greenwich Car parks Ltd, £957,898 was paid to this organisation in 2024/25 (£1,266,830 2023/2024) and £9,470 owed as at 31/03/2025.

Some Members of the Authority are nominated to the board of local organisations as Authority Appointed Members and have declarable transactions not listed above, as follows:

Name of Organisation	Councillor(s) (for part or all of the financial year)	Value of Transactions 2023/24		Value of Transactions 2024/25		Outstanding Creditor Balances 2023/24	Outstanding Creditor Balances 2024/25
		Expenditure £	Income	Expenditure £	Income	£	£
Charlton Triangle Homes	Councillor Lakshan Saldin (Member)	303,243	23,825	91,385	15,289	0	0
Royal Borough of Greenwich Destination Management Company	Councillor Jo van den Broek (Member)	See note below	See note below	See note below	See note below	See note below	See note below
DG Cities Limited	Councillor C O'Byrne Mulligan (Member) Councillor N Williams (Member) Councillor S Thomas (Member)	See note below	See note below	See note below	See note below	See note below	See note below
Eltham Crematorium Joint Committee	Councillor A Khaireh (Deputy)						

	Councillor D Scott McDonald (Member) Councillor A Lekau (Deputy) Councillor M Lolavar (Deputy) Councillor M Morrow (Deputy) Councillor A Okereke (Deputy) Councillor A Cousins (Deputy) Councillor A Smith (Deputy) Councillor P Slattery (Deputy) Councillor M Williams (Member)	See note below	See note below	See note below	See note below	See note below	See note below
Eltham United Charities	Councillor L Bird (Member)	0	0	0	3,120	0	0
The Bridge East Greenwich CIC Ltd	Councillor L Bird (Chair BOD)	0	0	29,941	0	0	0
Greenwich Dance Agency	Councillor L Bird (Member)	3,135	1,764	0	0	0	0
Greenwich & Docklands International Festival	Councillor G Dillon (Member)	141,150	0	331,000	410	0	0
Greenwich Development Corporation	Councillor J Fahy (Interim Chair) Councillor S Thomas (Member)	1,266,830	15,360	957,898	158,438	50,775	9,470
Greenwich Housing Rights	Councillor C Burke-McDonald (Member)	145,500	0	204,450	0	0	0
Greenwich Leisure Ltd	Councillor J Smith (Member) Councillor A Smith (Member) Councillor J Ranabhat (Member) Councillor S Littlewood (Deputy) Councillor S Thomas (Member)	7,703,619	1,608,001	15,821,430	1,204,098	1,169,280	359,078
Greenwich Millennium Village Management Ltd	Councillor D Scott MacDonald (Deputy) Councillor D Gardner (Member)	2,000	520,826	0	665,610	0	0
Greenwich Services Plus	Councillor I Cooke (Member) Councillor C Burke-McDonald (NED)	See note below	See note below	See note below	See note below	See note below	See note below
Greenwich Theatre Board	Councillor M R Cottell (Member)	0	295	0	295	0	0
Greenwich Winter Night Shelter	Councillor L Saldin (Trustee)	20,830	0	25,370	0	0	0
Lee Valley Regional Park Authority	Councillor D Gardner (Member)	217,756	0	223,850	0	0	0
LGA General Assembly	Councillor A Okereke (Member) Councillor L Olugbemi (Member)	46,914		46,421		0	0

	Councillor O McGahey (Member)		0		0		
Local Government Information Unit	Councillor A Smith (Member) Councillor D Gardner (Member)	25,958	0	0	0	0	27,256
London Councils	Councillor A Okereke (Member) Councillor A Khaireh (Deputy) Councillor D Gardner (Member) Councillor D Hyland (Member) Councillor Aidan Smith (Deputy) Councillor A Lekau (Member)	51,500	97,802	93,561	485,605	0	94,924
Long Lane Football Club	Councillor O McGahey (Member)	200	0	0	0	0	4,900
Middle Park Community Centre	Councillor R Taggart-Ryan (Member) Councillor C May (Member)	93,146	2,655	89,298	0	0	0
New Charlton Community Centre	Councillor Asli Mohammed (Member)	0	0	682	0	0	0
Oxleas Foundation	Councillor D Scott MacDonald (Member)	11,461,076	1,747,413	9,928,182	1,989,448	0	2,601,594
Plumstead Alms Houses	Councillor J Ranabhat (Member) Councillor P Slattery (Trustee)	19,180	0	19,013	0	888	0
Plumstead Make Merry	Councillor I Cooke (Member)	0	0	0	0	0	0
Royal Greenwich Heritage Trust (RGHT)	Councillor J Van den Broek (Member) Councillor L Saldin (Member)	See note below	See note below	See note below	See note below	See note below	See note below
Roots for Life	Councillor D Gardner (Trustee)	76,842	2,233	54,674	2,233	2,772	0
Samuel Montague Youth Centre	Councillor O McGahey (Trustee)	40,036	0	39,046	0	0	0
Southeast London Combined Heat and Power Company (SELCHP)	Councillor A Smith (Member)	8,464,498	0	9,535,996	0	0	0
Southeast Enterprise	Councillor M Rahman (Member)	2,204	0	0	0	0	0
Tramshed Arts	Councillor J Smith (Member)	313,245	720	209,818	180	37,033	6,378
Woolwich Creative District Trust (Woolwich Works)	Councillor D Sullivan (Member) Councillor M Williams (Member) Councillor J Smith (Member)	2,518	0	134,150	2,921	0	0

Other Public Bodies

The Authority has entered into a pooled budget agreement with Oxleas NHS Foundation Trust as outlined in Note 26.

Eltham Crematorium

The Authority runs the Eltham Crematorium under a joint committee arrangement with the London Borough of Bexley and Dartford Borough Council.

2023/24	Eltham Crematorium Transactions	2024/25
£000		£000
1,199	Amounts held in Royal Borough of Greenwich bank account	1,525
791	Annual Support Service Cost	906
216	Surplus Distribution	203

Pension Fund

The Royal Borough of Greenwich is the Administering Authority for the Royal Borough of Greenwich Pension Fund.

2023/24	Pension Fund Transactions	2024/25
£000		£000
1,148	Annual Support Service Cost	1,388
35,850	Employer Contributions into the Fund	37,674

Entities Controlled or Significantly Influenced by the Authority

Greenwich Service Solutions Limited (GSS) – subsidiary

Established in 2008 with a share capital of one hundred £1 shares, GSS main activity is operating a Recruitment Agency securing sustainable employment for local people.

Greenwich Service Plus Limited (GSP) – subsidiary

Established in 2009, limited by guarantee, GSP is a Teckal company undertaking activities including:

- Catering
- Fleet Management and Maintenance
- Passenger Services
- Building Cleaning
- Facilities Management.

D G Cities Limited. – subsidiary

Formed in 2015 with a share capital of one hundred £1 shares, DG Cities Ltd is a wholly owned Council company. The company was established to advance the Council's work on the digital economy, smart city innovation, and secure innovation funding for the Borough.

Transactions during the year relate to activities including digital inclusion, estate development and connectivity and EV infrastructure innovation.

DG Cities continues to operate a Joint Venture with full-fibre provider ITS Technology Group. The company, Digital Greenwich Connect Ltd, has been incorporated to design, build, maintain and commercialise a 21 km full-fibre, gigabit-capable network infrastructure.

Royal Borough of Greenwich Destination Management Company (RBGDMC) – associate

Established in 2013, RBGDMC is a community interest company, which was formed between six parties:

- Royal Borough of Greenwich
- Greenwich Hospital
- AnSCO Arena Limited
- Enderby Wharf Limited
- Greenwich Trading Company Limited
- National Maritime Museum.

The organisation operates under the trading name of "Visit Greenwich". The Board has capacity for thirteen directors, with the authority appointing two, each other member appointing one and six to be appointed by those seven directors.

Its main objectives are to promote tourism and investment into the Royal Borough, and contribute to enhancing perceptions of the Royal Borough of Greenwich as a place to visit, live, work and study.

Royal Greenwich Heritage Trust (RGHT) - associate

Established in 2014, RGHT is a Charitable Incorporated Organisation. The Board has capacity for thirteen trustees, with the authority appointing two. A formal Transfer Agreement between the authority and RGHT included Charlton House, the Greenwich Heritage Centre & the Tudor Barn in Eltham.

RGHT will act in the role of custodian for certain borough memorials and includes as its key charitable objectives:

- Care and conservation of assets
- Education concerning the history of the Royal Borough.

Related Party Transactions of Entities Controlled or Significantly Influenced by the Authority

2023/24				Transactions	2024/25			
Payments £000	Creditor £000	Receipts £000	Debtor £000		Payments £000	Creditor £000	Receipts £000	Debtor £000
(0)	0	0	0	GSS	(0)	0	0	0
(18,883)	(2828)	1,517	3,823	GSP	(21,383)	(4,960)	1,889	3,297
(692)	0	0	0	D G CITIES	(291)	(250)	0	0
(348)	0	0	0	RBGDMC	(186)	(165)	3	0
(535)	0	30	3	RGHT	(439)	(2)	40	0

Note 29 - Members' Allowances

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

Members Allowances	2023/24 £	2024/25 £
Allowances	1,038,408	1,068,930

Note 30 - Officers' Remuneration

Senior Employees

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

Post Title	Name	Year	Salary, Fees and Allowances £	Compensation for loss of office £	Pension Contributions £	Totals £
Chief Executive	D Warren	2024/25	225,148		41,652	266,800
		2023/24	219,656		40,636	260,292
Director of Health and Adult's Services*	S McClinton	2024/25	159,149		29,518	188,667
		2023/24	202,473		37,458	239,931
Director of Health and Adult's Services**	N Davies	2024/25	42,614		2,429	45,043
		2023/24	0		0	0
Director of Children's Services	F Kroll	2024/25	178,179		32,963	211,142
		2023/24	173,833		32,159	205,992
Director of Place and Growth	P Hack	2024/25	188,772	89,090	32,963	310,825
		2023/24	173,833		32,159	205,992
Director of Resources (Section 151 Officer)*****	D Cook	2024/25	178,179		32,963	211,142
		2023/24	173,833		32,159	205,992
Director of Communities, Environment and Central	M Bakalovic	2024/25	178,179		32,963	211,142
		2023/24	173,833		32,159	205,992
Director of Housing and Safer Communities	J Carswell	2024/25	176,077		32,574	208,651
		2023/24	162,185		30,004	192,189
Director of Legal and HR (Monitoring Officer)***		2024/25	0		0	0
		2023/24	67,468		12,478	79,946
Director of Legal (Acting Up)****		2024/25	148,823		27,532	176,355
		2023/24	82,679		9,335	92,014
Assistant Chief Executive (Acting Up)*****		2024/25	105,047		19,434	124,481
		2023/24	42,702		4,227	46,929
Assistant Chief Executive (Secondment)		2024/25	69,083		12,780	81,863
		2023/24	64,295		11,895	76,190

* Postholder last day of service 07/01/25

** Postholder acted up into role from 02/01/25

*** Postholder last day of service 05/09/23

*** Postholder acted up into role from 06/09/23 in 2023/24

*** Postholder acted up into role from 01/11/23 in 2023/24

*** Postholder role changed from Director of Finance to Director of Resources on 01/11/24

Officer Bandings

The Authority's employees receiving more than £50,000 remuneration for the year, excluding the senior officers listed above (but excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2024/25 Corporate	2024/25 Schools
£50,000 - £54,999	342*	144
£55,000 - £59,999	183	131*
£60,000 - £64,999	93*	135*
£65,000 - £69,999	110*	77
£70,000 - £74,999	67*	58*
£75,000 - £79,999	23*	31
£80,000 - £84,999	23*	25
£85,000 - £89,999	23	13*
£90,000 - £94,999	17*	13*
£95,000 - £99,999	10*	6
£100,000 - £104,999	5*	8
£105,000 - £109,999	5	7*
£110,000 - £114,999	2	4
£115,000 - £119,999	6	2
£120,000 - £124,999	5	0
£125,000 - £129,999	4*	2
£130,000 - £134,999	0	0
£135,000 - £139,999	2	2
£140,000 - £144,999	1	1
£145,000 - £149,999	0	0
£150,000 - £154,999	0	0
£155,000 - £159,999	0	0
£160,000 - £164,999	0	1
£165,000+	1*	0

* includes amounts payable in respect of compensation for loss of office

The 2023/24 prior year comparator is as follows:

Remuneration Band	2023/24 Corporate	2023/24 Schools
£50,000 - £54,999	278	158
£55,000 - £59,999	136*	162*
£60,000 - £64,999	88*	99
£65,000 - £69,999	103*	58
£70,000 - £74,999	60*	38
£75,000 - £79,999	12	23
£80,000 - £84,999	22*	15
£85,000 - £89,999	22*	15
£90,000 - £94,999	14	8*
£95,000 - £99,999	6	4
£100,000 - £104,999	7*	7
£105,000 - £109,999	8*	3
£110,000 - £114,999	7	3
£115,000 - £119,999	5	1*
£120,000 - £124,999	4	1
£125,000 - £129,999	1	2
£130,000 - £134,999	1	0
£135,000 - £139,999	1	1
£140,000 - £144,999	0	0
£145,000 - £149,999	1	0
£150,000 - £154,999	0	1
£155,000 - £159,999	0	0
£160,000 - £164,999	0	0
£165,000 - £169,999	0	0
£170,000 - £174,999	0	1

* includes amounts payable in respect of compensation for loss of office.

Termination Benefits

A number of employee contracts have been terminated. Amounts contained within the Accounts relating to their remuneration by way of redundancy / other payments made are shown below. An element relating to pension fund strain is also recorded within the figures. The strain is calculated under IAS19, but the amounts actually payable by the Authority to the relevant pension fund are calculated separately and are on a different basis. The vast majority of the strain is taken into account at each triennial valuation - totals within the bandings below for the year include £1.553m relating to pension strain (£0.504m in 2023/24). The numbers of exit packages with total value per band and total cost of the compulsory and other redundancies are set out in the table below:

Exit Package Cost Band	Compulsory Redundancies		Other Departures Agreed		Total 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	2024/25
	No	No	No	No	No	No	£	£
£0 - £20,000	9	16	14	12	23	28	171,160	279,294
£20,001 - £40,000	3	13	7	4	10	17	286,189	472,744
£40,001 - £60,000	2	2	6	1	8	3	376,307	148,829
£60,001 - £80,000	1	2	1	0	2	2	133,827	137,143
£80,001 - £100,000	1	4	3	0	4	4	345,665	357,496
£100,001 - £150,000	0	3	1	4	1	7	106,583	895,220
Above £150,000	0	0	1	2	1	2	189,142	790,474
Total	16	40	33	23	49	63	£1,608,873	3,081,200

Note 31 - Contingent Liabilities

As at 31 March 2025, the Authority had no material contingent liabilities.

Note 32 - Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The accounts contain estimated figures that are based on assumptions made by the Authority about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty, actual results could be materially different from the assumptions and estimates. The items in the Authority's balance sheet at 31 March 2025 for which there is a risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainty	Effect if actual results differ from assumptions
Current Value Estimations	Other Land and Building assets are re-valued regularly, and at intervals of not less than 5 years, to ensure that their carrying amount is not materially different from their current value. Valuation uncertainty arises from management assumptions pertaining to service potential and continuation of existing use. Further uncertainty is built into estimates due to the lack of market comparators and valuers’ judgement in the appropriate valuation technique.	At the balance sheet date the carrying value of assets held at Current Value was £2,802.878m (£2,802.878m 2023/24).
	Where assets are not revalued in-year there is a risk that the carrying value may be materially misstated. A desktop review is undertaken to apply percentage uplifts to these asset values to assess the likely movement in values and whether these are material.	
	Council dwellings held within the HRA are valued using the beacon methodology every 5 years. These valuations are adjusted annually using a local, market-based indexation factor.	
	The beacon methodology relies on similar movements in individual asset values between beacon years and comparable maintenance and management.	
	Assets are valued as Existing Use Value – Social Housing using an adjustment factor of 25%.	
Gross Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements, including those relating to:	The effect upon the net pensions liability of changes in individual assumptions can be measured and these are disclosed within note 19. If their longevity was actually more representative of someone that was one year older, liabilities would increase by £60m (decrease by £57m if one year younger). If discount rates decrease by 0.1%, then the net pensions liability would have increase by £20m compared to that calculated herein. However, the assumptions interact in complex ways and during 2024/25, the actuaries advised that, overall, the net pensions liability had decreased by £44m as a result of updating estimates to reflect current market conditions.
	<ul style="list-style-type: none">the discount rate usedthe rate at which salaries are projected to increasethe rate at which pensions are projected to increaselongevity rates.	
Pension Assets – Level 3	The Council own 87.22% of the assets in the RBG Pension Fund, below provides a breakdown of the different level 3 investment	
	Diversified alternative	

Diversified Alternative investment are valued using a variety of methods and makes assumptions that are not always supported by observable market prices or rates. These investments are not publicly listed and as such, there is a degree of estimate involved in the valuation.

Renewable Infrastructure

Infrastructure investments are valued using best practices prevailing within the investment management industry to determine each underlying investment's fair market value.

These valuations are validated by third party independent appraisal firms.

Private Debt

Private debt investments are valued at fair value in accordance with industry guidelines, based on the fund manager valuations as at the end of the reporting period.

These investments are not publicly listed and as such there is a degree of estimation involved in the valuation.

Property- Unit trust

The Funds are valued at the fair values provided by the administrators of the underlying funds. These investments are not publicly listed and as such, there is a degree of estimation involved in the valuation.

The total value of the Councils Level 3 investment in Diversified Alternatives is £70.17m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 9.44% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/-£6.62m

The total value of Level 3 investment in LCIV renewable infrastructure is £25.94m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 12.73% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £3.30m

The total value of Level 3 investment in LCIV Private Debt is £62.12m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 7.55% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £4.69m.

The total value of Level 3 investment in CBRE property unit trusts is £33.27m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 5.74% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £1.91m

PFI / Finance Leases	<p>These arrangements have an implied finance lease within the agreement which (on a constant basis) has been used to calculate future payments disclosed within the accounts.</p> <p>Financial modelling for the Councils two PFI contracts assumes a base inflation rate of 2.5% for the indexed elements of the Unitary Charge.</p>	<p>The PFI arrangements are inherently long term in nature. Fluctuations in the inflation indexation could result in future payments being higher than presented.</p> <p>A 1% increase in RPIx would increase the service operational cost by £0.232m in 2025/26 and £12,853m over the remaining life of the contracts.</p>
Property Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic environment makes it uncertain that the Authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to the assets.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls. It is estimated that the annual depreciation charge for buildings would increase by £4.79m for every year that useful lives had to be reduced.</p>

Note 33 - Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

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. This applies to the adoption of the new or amended standards within the 2024/25 Code. New or amended standards contained in the 2024/25 code that will apply from 1st April 2025 or after are:

Amendments to

IAS 8 Definition of Accounting Estimates – Issued in February 2021 to help entities to distinguish between accounting policies and accounting estimates. The impact is presentational and does not have a financial impact upon the accounts.

IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) – Issued in August 2023. the amendments to IAS 21 clarifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable. It is likely there will be limited application to the accounts.

IFRS 17 Insurance Contracts - issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts. It is likely there will be limited application to the accounts.

IAS 16 & IAS 38 Changes to the measurement of non-investment assets including adaptations and interpretations – To be implemented under the 2025/26 Code, this includes setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. These changes are expected to have a non-material impact on the accounts.

Note 34 - Critical Judgements in Applying Accounting Policies

Significant judgements are made by management in applying accounting policies, which could have a material effect upon the accounts.

Group Boundaries

The group boundaries have been estimated using the criteria associated with the Code. In line with this, the Authority has identified three subsidiaries and two associates. The authority has deemed that the activities of these entities are not material.

PFI and Similar Contracts

The authority is deemed to control the services provided under the outsourcing agreement for the social care provision at three residential homes and also to controls the residual value of the assets at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the assets (valued at £30.1m) are recognised as property, plant and equipment on the authority's Balance Sheet.

The authority is also deemed to control the services provided under the outsourcing agreement for the facilities management of two schools. Since entering into the PFI contract one school, Stationers' Crown Woods Academy, converted to academy status, the Council therefore controls the residual value of one school, Thomas Tallis, at the end of the agreement. The accounting policies for PFI schemes and similar contracts have been applied to the arrangement and the asset (valued at £137.2m) is recognised as property, plant and equipment on the authority's Balance Sheet.

Meridian Home Start Limited

A capital loan facility has been made available to Meridian Home Start Limited, which is interest bearing at a rate of 4.78%. The net cashflows due to the council over the 46-year term is above the prevailing borrowing rate at the time the agreement was entered into and is therefore not considered to be a 'Soft Loan'.

As section 7.1.5 of the Code does not specify the accounting treatment and as the agreement does not give rise to the supply of goods or services beyond the repayment of the loan principal and interest the loan has been treated as an investment within the statements.

The primary purpose for the provision of the facility is to support the delivery of affordable housing across six sites within the borough and is aligned with the Councils Housing and Homelessness Strategy (2021-26). The financial asset is therefore considered to be an 'Investment for Service Purposes', as described within Chapter 8 of CIPFA's Treasury Management in Public Service Code of Practice.

Note 35 - Material Items of Income and Expense

There are no material items that have not been disclosed on the face of the Comprehensive Income and Expenditure Statement or elsewhere within the Accounts in 2024/25 (nil in 2023/24).

Note 36 - Events after the Reporting Period

The Statement of Accounts was authorised for issue by the S151 Officer on 14 July 2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. There were no adjusting and no non-adjusting events taking place between the reporting period end and the authorised for issue date.

The financial statements and notes have not been adjusted for the following events which took place after 31 March 2025 as they provide information that is relevant to an understanding of the Authority's financial position but do not relate to conditions at that date:

Schools Transferring to Academy Status

Further to section 4 of the Academies Act 2010, the Council received an Academy Order for the following school, which had yet to convert at the reporting date. Schools are recognised as 'Other Land and Buildings' within Property Plant and Equipment and assets held at the values set out in the following table as at 31 March 2025.

School	Academy Order Date	Academy Conversion Date	Asset(s) Value
De Lucy Primary School	24 October 2024	TBC	£9,070,473

Collection Fund Statement

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statements show 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 business rates.

Income and Expenditure Account	Note	Council Tax £000	Business Rates £000	Total 31/03/24 £000	Council Tax £000	Business Rates £000	Total 31/03/25 £000
Income							
Council Tax Income	4	(162,196)	0	(162,196)	(174,981)	0	(174,981)
Business Rates Receivable	5	0	(94,249)	(94,249)	0	(99,373)	(99,373)
Business Rates Supplement	6	0	(2,666)	(2,666)	0	(2,730)	(2,730)
Business Rates Transitional Payments		0	9,733	9,733	0	2,743	2,743
Total Income		(162,196)	(87,182)	(249,378)	(174,981)	(99,360)	(274,340)
Expenditure							
<u>Precepts and Demands</u>							
<u>Council Tax</u>							
Royal Borough of Greenwich		118,306	0	118,306	125,556	0	125,556
Greater London Authority		37,211	0	37,211	40,843	0	40,843
<u>Business Rates</u>							
Royal Borough of Greenwich		0	28,488	28,488	0	28,714	28,714
Greater London Authority		0	35,135	35,135	0	35,414	35,414
Central Government		0	31,337	31,337	0	31,585	31,585
Business Rates Supplement	6	0	2,660	2,660	0	2,724	2,724
Previous Year's Surplus/(Deficit)							
Council Tax	7	6,802	0	6,802	6,616	0	6,616
Business Rates	7	0	20,881	20,881	0	(13,767)	(13,767)
Collection Fund Charges							
Council Tax bad debts	8	5,553	0	5,553	5,889	0	5,889
Business Rates bad debts	9	0	2,482	2,482	0	(3,282)	(3,282)
Business Rates appeals	10	0	11,509	11,509	0	(8,065)	(8,065)
Business Rates Interest to Ratepayers		0	47	47	0	180	180
Business Rates cost of collection		0	319	319	0	319	319
Business Rates Supplement cost of collection	6	0	6	6	0	6	6

Business Rates transitional payments	0	(9,733)	(9,733)	0	(2,743)	(2,743)
Total Expenditure	167,872	123,131	291,004	178,903	71,085	249,988
(Surplus) / Deficit for Year	5,676	35,949	41,625	3,923	(28,275)	(24,352)

Fund Statement (£000)	Note	Council Tax £	Business Rates £	Total 31/03/24 £	Council Tax £	Business Rates £	Total 31/03/25 £
Fund Balance B/F		(13,299)	(25,714)	(39,013)	(7,623)	10,235	2,612
(Surplus) / Deficit for Year		5,676	35,949	41,625	3,923	(28,275)	(24,352)
Fund Balance C/F	11	(7,623)	10,235	2,612	(3,700)	(18,040)	(21,740)

Note 1 - The Council Tax System

The council tax is the means of raising income from local residents to pay for services within the Royal Borough. The council tax is levied on domestic properties and the charge is based on the valuation band assessed for each dwelling. The Valuation Office has appointed a Listing Officer for the Royal Borough who is responsible for property valuations, valuation registers and appeals. Council tax collected in the Borough is split between relevant preceptors, the Borough (75%) and the GLA (25%).

Note 2 - The Business Rates System

The business rate is the means of raising income from local businesses to pay for services within the Royal Borough. The business rate is levied on non-domestic properties and the charge is based on the valuation band assessed for each premises. The Valuation Office has appointed a Listing Officer for the Royal Borough who is responsible for property valuations, valuation registers and appeals.

Note 3 - Accounting Policies

The Collection Fund Income and Expenditure Account is prepared on an accruals basis and complies with appropriate regulations and the Code of Practice on Local Authority Accounting. The transactions of the Collection Fund are wholly prescribed by legislation. The year-end surplus or deficit on the Collection Fund is apportioned between the relevant interested parties.

Note 4 - Council Tax Income

In 2024/25 the Royal Borough set a band D tax of £1,920.36 (£1,814.23 in 2023/24). These charges are before any appropriate discounts. The charge for each band is a ratio of band D. The 2024/25 charges were:

Band	Ratio to Band D	Council Tax	
		2023/24 £	2024/25 £
A	6/9	1,209.49	1,280.24
B	7/9	1,411.06	1,493.61
C	8/9	1,612.65	1,706.98
D	1	1,814.23	1,920.36
E	11/9	2,217.40	2,347.11
F	13/9	2,620.55	2,773.85
G	15/9	3,023.72	3,200.60
H	18/9	3,628.46	3,840.72

The Royal Borough's taxbase, which is used in the tax calculation, is based on the number of dwellings in each band on the listing produced by the Listing Officer. This is adjusted for exemptions, discounts, disabled banding changes and appeals. The taxbase estimate for 2024/25 was 86,642 (85,713 in 2023/24) as calculated below

2023/24		2024/25				
Band D Equivalent	Band	Dwellings Per Valuation List	Adjustment For Disabled Banding Appeals, Discounts and Exemptions	Revised Dwellings	Ratio to Band D	Band D Equivalent
(1)	A (Disabled)	0	0	0	5/9	0
4,187	A	11,127	(4,773)	6,354	6/9	4,236
11,506	B	22,221	(7,786)	14,435	7/9	11,228
30,944	C	44,823	(9,676)	35,147	8/9	31,241
21,497	D	26,535	(4,357)	22,178	1	22,178
13,250	E	12,634	(1,642)	10,992	11/9	13,435
5,109	F	3,929	(386)	3,543	13/9	5,118
3,545	G	2,276	(130)	2,146	15/9	3,576
630	H	354	(35)	319	18/9	639
90,667	Total	123,899	(28,785)	95,114		91,651

(5,213)	less Allowance for Non Collection	(5,270)
259	plus Adjustment for Armed Forces Dwellings	261
85,713	Royal Borough Tax Base	86,642

Based on the estimated tax base of 86,642 an income yield for 2024/25 of £166.4m (£155.5m in 2023/24) was anticipated. The actual taxbase was equivalent to 91,119 (89,402 in 2023/24) including backdated transactions and the equivalent yield was £162.2m (£166.4m in 2023/24).

Note 5 - Business Rate Income

Business Rate Income	2023/24 £000	2024/25 £000
Debits Raised	109,938	135,646
Relief and Exemption granted	(22,756)	(36,286)
Total Collectable	87,182	99,360

The Business Rate Multipliers are set nationally and for 2024/25 the standard multiplier was 54.6p (51.2p in 2023/24) and the small business multiplier was 49.9p (49.9p in 2023/24). The total rateable value for non-domestic rated property in the Royal Borough for 2024/25 was £265.1m (£266.8m in 2023/24).

Note 6 - Business Rates Supplement

In April 2010, a levy of 2p on non-domestic properties with a rateable value of over £55,000 in London was introduced. From April 2017, the threshold applicable to the levy was increased to properties with a rateable value of over £70,000 and this was increased once again to £75,000 from April 2023. This is paid to the GLA and helps to finance Crossrail.

Note 7 - Collection Fund apportionment of surplus

There was a council tax surplus of £6.616m distributed in 2024/25; RBG £5.033m / GLA £1.583m (£6.802m surplus distributed in 2023/24; RBG £5.229m / GLA £1.573m). There was a business rate deficit of £13.767m recovered in 2024/25; Central Government £4.543m / RBG £4.130m / GLA £5.094m (a surplus of £20.881m distributed in 2023/24; Central Government £6.891m / RBG £6.264m / GLA £7.726m).

Note 8 - Provision for Irrecoverable Council Tax Debts

Contributions are made from the Collection Fund Income and Expenditure Account to cover expected credit losses. During 2024/25, £5.889m (£5.553m in 2023/24) was contributed to the council tax expected credit loss provision and £0.241m of irrecoverable debts were written off in year (£0.577m in 2023/24).

Note 9 - Provision for Irrecoverable Business Rates Debts

Adjustments are made from the Collection Fund Income and Expenditure Account to a provision for expected credit loss. During 2024/25 £3.282m was released from the business rates expected credit loss provision (£2.482m was contributed to the provision in 2023/24). There was £0.798m of irrecoverable debts written off in 2023/24 (£1.117m of debts were written off in 2023/24).

Note 10 - Provision for Business Rates Appeals

Adjustments are made from the Collection Fund Income and Expenditure Account to a provision for business rate appeals. The provision was calculated on the basis of outstanding appeals at 31 March 2025 as supplied by the Valuation Office. The percentage of appeals that are likely to be successful and the percentage reduction in rateable value on successful appeals were estimated based on historical trends. During 2024/25 £8.065m was released from the provision (a net contribution of £11.509m was made in 2023/24).

Note 11 - Collection Fund Position

Council Tax Surplus

The balance on the Fund for council tax at 31 March 2025 is £3.700m. Of this sum, £0.902m is the GLA's share of the Collection Fund and is shown as a creditor in the Authority's Balance Sheet. The balance of £2.798m is the Royal Borough's share of the Collection Fund. The council tax balance will be taken into account in future budget setting processes.

Business Rates Deficit

The balance on the Fund for Business Rates at 31 March 2024 is a surplus of £18.040m. Of this sum £6.675m is the GLA's share and £5.953m is the Government share. The remaining £5.412m is the balance in the Collection Fund.

Housing Revenue Account

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

2023/24 £000	HRA Income and Expenditure Statement	2024/25 £000
	Expenditure	
41,563	Repairs and Maintenance	46,346
52,088	Supervision and Management	55,694
1,714	Rent, Rates, Taxes and Other Charges	1,024
122,992	Depreciation, Impairments and Revaluation Losses in relation to Non-current Assets	118,298
120	Debt Management Costs	176
174	Movement in expected credit losses	225
218,650	Total Expenditure	221,762
	Income	
(109,235)	Dwelling Rents	(121,800)
(3,243)	Non Dwelling Rents	(3,248)
(22,763)	Charges for services and facilities	(26,809)
(653)	Contribution towards expenditure	(8,170)
(135,895)	Total Income	(160,027)
82,755	Net (Income)/Expenditure of HRA Services	61,735
	<u>HRA share of the operating income and expenditure included in the whole Authority Comprehensive I&E Statement</u>	
(11,240)	(Gain) or Loss on sale of HRA non-current Assets	(12,403)
13,796	Interest Payable and Similar Charges	17,063
(37,693)	Capital Grants and contributions receivable	(17,466)
(32)	Interest and Investment income	(10)
1,227	Net interest on the net defined benefit liability / (asset)	(44)
48,813	(Surplus) / Deficit for the Year on HRA Services	48,876

2023/24 £000	Movement on the HRA Statement	2024/25 £000
(15,463)	Balance on the HRA as at the end of the previous reporting period	(9,837)
48,813	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	48,876
(43,187)	Adjustment between accounting basis and funding basis under statute	(47,190)
5,626	(Increase) or decrease in year on the HRA	1,686
(9,837)	Balance on the HRA at the end of the current reporting period	(8,151)

Note 1 - Depreciation and Impairment

HRA Depreciation and Impairment	2023/24 £000	2024/25 £000
Dwellings	25,999	25,240
Other Land & Buildings	705	883
Surplus	0	42
Total Depreciation	26,704	26,165
Impairment and Revaluation Losses	100,829	93,507

HRA valuations were reviewed at 31st March 2025. The valuations are based on Stock Valuation for Resource Accounting, a guide issued by DLUHC. This guide incorporates a factor to recognise the specific nature of valuing social housing. This factor, which reduces the assessed value, has remained at 25%.

Note 2 – Housing Stock

The Council was responsible for managing 20,449 owned dwellings as at 31 March 2025. The property is analysed below.

Analysis of HRA Dwellings at 31 March 2025	1 Bed	2 Beds	3 & more	Total
Low rise flats in blocks up to 2 storeys	1,303	978	335	2,616
Medium rise flats in blocks of 3-5 storeys	3,587	3,028	1,357	7,972
High rise flats in blocks of 6 or more storeys	1,478	1,637	219	3,334
Houses and bungalows	246	1,191	5,077	6,514
Multi occupied dwellings				13
Total				20,449

The movement in the stock numbers includes the loss of 104 properties through Right to Buy disposals (78 in 2023/24) in accordance with the Housing Act 1985.

HRA valuations were undertaken as at 31 March 2025.

31 March 2024	Balance Sheet Valuation of HRA Assets	31 March 2025
£000		£000
1,541,384	Dwellings	1,554,341
219,743	Property Plant and Equipment – Other	276,923
225	Assets Held For Sale	224
1,761,352	Total	1,831,488

The Vacant Possession Value is the Authority's Fair Value estimate if all dwellings were sold on the open market. The balance sheet value is calculated on the basis of rents receivable on existing tenancies. These are less than the rent that would be obtainable on the open market, and the balance sheet value is therefore lower than the Vacant Possession Valuation. The difference between the two values therefore shows the economic cost of providing housing at less than market value.

1 April 2024	Vacant Possession Value	1 April 2025
£000		£000
6,349,804	Total	6,209,067

Note 3 - Major Repairs Reserve

2023/24	Major Repairs Reserve	2024/25
£000		£000
(6,748)	Balance as at 1 April	0
(26,704)	Depreciation for the year	(26,165)
0	Other contributions from revenue	0
33,452	Financing of Capital Expenditure for year	26,165
0	Balance as at 31 March	0

Note 4 – Capital Financing

2023/24 £000	HRA Capital Expenditure	2024/25 £000
226,005	Houses	228,135
158	Other Property	0
226,163	Total	228,135
Financed By:		
52,142	Capital Receipts	30,604
33,452	Major Repairs Reserve	26,165
78,243	Prudential Borrowing	128,524
49,614	Other Grants	29,130
12,712	Revenue	13,712
226,163	Total	228,135

Note 5 - Rent and Service Charge Arrears

HRA rent and service charge arrears at 31 March 2025 totaled £11.987m. These arrears are charges due from tenants i.e. rent, service charges, heating and other charges. The HRA has been setting aside funds to meet irrecoverable debts in respect of such arrears. At 31st March 2025 the provision totaled £8.273m.

2023/24 £000	Arrears	2024/25 £000
7,089	Due from Current Tenants	7,030
5,060	Due from Former Tenants	4,957
12,149	Total	11,987

Note 6 – Tenants Service Charges

From February 2017 the Authority agreed to introduce service charges for tenant's services and facilities that were previously pooled in the HRA.

Independent auditor’s report to the members of Royal Borough of Greenwich Council

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Draft

Royal Borough of Greenwich Pension Fund

2023/24 £000	Fund Account	Notes	2024/25 £000
	<u>Dealings with Members, Employers and Others directly involved in the Scheme</u>		
	Contributions Receivable:		
(45,956)	Employer Contributions	6	(48,986)
(16,961)	Member Contributions	6	(17,678)
(4,345)	Transfers in from Other Pension Funds	7	(8,484)
	Benefits:		
57,894	Pensions	8	63,647
12,959	Lump Sum and Commutations	8	15,204
2,256	Lump Sum Death Benefits		1,786
9,531	Payments to and on account of Leavers	9	2,674
15,378	Subtotal: Net (additions) / withdrawals from Dealings with Members		8,163
5,767	Management Expenses	10a	5,849
21,145	Subtotal: Net (additions)/withdrawals including fund management expenses		14,012
	<u>Returns on Investment</u>		
(22,841)	Investment Income	11	(17,200)
(104,724)	(Profit) and Losses on disposal of Investments and Changes in Value of Investments		(60,672)
35	Taxes on Income	11a	0
(127,530)	Net Returns on Investment		(77,872)
(106,385)	Net (increase) / decrease in the Net Assets available for Benefits during the year		(63,860)

31 March 2024 £000	Net Asset Statement	Notes	31 March 2025 £000
	<u>Investment assets</u>		
	<u>Pooled Investment Vehicles:</u>		
802,181	Equities	14	783,867
319,890	Fixed Income	14	476,274
133,483	Property Unit Trusts	14	150,437
199,000	Multi Asset	14	101,619
24,066	Infrastructure	14&22	29,736
67,733	Private Debt	14&22	71,220
	<u>Non-Pooled Investments:</u>		
102,581	Diversified Alternative	14	80,447
838	Private Equity	14&22	747
5,945	Property - Freehold	3&14	6,560
6	Cash Deposits	19	38
25,218	Cash Equivalents	19	44,183
3,199	Other Investment Balances	18	3,058
	<u>Investment Liabilities</u>		
(1,428)	Other Investment Balances	18	(918)
1,682,712	Net Investment Assets / (Liabilities)		1,747,268
	<u>Current Assets</u>		
5,134	Contributions Due	18	5,523
645	Other Current Assets	18	724
4,007	Cash Balances	19	3,037
	<u>Current Liabilities</u>		
(759)	Unpaid Benefits	18	(579)
(1,089)	Other Current Liabilities	18	(1,463)
7,938	Net Current Assets / (Liabilities)		7,242
1,690,650	Net Assets of the Scheme available to fund Benefits at the Period End		1,754,510

The financial statements of the Fund do not take account of liabilities to pay pensions and other benefits after 31 March 2025. The actuarial present value of promised retirement benefits is disclosed in note 17.

Note 1 – Description of The Fund

The following description of the Fund is a summary only. For more detail, reference should be made to the Royal Borough of Greenwich Pension Fund Annual Report 2024/25 and the underlying statutory powers underpinning the scheme, namely the Public Service Pensions Act 2013 and the Local Government Pension Scheme Regulations.

General

The Royal Borough of Greenwich Pension Fund (the “Fund”) is part of the Local Government Pension Scheme (LGPS) and is administered by the Royal Borough of Greenwich. It is a defined benefit pension scheme providing pensions and other benefits for employees of the Royal Borough of Greenwich and those organisations with admitted or scheduled body status within the Fund. The Fund is overseen by the Royal Borough of Greenwich Pension Investment and Administration Panel. The Fund is governed and administered in accordance with the Public Service Pensions Act 2013 and the following Local Government Pension Scheme Regulations:

- The LGPS Regulations 2013 (as amended)
- The LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014 (as amended)
- The LGPS (Management and Investment of Funds and Amendment) Regulations 2016

Membership

All employees are able to join the pension scheme (except teachers). Those with a contract of employment of at least 3 months are contractually enrolled into the pension scheme on commencement of employment. Members have an option to remain in the scheme or to opt-out of the scheme. Organisations participating in the Fund include:

- Administering Authority: This is the Royal Borough of Greenwich (the “Authority”)
- Scheduled Bodies: Local authorities and similar bodies whose staff are automatically entitled to be members of the Fund.
- Admitted Bodies: Other organisations that participate in the Fund under an admission agreement between the Fund and the relevant organisation. These include voluntary, charitable and similar bodies or private contractors undertaking a local authority function following outsourcing to the private sector.

There were 63 active employer organisations within the Fund as at 31 March 2025 (67 as at 31 March 2024). The following table summarises the composition of the registered membership of the Fund as at 31 March 2025.

Membership	Administering Authority		Admitted Bodies		Scheduled Bodies	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
Employees contributing into Fund	6,217	6,165	390	361	2,182	2,293
Pensioners / Dependents	7,607	7,970	325	360	606	701
Former Members entitled to Deferred Benefits	7,372	7,459	370	350	1,773	1,772
Totals	21,196	21,594	1,085	1,071	4,561	4,766

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members in accordance with the LGPS Regulations 2013 and range from 5.5% to 12.5% of pensionable pay for the financial year end 31 March 2025. Employee contributions are matched by employers' contributions which are set based on triennial actuarial funding valuations.

Benefits

Prior to 1 April 2014, pension benefits under the LGPS were based on final pensionable pay and length of pensionable service. From 1 April 2014, the scheme became a career average scheme, whereby members accrue benefits based on their pensionable pay in that year at an accrual rate of 1/49th. Accrued pension is updated annually in line with the Consumer Prices Index. There are a range of other benefits provided under the scheme including early retirement, ill-health pensions and death benefits.

Governance

The Royal Borough of Greenwich has delegated management of the Fund to the Pension Investment and Administration Panel. The Panel is made up of four committee members, each with voting rights. The Panel is responsible for agreeing an appropriate investment strategy, review and scrutiny of investment

manager performance, quarterly account review and policy statement review. The Panel receives guidance, where appropriate, from the Fund's investment advisors, actuary and Fund managers. The Panel receives regular training in line with CIPFA's Knowledge and Skills Framework.

It is a requirement under the Public Service Pensions Act 2013 for LGPS funds to set up a Local Pension Board. The Royal Greenwich Pension Board is made up of two member representatives and two employer representatives who act in an overview and scrutiny role to ensure strong governance of the Fund. The Board also receives regular training under the CIPFA Knowledge and Skills Framework. The role and responsibilities of Board Members is set out in the 'Pension Board of the Royal Borough of Greenwich Terms of Reference', which is available on the Royal Borough of Greenwich website via the annual report.

Investment Principles

Regulation 7(1) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 requires administering authorities to prepare an Investment Strategy Statement (ISS). The latest ISS was agreed by the Pension Fund Investment and Administration Panel on 24 July 2023 and is available on the Royal Borough of Greenwich website.

The Panel has delegated the day-to-day management of investments to external Investment Managers in line with their relevant mandates. The performance of the Investment Managers is reported on a quarterly basis by the Fund's Investment Advisors.

Note 2 – Basis of Preparation

The Statement of Accounts (the “Accounts”) summarise the Fund’s transactions for the 2024/25 financial year and its position at year-end as at 31 March 2025. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the “Code”) which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector.

The Accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The Accounts do not take account of obligations to pay pensions and benefits, which fall due after the end of the financial year. The Code gives administering authorities the option to disclose this information in the net asset statement, in the notes to the accounts or by appending an actuarial report prepared for this purpose. The pension fund has opted to disclose this information in Note 17 of these accounts. The most recent actuarial valuation was carried out as at 31 March 2022 and determines the contribution rates for the next three years from 1 April 2023 with an aim to maintain the solvency of the Fund. Therefore, these accounts have been prepared on a going concern basis, on the assumption that the functions of the Pension Fund will continue in operational existence for the foreseeable future.

Many values throughout these accounts are presented rounded to whole numbers. Totals in supporting tables and notes may not appear to cast, cross-cast, or exactly match to the core statements or other tables due to rounding differences.

Note 3 – Summary of Significant Accounting Policies

Fund Account – Revenue Recognition

Contributions

Both employer and member normal contributions are accounted for on an accruals basis. Member contributions rates are set in accordance with LGPS regulations using common percentage rate bandings, which rise in line with pensionable pay. Employer contributions are set at a percentage rate advised by the Fund's actuary as necessary to maintain the Funds solvency.

Additional employers' contributions in respect of ill-health and early retirements are accounted for in the year the event arose. Any amount due in the year but unpaid will be classed as a current financial asset.

Transfers to and from other schemes

Individual transfers to and from other schemes are accounted for on a cash basis at which point the related member liability transfers to the fund. Bulk transfers to/from the scheme are accounted for in accordance with the terms of the transfer agreement.

Investment Income

- a) Dividend income is recognised on the date the shares are quoted ex-dividend. Any amount not received by the end of the reporting period is reflected within the net assets statement as "Other Investment Balances" and disclosed within the note on Debtors and Creditors.
- b) Some pooled investment vehicles within the portfolio are accumulation funds and as such, the change in market value also includes income, which is re-invested in the Fund. The market price for those units reflects this re-invested income. Non-accumulating units give rise to dividends.
- c) Freehold property gives rise to rental income. These amounts are recognised on a straight-line basis over the life of the operating lease.
- d) Private Equity distributions are split between their constituent elements i.e. dividend, interest, gain/loss or return of capital, as advised by the Fund manager. The income is accrued on the distribution date advised by the manager.
- e) The change in market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year, including profits and losses realised on sales of investments.
- f) Diversified Alternatives distributions have been treated as dividend income and return of capital, in line with the structure of the mandate.
- g) Interest is recognised as it accrues. Any interest due but not received at the end of the reporting period is accrued for and disclosed within the note on Debtors and Creditors.

Fund Account – Expense Items

Benefits payable

Pensions and lump sum benefits payable include all amounts known to be due as at the end of the financial year. Any amounts due but unpaid are disclosed in the net asset statement as current liabilities.

Taxation

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. Any recoverable amounts outstanding at the reporting period end will be classified as a debtor.

The Fund is a registered public service scheme under Section 1(1) of Schedule 36 of the Finance Act 2004 and as such is exempt from UK income tax on interest received and from capital gains tax on the proceeds of investments sold. Income from overseas investments suffers withholding tax in the country of origin, unless exemption is permitted. Irrecoverable tax is accounted for as a fund expense as it arises.

Management Expenses

The Fund discloses its management expenses in accordance with the CIPFA guidance 'Accounting for Local Government Pension Scheme Management Expenses (2016).' These expenses are charged to the Fund on an accruals basis under the headings below:

Administrative Expenses – Staff costs pertaining to the pensions administration team are charged direct to the Fund. Associated management, IT, rents and rates and other overheads are apportioned to financial administration and charged as expenses to the Fund on an annual basis.

Oversight and Governance – These costs include the selection, appointment, performance management and monitoring of external fund managers, investment advisory service costs, operation and support of the Pensions Panel and Board and other governance related costs.

Investment Management Expenses – Expenses incurred in relation to the management of pension fund assets and includes transaction costs, management fees, performance fees and custody fees. Investment management fees, including those paid to the pool operator (London Collective Investment Vehicle, "LCIV") are calculated by reference to the market value of portfolio assets under management at the end of each week/month/quarter. The exceptions to this are Fixed Income, where market value based fees are charged on a daily basis and Private Equity, Infrastructure and Private Debt fees, which are based upon amounts committed to each manager.

Where an investment manager's fee invoice has not been received by the balance sheet date, an estimate based upon the market value of the mandate as at the end of the year is used for inclusion in the fund account.

Net Asset Statement

Financial Assets

All investment assets are included in the financial statements on a fair value basis as at the reporting date. A financial asset is recognised in the net asset statement on the date the Fund becomes party to the contractual acquisition of the asset. Any amounts due or payable in respect of trades entered into but not yet complete at 31 March each year are accounted for as financial instruments held at amortised cost and reflected in the reconciliation of movements in investments and derivatives in Note 14. Any gains or losses on investment sales arising from changes in the fair value of the asset are recognised in the fund account. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 (see Note 14). For the purposes of disclosing levels of fair value hierarchy, the Fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

Property

The Fund owns the freehold of one investment property – New Lydenburg Industrial Estate. Further details regarding the basis of valuation can be found in Note 14. Any surplus / deficit on valuation is reflected in the Fund Account and is shown as a change in market value of investments.

Foreign Currency

Dividends, interest and purchases and sales of investments in foreign currencies have been accounted for at the spot market rates at the date of transaction. End-of-year spot market exchange rates are used to value cash balances held in foreign currencies, overseas investments and purchases and sales outstanding at the end of the reporting period.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a three-month period from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial Liabilities

The Fund recognises financial liabilities at amortised cost as at the reporting date. A financial liability is recognised in the net assets statement on the date the Fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund.

Actuarial Present Value of Promised Retirement Benefits

The actuarial present value of promised retirement benefits is rolled forward from the latest triennial valuation by the scheme actuary in accordance with the requirements of International Accounting Standard (IAS) 19 and relevant actuarial standards. As permitted under the Code, the Fund has opted to disclose the actuarial value of promised retirement benefits by way of a note to the net asset statement (note 17).

Additional Voluntary Contributions

There are currently two additional voluntary contribution (AVC) schemes for the members of the Royal Borough of Greenwich Pension Fund, with only one open to new members. These schemes are separate to the fund with assets which are invested separately. AVCs are not included in the accounts in accordance with Section 4(1) (b) of the Local Government Pension Scheme (Management and Investment of funds) Regulations 2016. Note 20 provides details of the Funds AVC schemes.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Fund a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. 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. Contingent liabilities are not recognised in the Net Asset Statement but are disclosed in a note to the Accounts. The limit for contingent liabilities is reflective of the Funds perception of materiality and is currently set at £250,000.

Other Accounting Policies

Prior Period Adjustments, Changes in Accounting Policies, Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other

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

Accounting Standards Issued but Not Yet Adopted

Under the Code of Practice on Local Authority Accounting there is a requirement to disclose the impact of accounting standards issued but not yet adopted. At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom. These standards will have no significant impact on amounts reported in this year's Pension Fund accounts:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability)
- b) IFRS 17 Insurance Contracts
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

Events after the Reporting Period

Events after the reporting period are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Accounts are authorised for issue. Events taking place after the date of authorisation for issue are not reflected in the Accounts. Two types of events can be identified:

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

Note 4 - Critical Judgements in Applying Accounting Policies

It has not been necessary to make any material critical judgements in applying the accounting policies during 2024/25.

Note 5 - Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities at the balance sheet date and the amounts reported for the revenues and expenses during the year. Estimates and assumptions are made, taking into account historical experience, current trends and other relevant factors. However, the nature of estimation means that the actual outcomes could differ from the assumptions and estimates.

Item	Uncertainties	Effect if actual results differ from assumptions
Diversified alternative	Diversified Alternative investment are valued using variety of methods and makes assumptions that are not always supported by observable market prices or rates. These investments are not publicly listed and as such, there is a degree of estimate involved in the valuation.	The total value of Level 3 investment in Diversified Alternative is £80.4m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 9.44% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £7.6m
Pooled Property (CBRE)	The Fund is valued at the fair values provided by the administrators of the underlying funds. These investments are not publicly listed and as such, there is a degree of estimation involved in the valuation.	The total value of Level 3 investment in CBRE is £38.1m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 5.74% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £2.19m
	Infrastructure investments are valued using best practices prevailing within the	

LCIV Renewable Infrastructure	<p>investment management industry to determine each underlying investment's fair market value.</p> <p>These valuations are validated by third party independent appraisal firms.</p>	<p>The total value of Level 3 investment in LCIV renewable infrastructure is £29.7m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 12.73% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £3.8m</p>
LCIV Private Debt	<p>Private debt investments are valued at fair valued in accordance with industry guidelines, based on the fund manager valuations as at the end of the reporting period.</p> <p>These investments are not publicly listed and as such there a degree of estimation involved in the valuation.</p>	<p>The total value of Level 3 investment in LCIV Private Debt is £71.2m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 7.55% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £5.37m</p>

Note 6 – Contributions Receivable

Contributions represent the total amounts receivable from employers within the scheme in respect of their own contributions and any of their employees who are members of the scheme. The employer's contributions are made at a rate determined by the Fund's Actuary as necessary to maintain the Fund in a state of solvency, having regard to existing and future liabilities. The average employer contribution rate used during 2023/24 and 2024/25 was 18.5%. Member contribution rates are determined by a banding mechanism linked to pensionable pay. Contributions shown in the revenue statement can be broken down as follows:

2023/24 £000	By Category	2024/25 £000
(16,961)	Employee's Contributions	(17,678)
(16,961)	Total Employees' Contributions	(17,678)
	Employer's Contributions:	
(44,995)	Normal Contributions	(47,592)

(905)	Deficit Recovery Contributions	(968)
(56)	Augmentation Contributions	(426)
(45,956)	Total Employers' Contributions	(48,986)
(62,917)		(66,664)

2023/24 £000	By Authority	2024/25 £000
(49,239)	Administering Authority	(51,541)
(10,395)	Scheduled Bodies	(11,430)
(3,283)	Admitted Bodies	(3,693)
(62,917)		(66,664)

Note 7 - Transfers in from Other Pension Funds

2023/24 £000	Transfers in from other Pension Funds	2024/25 £000
0	Group Transfers	0
(4,345)	Individual Transfers	(8,484)
(4,345)		(8,484)

Note 8 - Benefits

Benefits payable are made up of pension payments and lump sums payable upon retirement and death. These have been brought into the accounts on the basis of all valid claims approved during the year.

2023/24	Benefits	2024/25
£000		£000
<u>Pensions</u>		
53,955	Administering Authority	58,907
1,871	Admitted Bodies	2,260
2,068	Scheduled Bodies	2,480
57,894	Total Pensions Payable	63,647
<u>Lump Sums and Commutations</u>		
10,942	Administering Authority	12,970
617	Admitted Bodies	892
1,400	Scheduled Bodies	1,342
12,959	Total Lump Sums and Commutations	15,204
<u>Lump Sum Death Benefits:</u>		
1,881	Administering Authority	1,360
229	Admitted Bodies	33
146	Scheduled Bodies	393
2,256	Total Lump Sum Death Benefits	1,786
73,109	Total Benefits Payable	80,637
2023/24	Benefits Total by Employer Type	2024/25
£000		£000
66,778	Administering Authority	73,237

2,717	Admitted Bodies	3,185
3,614	Scheduled Bodies	4,215
73,109 Total Benefits Payable		80,637

Note 9 - Payments to and on Account of Leavers

2023/24	Payments to and on Account	2024/25
£000	Of Leavers	£000
308	Refunds to Members leaving Service	266
(4)	Payments for Members joining State Scheme	(1)
9,227	Individual Transfers	2,409
9,531	Total Payments to and on Account of Leavers	2,674

Note 10a – Management Expenses

2023/24	Management Expenses	2024/25
£000		£000
1,159	Administration Expenses	1,399
212	Oversight and Governance	232
4,396	Investment Management Expenses	4,218
5,767	Total Management Expenses	5,849

Note 10b Investment Management Expenses

2023/24	Management Expenses	2024/25
£000		£000
4,177	Management Expenses	3,902
171	Performance Fees	265
48	Custody Fees	51
0	Transaction Costs	0
4,396	Total investment Management Expenses	4,218

Note 11 - Investment Income

2023/24	Investment Income	2024/25
£000		£000
(8,327)	Income from Equities	(8,229)
(4)	Income from Private Equity	0
(5,000)	Income from Diversified Alternative	0
(115)	Rental Income from Freehold Property	(115)
(3,663)	Income from Pooled Investment Vehicles	(2,581)
(4,479)	Income from Property Unit Trusts	(4,689)
(1,241)	Interest	(1,584)
(12)	Other Investment Income	(2)
(22,841)	Total Investment Income	(17,200)

Note 11a - Taxes on Income

UK Income Tax

The Fund is exempt and approved under the Finance Act 1970. It is therefore not liable to UK income tax on interest, dividends and property income, or to capital gains tax.

Value Added Tax

By virtue of the Royal Borough of Greenwich being the Adminstrating Authority, VAT input tax is recoverable on Fund activities.

Overseas Tax

Taxation agreements exist between the UK and certain EU and other countries whereby a proportion of the tax deducted locally from investment earnings may be reclaimed. The proportion reclaimable and the timescale involved vary from country to country.

2023/24	Taxes on Income	2024/25
£000		£000
35	Taxes on Transition	0
35	Total taxes on income	0

Note 12 - External Audit Costs

2023/24		2024/25
£000		£000
91	Payable in respect of external audit*	101
0	PSAA Refund	0
(12)	Redmond Review Grant	0
79	Total External Audit Costs	101

*£102k was the actual amount paid/payable to the external auditors of the Pension Fund, Forvis Mazars LLP.

Note 13 - Investments

The investment managers and their mandates are as follows:

Manager	Mandate(s)
---------	------------

Blackrock	Passive Global Equity
Legal and General Investment Management (LGIM)	Low Carbon Passive Global Equity
CBRE Global Investors	Property
Fidelity International	Bond/Global Multi Asset Credit (GMAC)/Global Emerging Market Equities (GEME)
Wilshire	Private Equity
Partners Group	Diversified Alternative
LCIV	Absolute Return, Real Return, Renewable Infrastructure, Private Debt

The market value and proportion of investments managed by each fund manager at 31 March 2025 was as follows:

	2023/24 Market Value £000	2023/24 Market Value %	2024/25 Market Value £000	2024/25 Market Value %
Blackrock	385,250	23	388,002	22
LGIM	282,152	17	307,931	18
CBRE Global Investors	146,528	9	156,649	9
Fidelity BOND	153,296	9	301,138	17
Fidelity GMAC	166,441	10	174,961	10
Royal Borough of Greenwich	25,654	1	51,951	3
Wilshire	838	0	747	0
London CIV	150	0	252	0
Partners Group	102,176	6	80,017	4
Fidelity GEME	137,385	8	90,306	5
LCIV Real Return Fund	100,915	6	0	0
LCIV Absolute Return Fund	98,085	6	101,619	6
LCIV Renewable Infrastructure	24,060	1	29,730	2
LCIV Private Debt	67,720	4	71,207	4
Total	1,690,650	100	1,754,510	100

The values above include working capital (cash, cash equivalents, debtors and creditors)

The change in market value of the Fund during the year is represented as follows:

Manager	Market Value	Purchases	Sales	Change in	Market Value
	31 March			Market	31-Mar
	2024			Value	2025
				Of	
				Investments	
	£000	£000	£000	£000	£000
Blackrock	382,256	1	(21,000)	23,961	385,218
LGIM	282,194	10,500	0	15,263	307,957
CBRE Global Investors	133,483	21,973	(10,616)	5,597	150,437
Fidelity BOND	153,344	153,447	0	(5,584)	301,207
Royal Borough of Greenwich	5,945	0	0	615	6,560
Wilshire	838	0	0	(91)	747
Fidelity GMAC	166,545	5,067	0	3,452	175,064
London CIV	150	0	0	102	252
Partners Group	102,583	0	(26,641)	4,507	80,449
Fidelity GEME	137,581	9,480	(45,000)	(11,619)	90,442
LCIV Real Return Fund	100,914	1,403	(102,961)	644	0
LCIV Absolute Return Fund	98,085	1,179	0	2,354	101,618
LCIV Renewable Infrastructure	24,066	7,506	0	(1,836)	29,736

LCIV Private Debt	67,733	0	0	3,487	71,213
Total	1,655,717	210,556	(206,218)	40,852	1,700,907

The prior year comparator is as follows:

Manager	Market Value	Purchases	Sales	Change in	Market Value
	31 March			Market Value	31-Mar
	2023			Of	2024
				Investments	
	£000	£000	£000	£000	£000
Blackrock	604,514	1	(260,556)	38,297	382,256
LGIM	0	241,053	(3,576)	44,717	282,194
CBRE Global Investors	133,768	11,344	(3,856)	(7,773)	133,483
Fidelity BOND ^a	146,643	(192)	0	6,893	153,344
Royal Borough of Greenwich	5,700	0	0	245	5,945
Wilshire ^b	1,180	(36)	(208)	(98)	838
Fidelity GMAC ^a	155,280	(398)	0	11,663	166,545
London CIV	150	0	0	0	150
Partners Group	107,469	0	(1,866)	(3,020)	102,583
Fidelity GEME ^a	127,307	(735)	0	11,009	137,581
LCIV Real Return Fund	93,535	2,395	0	4,984	100,914
LCIV Absolute Return Fund	104,353	1,268	0	(7,536)	98,085
LCIV Renewable Infrastructure	18,813	5,790	0	(537)	24,066

LCIV Private Debt	58,508	3,346	0	5,879	67,733
Total	1,557,220	263,836	(270,062)	104,723	1,655,717

a. The negative Fidelity purchase relates to management fees which are charged by reducing the market value of the holdings by the amount of the fee.

b. Distributions have been split into income (dividends, interest and gains) and distributions of capital reducing the book cost.

Individual investment assets with a market value of greater than 5% of the total fund value are as follows:

Investment Assets	Manager	2024/25	2024/25
		£000	%
Future World Global Equity	LGIM	308,100	18%
Fidelity UK Aggregate Bond	Fidelity	301,207	17%
ISHARES UK Equity	Blackrock	222,090	13%
Fidelity Global Multi Asset Credit	Fidelity	175,067	10%
Aquila Life GLB 3000	Blackrock	163,198	9%
Absolute Return Fund	London CIV	101,619	6%
Fidelity Institutional Funds	Fidelity	90,442	5%
Emerging Markets			
Partners IC RBG LTD	Partners Group	80,447	5%

The prior year comparator is as follows:

Investment Assets	Manager	2023/24	2023/24
		£000	%
Aquila Life World Ex UK	Blackrock	282,194	17
ISHARES UK Equity	Blackrock	229,194	14
Fidelity Global Multi Asset Credit	Fidelity	166,546	10

Aquila Life GLB 3000	Blackrock	153,344	9
Fidelity UK Aggregate Bond	Fidelity	153,053	9
Fidelity Institutional Funds Emerging Markets	Fidelity	137,582	8
Partners IC RBG LTD	Partners Group	102,581	6
LCIV Absolute Return Fund	London CIV	100,915	6
LCIV Real Return Fund	London CIV	98,086	6

Stock Lending / Derivatives

The Fund has a policy of not entering into stock lending arrangements - there were no stock lending arrangements in place during 2024/25 or 2023/24. The following investment products are classed as derivatives and may be used by the Fund managers (none held directly by the Fund on 31 March 2025):

- Stock index futures – used for the purposes of efficient portfolio management.
- Short currency forwards – used for defensively hedging non-UK exposure back to sterling.
- Local access products – used to gain exposure to stocks where the manager is unable to purchase them directly.

Property Holdings

The Fund has a directly owned property, which is leased commercially to various tenants. Details of this are as follows:

2023/24		2024/25
£000		£000
5,700	Opening balance	5,945
245	Net increase in market value	615
5,945	Closing balance	6,560

2023/24		2024/25
£000		£000
115	Within one year	115

	410		Other Current Assets		649	
	4,007		Cash Balances		3,037	
1,649,772	37,974	0	Total Financial Assets	1,694,347	56,488	0
			<u>Financial Liabilities</u>			
		(1,428)	Other Investment Balances			(918)
		(759)	Unpaid Benefits			(579)
		(314)	Other Current Liabilities			(508)
		(2,501)	Total Financial Liabilities			(2,005)
1,649,772	37,974	(2,501)	Net Financial Assets	1,694,347	56,488	(2,005)

The net gains and losses on financial instruments are as follows:

2023/24 £000	Gains and Losses	2024/25 £000
	<u>Financial Assets</u>	
104,479	Fair Value Through Profit and Loss ^a	(60,672)
	<u>Financial Liabilities</u>	
0	Fair Value Through Profit and Loss	0
104,479	Total	(60,672)

^aThe fair value through profit and loss excludes a £615k gain in relation to directly held property as it is not a financial instrument. This is in line with the CIPFA Code of Practice

The interest revenue and expense for financial assets measured at amortised cost is as follows:

2023/24 £000	Interest Revenue and Expense	2024/25 £000
	<u>Assets at amortised cost</u>	
(1,242)	Interest Revenue	(1,591)
1	Interest Expense	1
(1,241)	Total	(1,590)

Valuation of Financial Instruments carried at Fair Value

The valuation of financial instruments has been classified into three levels, according to the quality and reliability of information used to determine fair values:

Level 1 – Where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Products classified as Level 1 comprise quoted equities, quoted fixed securities and unit trusts.

Level 2 – Where quoted market prices are not available; for example, where an instrument is traded in a market that is not considered to be active, or where valuation techniques are used to determine fair value and where these techniques use inputs that are based significantly on observable market data.

Level 3 – Where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data.

Reconciliation of Fair Value Measurement within Level 3

Asset	Market Value at 31/03/2024	Transfer into Level 3	Transfer out of Level 3	Purchases at cost	Sales	Unrealised Gain/(Loss)	Realised Gains/(Losses)	Market Value At 31/03/2025
	£000	£000	£000	£000	£000	£000	£000	£000
UT - Property UK*	30,573	2,793	0	3,953	(3,425)	4,254	0	38,148
Freehold Property	5,945	0	0	0	0	615	0	6,560
Diversified Alternative	102,581	0	0	0	(26,641)	4,507	0	80,447
Private Equity	838	0	0	0	0	(91)	0	747
Infrastructure	24,066	0	0	7,506	0	(1,836)	0	29,736
Private Debt	67,733	0	0	0	0	3,487	0	71,220
Total	231,736	2,793	0	11,459	(30,066)	10,936	0	226,858

*a transfer into level 3 occurred in 24/25 due to a fund changed from open-ended to closed-ended. Decision taken to terminate the fund; it will mature on 14/12/2026.

The prior year comparator is as follows:

Asset	Market Value at 31/03/2023	Transfer into Level 3	Transfer out of Level 3	Purchases at cost	Sales	Unrealised Gain/(Loss)	Realised Gains/(Loss)	Market Value At 31/03/2024

	£000	£000	£000	£000	£000	£000	£000	£000
UT - Property UK	30,918	0	0	4,661	(2,605)	(2,605)	204	30,573
Freehold Property	5,700	0	0	0	0	245	0	5,945
Diversified Alternative	107,468	0	0	0	(1,867)	(3,020)	0	102,581
Private Equity	1,180	0	0	(37)	(208)	(305)	208	838
Infrastructure	18,813	0	0	5,790	0	(537)	0	24,066
Private Debt	58,508	0	0	3,346	0	5,879	0	67,733
Total	222,587	0	0	13,760	(4,680)	(343)	412	231,736

Sensitivity of assets value at level 3

Having analysed historical data and current market trends, and consulted with the Funds' performance management advisors, the Fund has determined that valuation methods described above are likely to be accurate to within the following ranges and set out below the consequent potential impact on the closing value of investment as at 31 March 2025.

Asset	Value as at 31 March 2025 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
UT - Property UK	38,148	5.7	40,336	35,960
Freehold Property	6,560	5.7	6,936	6,184
Private Equity	747	11.7	835	660
Diversified Alternative	80,447	9.4	88,040	72,854
Infrastructure	29,736	12.7	33,522	25,949
Private Debt	71,220	7.5	76,594	65,845
Total Level 3 Assets available to Pay Benefits	226,858		246,263	207,452

The prior year comparator is as follows:

Asset	Value as at 31 March 2024 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
UT - Property UK	30,573	7	32,716	28,430

Freehold Property	5,945	7	6,362	5,528
Private Equity	838	17	980	696
Diversified Alternative	102,581	13.7	116,653	88,510
Infrastructure	24,066	4.8	25,221	22,912
Private Debt	67,733	5.4	71,419	64,046
Total Level 3 Assets available to Pay Benefits	231,736		253,351	210,122

The following table provides an analysis of the Financial Assets and Liabilities of the Fund and are grouped based upon the level at which the fair value is observable.

Values as at 31 March 2025	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<u>Financial Assets</u>				
Financial Assets at Fair Value through profit and loss	0	1,474,050	220,297	1,694,347
Non-Financial assets at Fair Value through profit and loss	0	0	6,560	6,560
	0	1,474,050	226,857	1,700,907

The prior year comparator is as follows:

Values as at 31 March 2024	Level 1 £000	Level 2 £000	Level 3 £000	Total £000
<u>Financial Assets</u>				
Financial Assets at Fair Value through profit and loss	0	1,423,981	225,791	1,649,772
Non-Financial assets at Fair Value through profit and loss	0	0	5,945	5,945
	0	1,423,981	231,736	1,655,717

Fair Value – Basis of Valuation

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Input	Key Sensitivities affecting the
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				valuations provided
Pooled Investments – Fixed Income	Level 2	NAV basis. Where the markets of financial instruments are actively traded exchange markets, valuations are based on quoted market prices, which is the price within the bid-ask spread. For non-traded financial instruments, the programme uses a variety of market and income methods.	Evaluated price feeds	Not Required
Pooled Investments - Equities	Level 2	Bid price	Evaluated price feeds	Not Required
Pooled Investments – Emerging Market Equities	Level 2	Mid price	Evaluated price feeds	Not Required
Pooled Investments - Multi Asset	Level 2	Swung price/mid price	Evaluated price feeds	Not Required
Property Unit Trusts	Level 2	Based upon the underlying investments within each portfolio, which are based upon the latest available valuations (March 2024)	Latest available trading NAV (Bid Price)	Not Required
Property Unit Trusts	Level 3	Based upon the underlying investments within each portfolio, which are based upon the latest available valuations (ranging from December 2023 to March 2024)	INREV NAV	Return of capital, investment contributions, capital calls and accruals of liquidation expenses.

Private Equity	Level 3	Based upon the underlying investments within each portfolio.	Valuations of underlying limited partnerships	Valuations could be affected by changes to expected cashflows or by differences between audited and unaudited accounts
Diversified Alternative	Level 3	<p>Private Equity - A market approach is applied (mainly EV/EBITDA multiples) where appropriate. In some cases, an alternative method can be applied (e.g. DCF approach).</p> <p>Private Debt - Where market quotations are readily available, the valuation is based on these. Where no market quotations are available, valuations are based on a discounted cash flow approach or recovery method.</p> <p>Private Real Estate - Valued considering third party appraisals which are updated at least on an annual basis. Intra-year valuations from these third party appraisals are adjusted for recent developments</p> <p>Private Infrastructure - Early stage investments are valued using the replacement cost method. Once construction reaches a certain stage, where cash flows are more visible, the valuation method is normally switched to a discounted cash flow analysis.</p> <p>For stable and operating infrastructure assets, a market</p>	<p>-EV/EBITDA multiples</p> <p>-Discounted cash flows</p> <p>-Third party appraisals</p>	Valuations could be affected by material events occurring between the date of the financial statements provided and the Fund's own reporting date, and by any differences between audited and unaudited accounts.

		approach (i.e. multiple method) is used.		
Freehold Property	Level 3	Valued by a valuer and RICS member, employed by the Royal Borough of Greenwich. The property was valued as at 31 March 2024 utilising the Royal Institute of Chartered Surveyors-current edition of the RICS Valuation - Global standards and the RICS UK national supplement. The valuation was based on the open market value of the freehold interest, having regard to the actual lease terms and evidence of current levels of rent and yields for the class of property, adjusted to reflect age, condition and characteristics of the particular locality	Income from tenants	Significant changes in rental growth, vacancy levels or the discount rates could affect valuations as could more general changes to market prices
Shares in London CIV Asset Pool	Level 3	Based on the capital invested within the London CIV (held at historical cost as a proxy for fair value)	N/A	N/A
Pooled Investments – Infrastructure	Level 3	Based upon the underlying investments in each portfolio. Valued at fair value on a quarterly basis.	NAV based pricing	Foreign exchange fluctuations
Pooled Investments - Private Debt	Level 3	Based upon the underlying investments in each portfolio. Valued at fair value on a quarterly basis.	NAV based pricing	Foreign exchange fluctuations

Note 15 - Nature and Extent of Risks arising from Financial Instruments

Risk and Risk Management

The Fund's primary long-term risk is that the Fund's assets will fall short of its liabilities (i.e. promised benefits payable to members). Therefore, the aim of investment risk management is to minimise the risk of an overall reduction in the value of the Fund and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Fund manages these investment risks as part of its overall risk management programme. Responsibility for the Fund's risk management strategy rests with the Pension Fund Investment and Administration Panel. Risk management policies are established to identify and analyse the risks faced by the Fund. Policies are reviewed regularly to reflect changes in activity and market conditions.

Market Risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset risk. The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through the diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risk, the Fund and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis. The Fund manages these risks in two ways:

- The exposure of the Fund to market risk is monitored through risk analysis, to ensure that risk remains within tolerable levels
- Specific risk exposure is limited by applying risk-weighted maximum exposures to individual investments.

Equity futures contracts and exchange traded option contracts on individual securities may also be used to manage market risk on equity investments. It is possible for over-the-counter equity derivative contracts to be used in exceptional circumstances to manage specific aspects of market risk.

Other Price Risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market. The Fund is exposed to share price risk. This arises from investments held by the Fund for which the future price is uncertain. All securities investments present a risk of loss of capital. The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments is monitored by the Fund to ensure it is within limits specified in the Fund investment strategy.

Other Price Risk – Sensitivity Analysis

Having analysed historical data and expected investment return movement during the financial year, and consultation with the Fund's performance management advisors, the Fund has determined that the following movements in market price risk are reasonably possible for the reporting period.

Asset	Potential Market Movements (+/-)
UK Equities	9.62%
Overseas Equities	9.62%
Bonds	7.72%
Property	5.74%
Cash Equivalents	0.58%
Private Equity	11.72%
Multi Asset	4.91%
Diversified Alternative	9.44%
Private Debt	7.55%
Infrastructure	12.73%

This analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. Had the market price of the Fund investments moved in line with the above, the change in the net assets available to pay benefits in the market price would have been as follows:

Asset	Value as at 31 March 2025 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash Equivalents	44,183	0.58	44,441	43,925
UK Equities	222,099	9.62	243,473	200,725
Overseas Equities	561,517	9.62	615,555	507,478
Bonds	476,274	7.72	513,044	439,505
Diversified Alternative	80,447	9.44	88,040	72,854
Property	156,997	5.74	166,001	147,993
Private Equity	747	11.72	835	660
Multi Asset	101,619	4.91	106,604	96,634
Infrastructure	29,736	12.73	33,522	25,949
Private Debt	71,220	7.55	76,594	65,845
Other Investment Balances	5,466	0.00	5,466	5,466

Total Assets available to Pay Benefits	1,750,304	1,893,574	1,607,034
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The prior year comparator is as follows:

Asset	Value as at 31 March 2024 £000	Percentage Change %	Value on Increase £000	Value on Decrease £000
Cash Equivalents	25,218	0.97	25,463	24,973
UK Equities	229,202	9.85	251,778	206,627
Overseas Equities	572,829	9.85	629,250	516,407
Bonds	319,890	7.76	344,707	295,073
Diversified Alternative	102,581	13.72	116,653	88,510
Property	139,428	7.01	149,201	129,655
Private Equity	838	16.98	980	696
Multi Asset	199,000	5.30	209,554	188,446
Infrastructure	24,066	4.80	25,220	22,912
Private Debt	67,733	5.44	71,419	64,046
Other Investment Balances	5,934	0.00	5,934	5,934
Total Assets available to Pay Benefits	1,686,719		1,830,159	1,543,279

Interest Rate Risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's direct exposure to interest rate movements is through its cash and fixed income holdings.

Interest Rate Risk - Sensitivity Analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. It is currently felt that interest rates are unlikely to move up or down by more than 75 basis points (bps) over the course of the next year. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant and shows the effect in the year on the net assets available to pay benefits of a +/- 75 bps change in interest rates.

Asset	Carrying Amount as at 31 March 2025	Change in Year in the Net Assets available to Pay Benefits	
		+ 75 bps	-75 bps
	£000	£000	£000
Cash Balances	3,037	3,060	3,014
Cash on Deposit	38	38	38
Cash Equivalents	44,183	44,514	43,852
Blackrock Institutional Series	9	9	9
Total Interest Rate Risk Assets	47,267	47,621	46,912

Asset	Carrying Amount as at 31 March 2025	Change in Year in the Net Assets available to Pay Benefits	
		+ 75 bps	-75 bps
	£000	£000	£000
Fidelity GMAC	175,067	170,463	179,672
Fidelity UK Aggregate Bond Fund	301,207	284,701	317,713
Total Interest Rate Risk Assets	476,274	455,164	497,385

The prior year comparator is as follows:

Asset	Carrying Amount as at 31 March 2024	Change in Year in the Net Assets available to Pay Benefits	
		+ 150 bps	-150 bps
	£000	£000	£000
Cash Balances	4,007	4,067	3,947

Cash on Deposit	6	6	6
Cash Equivalents	25,218	25,596	24,840
Blackrock Institutional Series	8	9	8
Total Interest Rate Risk Assets	29,239	29,678	28,801

Asset	Carrying Amount as at 31 March 2024	Change in Year in the Net Assets available to Pay Benefits	
		+ 150 bps	- 150 bps
	£000	£000	£000
Fidelity GMAC	166,546	157,302	175,789
Fidelity UK Aggregate Bond Fund	153,344	136,323	170,366
Total Interest Rate Risk Assets	319,890	293,625	346,155

Currency Risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Fund is exposed to currency risk on financial instruments that are denominated in any currency other than Sterling. The Fund holds both monetary and non-monetary assets denominated in currencies other than Sterling.

Currency Risk – Sensitivity Analysis

Following consultation with the Fund's performance management advisors, the following table shows the potential impact of foreign exchange rate movements on the overseas holdings within the Fund (the analysis assumes that all other variables, in particular interest rates, remain constant):

Asset	Asset Value as at 31 March 2025	Potential Change in Foreign Exchange Rate	Value on Increase	Value on Decrease
	£000	%	£000	£000
Private Equity	747	8.34	810	685

Equity	561,517	5.93	594,820	528,214
Multi Asset	17,814	4.39	18,596	17,031
Cash held in Foreign Currencies	9	4.20	10	9
Total Currency Risk Assets	580,087		614,236	545,939

The prior year comparator is as follows:

Asset	Asset Value as at 31 March 2024	Potential Change in Foreign Exchange Rate	Value on Increase	Value on Decrease
	£000	%	£000	£000
Private Equity	838	8.26	907	769
Equity	572,829	5.94	606,828	538,830
Multi Asset	45,087	5.64	47,631	42,542
Cash held in Foreign Currencies	10	4.34	10	9
Total Currency Risk Assets	618,764		655,376	582,150

Credit Risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities. In essence the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions held in year where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner. Contractual credit risk is represented by the net payment or receipt that remains outstanding and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties. Credit risk on over-the-counter derivative contracts is minimised as counterparties are recognised financial intermediaries with acceptable credit ratings determined by a recognised rating agency. The Fund has a private equity portfolio where there is a higher credit risk. At the reporting date 0.04% of the Fund was in private equity thereby capping exposure to this asset class. Deposits are not made with banks and financial institutions unless they are rated independently and have a high credit rating. The Fund's cash holding under its treasury management arrangements as at 31 March 2025 was £3m (£4m at 31 March 2024). This was held as follows:

Counterparty Type	31 March 2024 £000	31 March 2025 £000
UK Banks	4,007	3,037

All holdings with UK banks were held with NatWest who had a Fitch short-term credit rating of F1 and long-term credit rating of A+ as at 31 March 2025.

Liquidity Risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The cash position of the Fund is monitored to ensure that the Fund has adequate cash resources to meet its commitments. The Fund has immediate access to monies held in its current account. Monies on deposit are also highly liquid and are available to the Fund if needed. If the Fund found itself in a position where it did not have the monies to meet its immediate commitments, then liquid assets could be sold to provide additional cash. The fund defines liquid assets as assets that can be converted to cash within three months. As at 31 March 2025, the value of liquid assets represented 81% of the Fund (80% at 31 March 2024). Financial liabilities of £2.960m are all due to be settled within 12 months of the net asset statement date.

Refinancing risk

The key risk is that the Fund will be bound to replenish a significant proportion of its financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

Note 16 – Funding Arrangements

In accordance with The Local Government Pension Scheme Regulations 2013, the adequacy of the Fund's investments and contributions in relation to its overall and future obligations is reviewed every three years by an Actuary appointed by the Fund. This actuarial valuation also assesses the contribution rate required to meet the future liabilities of the Fund by considering the benefits that accrue over the course of the three years to the next full valuation.

In line with the regulations that funds should be re-valued every three years, the latest triennial valuation was carried out as at 31 March 2022 (effective from 1 April 2023) by the funds actuary, Barnett Waddingham. The results were published in the 31 March 2022 actuarial valuation which is available on the Royal Borough of Greenwich website.

The method of calculating the employer's contribution rate is derived from the cost of the benefits building up over the year following the valuation date. This method is known as the 'Projected Unit Method'. It is a method considered appropriate by the Actuary for a fund open to new members. As the Fund remains

open to new members, its age profile is not currently rising significantly. If the age profile began to rise significantly, the projected unit method would calculate an increase in current service cost as scheme members approached retirement.

The market value of the Fund at the 2022 review date was £1,640m (£1,332m in 2019) and results showed that assets represented 103% of the liabilities (97% in 2019). The Fund surplus arising from the valuation was £44m as at 31 March 2022 (£45m deficit as at 31 March 2019). Deficits are spread and recovered over a maximum 20-year period from 01 April 2023. The reconciliation of the contribution rate is as shown below:

Contribution Rate Analysis	Mar-22
	%
Future Service Total	18.2
Deficit Contribution	0.3
Total Employer Contribution Rate	18.5

The triennial valuation determines the contribution rate for each employer in the Fund using statistical information specific to each employer. The agreed contribution rates in accordance with the results of the actuarial valuation are as follows:

Year	Royal Borough of Greenwich	Other Bodies
2023/24	18.50%	12% - 19.1%
2024/25	18.50%	12% - 19.1%
2025/26	18.50%	12% - 19.1%

Details of each employer's individual rates are detailed in the Rates and Adjustment Certificate, which can be found in the triennial valuation report. New employers admitted after 31 March 2022 are actuarially assessed to determine their individual employer contribution rates.

The actuarial valuation using the 'Projected Unit Method' is based on economic assumptions. Assets have been valued at a 6 month smoothed market value straddling the valuation date. The assumptions used in the calculation and applied during the inter-valuation period are summarised as follows:

Future Assumed Returns as at March 2022	Assumed Returns % p.a.
Investment Return	
Gilts	2.0
Cash	0.7
Corporate Bonds	2.8
Equities	6.9
Private Equity	6.9
Property	6.4
Infrastructure	6.4
Private Debt	6
Cash Plus	4.6
Multi Asset Credit	5

Financial Assumptions	2022 % p.a.	2019 % p.a.
Discount Rate	4.8	5.0
Salary Increases	3.9	3.6
Consumer Price Inflation (CPI)	2.9	2.6
Pension Increases	2.9	2.6

The assumed life expectations from age 65 are as follows:

Demographic assumptions – Life expectancy from age 65	31-Mar 2024	31-Mar 2025
<u>Retiring Today</u>		
Males	19.3	19.2
Females	22.7	22.7

Retiring in 20 years

Males	20.6	20.6
Females	24.2	24.2

The actuary has also assumed that:

- Members will exchange half of their commutable pension for cash at retirement
- Members will retire at one retirement age for all tranches of benefit, which will be the pension weighted average tranche retirement age
- The proportion of the membership that had taken up the 50:50 option at the previous valuation date will remain the same.

Note 17 - Actuarial Present Value of Promised Retirement Benefits (IAS 19 basis)

To assess the value of the Fund's liabilities at 31 March 2025, the values calculated for the funding valuation as at 31 March 2022 have been rolled forward, using financial assumptions that comply with IAS19. The net liability of the Fund in relation to the actuarial present value of promised retirement benefits and the net assets available to fund these benefits is:

Net Present Value	31-Mar 2024 £000	31-Mar 2025 £000
<u>Present Value of Funded Obligation</u>		
Vested Obligation	(1,738,504)	(1,554,958)
Non-Vested Obligation	(17,367)	(14,096)
Total Present Value of Funded Obligation	(1,755,871)	(1,569,054)
Fair Value of Scheme Assets	1,690,650	1,754,510
Net Assets/ (Liabilities)	(65,221)	185,456

The financial assumptions used to assess the total net liability as at 31 March 2025 are:

Financial Assumptions	Mar-24	Mar-25
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	% p.a.	% p.a.
Discount Rate	4.90	5.80
Pay Increases	3.95	3.90
Pension Increases	2.95	2.90

McCloud & Sargeant Judgements

There are currently uncertainties in relation to LGPS benefits due to the McCloud and Sargeant judgements. In December 2018, the Court of Appeal ruled that the transitional protection offered to some members in both the Judges Pension Scheme (McCloud) and the Firefighters Pension Scheme (Sargeant) amounted to unlawful discrimination. As a result, the Government announced that the judgements would apply to all public-sector pension schemes, including the LGPS. The Government Actuaries Department (GAD) was then asked to carry out an analysis on the possible impact of the judgement on LGPS liabilities.

The regulations related to the McCloud and Sargeant judgements took effect on October 1, 2023. These regulations may impact the valuation of liabilities associated with accrued benefits. An allowance for McCloud was already accounted for in a previous financial period, so no explicit adjustment will be made to our results this year.

Virgin Media

In the case of Virgin Media v National Transcommunications Limited (NTL) Pension Trustees II (and others) on 25 July 2024, the Court of Appeal upheld the High Courts decision with regards to the correct interpretation of legislation governing the amendment of contracted out defined benefit pensions schemes.

The case revolves around amendments made to the NTL Pension Scheme without the required actuarial confirmation under section 37 of the Pension Schemes Act 1993 and Regulation 42 of the Occupational Pension Schemes (Contracting-out) Regulations 1996.

The Court of Appeal upheld the High Court's decision that any amendments to scheme benefits made without the actuary's confirmation are void. This applies to both past and future service benefits.

At the point of writing HM Treasury is still assessing the implications of the Court Appeals Judgment and therefore the impact on Local Government Pension Scheme Funds remains unclear, as the case deals specifically with private sector schemes. Relevant amendments to public sector schemes would have been made by legislation. The general position in public law is that legislation remains valid until it is revoked or repealed by subsequent legislation or, in the case of regulations, specifically declared void by a court.

The result could mean that amendments to any trust deeds or scheme rules which affect contracted-out rights will be void. This may impose an administrative burden on schemes to confirm if Section 37s are in place and, if any changes are void, schemes may have to review benefits paid out and possibly make backdated payments to members.

The current impact on The Royal Borough of Greenwich Pension Fund is currently unknown however the Fund will continue to monitor developments and assess any potential impact on liabilities.

Note 18 – Debtors and Creditors

The following material amounts were due to, or payable from, the Fund as at 31 March 2025:

2023/24 £000	Debtors	2024/25 £000
	<u>Investment Debtors</u>	
23	Tax Refunds Due	13
3,064	Dividends Due	2,885
112	Interest	160
0	Sale of Investments	0
3,199	Total Investment Debtors	3,058
	<u>Member Debtors</u>	
5,134	Contributions	5,523
645	Other	724
5,779	Total Member Debtors	6,247
8,978	Total Debtors	9,305
	<u>Analysed By</u>	
4,523	Other Entities and Individuals	4,799
4,207	Local Authorities	4,431
248	Central Government Bodies	75
8,978	Total Debtors	9,305
2023/24 £000	Creditors	2024/25 £000

<u>Investment Creditors</u>		
(912)	Management Fees	(903)
(500)	Purchase of Investments	0
(8)	Custody Fees	(7)
(8)	Other	(8)
(1,428)	Total Investment Creditors	(918)
<u>Member Creditors</u>		
(759)	Benefits Unpaid	(579)
(1,089)	Other	(1,463)
(1,848)	Total Member Creditors	(2,042)
(3,276)	Total Creditors	(2,960)
<u>Analysed By</u>		
(775)	Central Government Bodies	(955)
0	Local Authorities	0
(2,501)	Other entities and individuals	(2,005)
(3,276)	Total Creditors	(2,960)

Note 19 – Cash and Cash Equivalents

The cash balance can be further analysed as follows:

Cash	2023/24	2024/25
	£000	£000
Royal Borough of Greenwich Pension Fund (UK Banks)	4,007	3,037
Royal Borough of Greenwich Pension Fund (Held at Custodian)	10	10
CBRE Cash at Hand	(4)	28
Blackrock	0	0
Total Cash	4,013	3,075
Cash Equivalents	2023/24	2024/25
	£000	£000

Royal Borough of Greenwich Pension Fund	11,721	38,040
Blackrock	23	5
CBRE	13,474	6,138
Total Cash Equivalents	25,218	44,183

Note 20 - Additional Voluntary Contributions

Contributing members have the right to make Additional Voluntary Contributions (AVCs) to enhance their pension. The Authority made such a scheme available to staff through Equitable Life. During 2000/01, Equitable Life announced itself closed to new business. On 23 December 2010, the Government passed an Equitable Life Bill to enable it to compensate Equitable Life policyholders who lost money due to the near collapse of the insurer in 2000. Since then, employees have had the option to pay current contributions into a Clerical Medical Fund. In accordance with section 4 (1) (b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, AVCs are prohibited from being credited to the Local Government Pension Scheme and are thus not consolidated within the Fund accounts. However, a summary of the contributions made by members during the year and the total value of the AVC funds, as at 31 March 2025 are shown below:

2023/24 £000	AVC Contributions	2024/25 £000
174	AVC Contributions to Clerical Medical	263
174	Total Contributions	263

31 March 2024 £000	AVC Market Values	31 March 2025 £000
1,327	Clerical Medical Market Value	1,377
353	Utmost Life and Pensions Market Value	329
1,680	Total Market Value	1,706

Note 21A - Related Party Transactions

The UK Government exerts a significant influence over the Fund through enacting the various Regulations (mentioned herein). It is a major source of funding for the Royal Borough of Greenwich (the Administering Authority and largest employer within the Fund). During the year, no trustees or Key Management

Personnel of the Authority with direct responsibility for pension fund issues have undertaken any material transactions with the Pension Fund, other than the following:

- a) Administrative Services were undertaken by the Authority on behalf of the Fund, under the SLA, valued at £1.388m (2023/24: £1.148m).
- b) The Royal Borough of Greenwich is the single largest employer of members of the pension fund and contributed £37.674m to the Fund in 2024/25 (2023/24: £35.850m). In 2024/25, £3.211m was outstanding at year end in relation to contributions due from the Royal Borough of Greenwich.
- c) With respect to other Scheduled Bodies, an amount of £0.776m was owed to the Fund by Academies at year-end for contributions due.
- d) The Royal Borough of Greenwich Pension Fund is a Member of the London Collective investment vehicle. As at the reporting date, Councillor Olu Babatola was the Fund's representative on the Board and the Deputy was Councillor Nick Williams. In 2024/25, administration and management fees of £0.222m were paid to this organisation.
- e) As at the reporting date, K. Scotford, an employee of the Authority served as a Non-Executive Director on the boards of both Greenwich Service Plus (GSP) and Greenwich Service Solutions Ltd (GSS). During the financial year, contributions by GSP amounted to £0.527m, with no contribution for GSS.

Note 21b – Key Management Personnel

Key Management Personnel Remuneration

The Key Management personnel of the Fund are the Director of Resources (Section 151 Officer), the Chair of the Pension Fund Investment and Administration Panel and the Pension Investment Manager. The total remuneration payable to key management personnel is set out below:

2023/24		2024/25
£000		£000
79	Short-term benefits	81
61	Post-employment benefits	54
140		135

Note 22 – Commitments

The Fund has commitments in relation to its private market funds. These commitments are drawn down in tranches over time, as and when the managers request them. As at 31 March 2025, the Fund had £42.841m of commitments outstanding (31 March 2024: £50.352m). These are not required to be included in the Accounts.

Note 23 – Events after reporting period

On 27th January 2025, the Pension Fund Investment and Administration Panel approved commitments of £115m to the London CIV Private Debt Fund II and £45m to the London CIV Nature Based Solutions Fund. However, timing of investment was delegated to the Director of Resources. At the 31st March 2025, the Pension Fund had not committed any amounts to the two Funds. The commitments took place in the first quarter of 2025/26, with initial capital subsequently being called from the London CIV. Capital will continue to be called throughout the investment periods.

The Council's Accounting Policies

General

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, which states that the Accounts are to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the “Code”) based upon International Financial Reporting Standards (IFRS). The Statement of Accounts has been prepared on a going concern basis, the functions of the authority will continue in operational existence for the foreseeable future. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. Many values throughout the accounts are rounded to the nearest £000, as such tables and notes may not appear to cross-cast or exactly match the sum of the individual items.

Accruals of Income and Expenditure

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

- Revenue from the sale of goods is recognised when the Authority transfers the significant risks and rewards of ownership to the purchaser and it is probable that economic benefits or service potential associated with the transaction will flow to the Authority.
- Revenue from the provision of contracts and services is recognised in-line with the consumption of performance obligations.
- 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.
- Expenses in relation to services received are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Revenue for the provision of contracts and services is recognised in line with IFRS15.
- The Authority maintains an accruals de-minimis limit of £25,000 for revenue and £50,000 for capital.

Acquired Operations

Acquired operations are those that the Authority has acquired during the reporting period as a result of the reorganisation of local government, or the transfer of services acquired as a consequence of legislation. The Authority will account for these in accordance with IAS 1 if material, and disclose any comparative amounts, if applicable.

Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than a three month period from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value. In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Authority's cash management.

Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Change in Accounting Policy

Policies are the principles used to prepare the financial statements. A change in policy generally originates from the accounting standards although it could come from being able to provide more relevant and reliable information. These are normally processed retrospectively, although in some cases can be prospective, where stated.

Change in Accounting Estimate

This is an adjustment of the carrying amount of an asset or liability resulting from new information. These are processed prospectively in the current and future reporting periods.

Prior Period Adjustment

This is a material omission or misstatement that could reasonably have been accounted for in the preparation of the accounts for the previous reporting period. This is processed through retrospective restatement of the accounts by amending the opening balances and comparative amounts for the prior period. A note to the accounts will be included for prior period adjustments where necessary.

Charges to Revenue for Non-Current Assets

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

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

The Authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue (the Minimum Revenue Provision) towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are, therefore, replaced by the contribution from the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the appropriate service in the Statements at the earlier of the following dates:

- when the Authority can no longer withdraw the offer of those benefits
- when the Authority recognises costs of a restructuring and involves the payment of termination benefits.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority 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.

Post-Employment Benefits

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

- The NHS Pension Scheme
- The Teachers' Pension Scheme, administered by Capita Teachers' Pensions on behalf of the Department for Education (DfE)
- The Local Government Pension Scheme, administered by the Royal Borough of Greenwich or the London Pension Fund Authority (LPFA).

These schemes provide defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority. However, the arrangements for the NHS and Teachers Schemes' means that liabilities for these benefits cannot ordinarily be identified specifically to the Authority. The schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits is recognised in the Balance Sheet. The relevant cost of services line in the Statements is charged with the employer's contributions payable to the NHS and Teachers' Pensions schemes in the year.

The Local Government Pension Scheme

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

- The liabilities of the Royal Borough of Greenwich and LPFA pension funds attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices based on the Single equivalent discount rate (SEDR). Under this approach, rather than discount future cashflows with a single discount rate equal to the spot rate on the yield curve, this approach estimates the single equivalent rate that would produce the same liability as discounting each individual projected cashflow using a yield curve for AA rated bonds.
- The assets of the Royal Borough of Greenwich and LPFA pension funds attributable to the Authority are included in the Balance Sheet at their fair value:
 - for quoted securities – current bid price
 - for unquoted securities – professional estimate
 - for unitised securities – current bid price, except where only a single price is available in which case, net asset value
 - for property – market value.
- The Authority have opted to restrict the LPFA funded surplus to its total future service cost and take account of the asset ceiling, over the remaining lifetime of the active membership of the LPFA fund (on the accounting basis at the accounting date).

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on

the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

Events after the Reporting Period

These are 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. Two types of events can be identified:

Adjusting

Those events that provide evidence of conditions that existed at the end of the reporting period. Where material, the financial statements and notes are amended to reflect the impact of the events.

Non-Adjusting

Those events that are indicative of conditions that arose after the reporting period. The financial statements are not amended to reflect the events, but additional explanatory notes are provided.

Income from Taxation and Social Housing Rents

Revenue relating to social Housing Rents, Council Tax and Business Rates is measured at the full amount receivable (net of any impairment losses). Council Tax and Business Rates are accounted for in accordance with IPSAS 23 (i.e. non-contractual, non-exchange transactions). Housing rental income is shown within the Statements but local taxes collected as part of an agency arrangement (Council Tax and Business Rates) are not.

Material Items of Income and Expenditure

When items of income and expense are material, their nature and amount is disclosed separately, either on the face of the Statements or in the notes to the accounts, depending on how significant the items are to an understanding of the Authority's financial performance.

Fair Value Measurement

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

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

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

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

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

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

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

Financial Instruments

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

Financial Liabilities

Financial liabilities are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Statements 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. For most of the borrowings that the Authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged within the Statements is the amount payable for the year according to the loan agreement.

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Statements in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down in the Statements are spread over the life of the loan by an adjustment to the effective interest rate. Where premiums and discounts have been charged to the Statements, regulations allow the impact on the General Fund Balance to be spread over future years. The Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Statements to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Financial Assets

In accordance with IFRS 9, financial assets are classified into three categories:

- Financial assets held at amortised cost. These are loans and loan arrangements where repayments of interest and principal occur on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal received plus accrued interest and the interest credited to the Comprehensive Income and Expenditure Statement (CIES) is the amount receivable as per the loan agreement.
- Fair value through profit or loss (FVPL). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.
- Fair value through other comprehensive income (FVOCI). These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the CIES on asset disposal.

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

However, the Council has made a number of loans to voluntary organisations at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving 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 for the financial year - the reconciliation of amounts debited and

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

Expected Credit Loss Model

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

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

The Council will recognise expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis, where material. 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 an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Foreign Currency Translation

Where the Authority has entered into a transaction denominated in a foreign currency, the transaction is converted into sterling at the exchange rate applicable on the date the transaction was effective. Where amounts in foreign currency are outstanding at the year-end, they are reconverted at the spot exchange rate at 31 March. Realised gains or losses are recognised in the Financing and Investment Income and Expenditure line.

Government Grants and Contributions

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

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

Amounts recognised as due to the Authority are not credited 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 and contributions are shown as liabilities on the Balance Sheet until outstanding conditions are satisfied. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non-ringfenced revenue grants and all capital grants). Where capital grants are credited, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

Community Infrastructure Levy

The authority has elected to charge a Community Infrastructure Levy (CIL), which is applied to chargeable developments with appropriate planning consent. The council charges for and collects the levy, which is a planning charge. The income from the levy is used to fund infrastructure projects in accordance with the amended Community Infrastructure Levy Regulations.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement and subsequently transferred to a useable reserve until required to fund the capital projects in accordance with the accounting policy for government grants and contributions set out above.

Heritage Assets

Where an asset is primarily retained for its contribution to knowledge and culture, it is designated as a heritage asset. However, where an asset is in operational use then it is classified accordingly, rather than as a heritage asset. Heritage Assets are recognised and measured in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The collection, as a whole, is relatively static and acquisitions and donations are infrequent. Where they do occur, acquisitions are initially recognised at cost and donations are recognised at valuation, ascertained by the museum's staff, utilising professional valuation organisations where appropriate. Where material, these items are reported in the Balance Sheet, with items in excess of £10,000 being individually disclosed. In relation to the Authority's overall asset base, values are relatively low and, as such, revaluations are not undertaken frequently due to the high cost of the process involved in valuing a diverse set of assets and the lack of comparative values. The items themselves are enduring in nature and, therefore, are not depreciated. The carrying amounts of heritage assets are reviewed when there is evidence of impairment. Any impairment is recognised and measured in accordance with the Authority's general policy on impairment. The proceeds of any disposals are disclosed separately in the notes to the financial statements and are accounted for in accordance with the Authority's general provisions relating to the disposal of property, plant and equipment.

Highways Infrastructure Assets

Infrastructure assets include carriageways, footway and cycle lanes, tracks and structures (e.g. bridges), street lighting, street furniture (e.g. illuminated traffic signals and bollards), traffic management system and land which together form a single integrated network.

Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Authority as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Authority. Intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s). An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s). Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line. Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

Interests in Companies & Collaborative / Joint Arrangements

In accordance with IFRS 10, 11 and 12 the Authority has assessed the level of control it exerts with those organisations deemed to be within the group boundaries and categorised them accordingly and where appropriate, interests shown at book cost. This process has led to the conclusion that entries in relation to the preparation of Group Accounts are not material and therefore not required. Details of the categorisation of entities, with further description relating to their composition and activities, are provided in note 28. Those activities in relation to joint committee activities are deemed to be outside of joint arrangement accounting.

Inventories

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

Investment Properties

Investment Properties are held solely for rental income and capital appreciation and are initially measured at cost. Investment Properties are not depreciated but subsequently revalued at the reporting date and held at the highest fair value achievable via an arm's length transaction. Gains and losses arising from revaluations or disposals are posted to the Financing and Investment Income and Expenditure Line in the Comprehensive Income and Expenditure Statement along with rental incomes.

Gains and losses arising from the revaluations and disposals are not permitted by statutory arrangements to have an impact on the General Fund Balance, and are therefore reversed out in the Movement in Reserves Statement and posted to the Capital Adjustment Account and Capital Receipts Reserve (where proceeds are greater than £10,000).

Property classifications are reviewed annually to ensure the definition of an Investment Property is met.

Leases

The Royal Borough of Greenwich accounts for leases in accordance with IFRS 16 – Leases, as interpreted and adapted for the public sector by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom.

The Council recognises a right-of-use (ROU) asset and a corresponding lease liability at the commencement of lease arrangements where it is the lessee. The lease liability is measured at the present value of future lease payments, discounted using the implicit interest rate or incremental borrowing rate. The ROU asset is initially measured at cost, comprising the lease liability, initial direct costs, and any restoration obligations.

The Council has elected to apply the following practical expedients:

Short-term leases (12 months or less) and low-value assets (typically under £5,000) are not recognised on the balance sheet. Lease payments for these are expensed on a straight-line basis over the lease term.

Non-lease components are separated from lease payments unless the practical expedient to combine them is applied.

As a lessor, the Council classifies leases as either finance or operating leases. Finance leases result in the derecognition of the underlying asset and recognition of a lease receivable. Operating leases retain the asset on the balance sheet, with lease income recognised on a straight-line basis over the lease term.

Disclosures are made in accordance with the Code, including maturity analysis of lease liabilities, depreciation of ROU assets, and interest expense on lease liabilities

Overheads and Support Services

The costs of overheads and support services are charged to those that benefit from the supply or service. The total absorption costing principle is used – the full cost of overheads and support services are shared between users in proportion to the benefits received.

Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred. A general de minimis level of £10,000 has been adopted for the inclusion of Property, Plant and Equipment, however specific items of expenditure may be capitalised below this level.

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.
- an estimate of the costs of dismantling and removing the item and restoring the site on which it is located

The Authority 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 Authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Authority. 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, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement. Valuations are undertaken by a Chartered Valuation Surveyor and are made in accordance with the guidance from the the Ministry of Housing Communities & Local Government and the RICS Valuation-Professional Standards published by the Royal Institution of Chartered Surveyors. Valuations for use within the Accounts are sought by the Director of Finance from the Director of Place and Growth. The relevant staff work in separate directorates, are professionally qualified and abide by their respective institute's ethical and other requirements. Dwelling and Non-dwelling assets are revalued at 31 March 2025. Assets are then carried in the Balance Sheet using the following measurement bases:

- infrastructure and community assets and assets under construction – depreciated historical cost

- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- The council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council’s housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- school buildings – current value, but because of their specialist nature, are measured at depreciated replacement cost which is used as an estimate of current value
- surplus assets and assets held for sale - current value measurement basis at fair value
- all other operational assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of current value. Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value. Assets included in the Balance Sheet at current value are revalued to ensure that their carrying amount is not materially different from their current value at the year-end. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains (exceptionally, gains might be credited where they arise from the reversal of a loss previously charged to a service). Where decreases in value are identified, they are accounted for by:

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

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.

Depreciation

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

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight line allocation over the useful life as estimated by a suitably qualified officer
- Depreciation is charged in the year of disposal, but not in the year of acquisition

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.

Impairment

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

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

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

Disposals and Non-current Assets Held for Sale

Assets held for sale are assets:

- immediately available for sale;
- where the sale is highly probable;
- actively marketed;
- expected to be sold within 12 months.

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale. Schools held on the balance sheet are disposed for nil consideration when they transfer to Academy status. If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell. Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale. When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets

Held for Sale) is written off to the Other Operating Expenditure line as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account. Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. Receipts related to disposal of dwellings are subject to the pooling requirements and the RTB Retention Agreement. Receipts from non dwelling HRA disposals are retained by the Council for the purposes of affordable housing. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Asset Classifications

The Authority has made judgements on the classification of Property, Plant and Equipment, Heritage, Investment, Held for Sale and Surplus assets. These judgements are based on the main reason that the Authority is holding the asset. If the asset is used in the delivery of services or is occupied by third parties that are subsidised by the Authority it is deemed to be a Property, Plant and Equipment asset. If there were no subsidy and/or a full market rent being charged this would indicate that the asset is an Investment Property. The classification determines the valuation method used.

Schools

There are several types of school within the borough. The Code in relation to their recognition on the balance sheet is an area that has been supplemented by Technical Guidance and the authority has undertaken a review of schools on a case by case basis. The Authority recognises schools’ assets on the balance sheet where future economic benefits or service potential associated with the school will flow to the authority. Control over service potential is based on control over use of assets over their useful life. The table outlines the types of school within the borough and whether they appear on the authority’s balance sheet. Furthermore, schools held on the balance sheet are disposed for nil consideration when they transfer to Academy status.

School Type	On Balance Sheet
Community	✓
Voluntary Controlled (VC)	✓
Voluntary Aided (VA)	x
Trust	x
Foundation	x
Academies	x
Independent	x
Free schools	x

Private Finance Initiative and Similar Contracts

PFI and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passes to the PFI contractor. As the Authority is

deemed to control the services that are provided under its PFI schemes and as ownership of the property, plant and equipment will pass to the Authority at the end of the contracts for no additional charge, the Authority carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment. The Authority has two PFI schemes (the provision of three Neighbourhood Resource Centres and two schools) where the assets are carried in its Balance Sheet (excluding one school which converted to academy status 2014/15). The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. Non-current assets recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Authority. The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service
- finance cost – an interest charge on the outstanding Balance Sheet liability, and debited to the Financing and Investment Income and Expenditure line
- contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator (the profile of write-downs is calculated using the same principles as for a finance lease)
- lifecycle replacement costs – proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to property, plant and equipment when the relevant works are eventually carried out.

Provisions, Contingent Assets and Liabilities

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service line in the year that the Authority 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 Authority settles the obligation.

Contingent Assets

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

Contingent Liabilities

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

Reserves

The Authority's reserves are reflected in the Movement in Reserves Statement. They include reserves the Authority sets aside for earmarked purposes. An analysis of earmarked reserves is contained within Note 7.

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

Revenue Expenditure Funded from Capital under Statute

Legislation allows for some expenditure incurred during the year, which does not result in the creation or enhancement of a non-current asset, to be funded from capital resources that under normal accounting practice would be charged to Surplus or Deficit on the Provision of Services. Where it has been determined to meet the cost of this expenditure, usually grants and expenditure on property not owned by the Authority, from capital resources or by borrowing this is accounted for by debiting the Capital Adjustment Account and crediting the General Fund Balance and showing as a reconciling item in the Movement in Reserves Statement; such that there is no impact on the level of council tax. During 2022/23 the Council utilised the temporary Flexible Use of Capital Receipts directive, which permits the funding of one-off service transformation costs, that will result in on-going savings, from capital receipts.

VAT

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

Royal Borough of Greenwich Annual Governance Statement 2024/25

Scope of Responsibility

The Royal Borough of Greenwich (“RBG”) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for. RBG also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

RBG's primary purpose is to improve the lives of its residents and businesses by providing a wide range of public services, addressing community needs, and fostering a fairer, safer, and more inclusive borough. This involves a commitment to developing services that focus on residents' priorities, such as tackling the climate emergency, improving housing, and reducing bureaucracy, whilst also supporting the voluntary and community sector.

The Council's corporate plan, named “Our Greenwich”, sets out the vision and priorities that guide the organisation.

In discharging its overall responsibility, RBG is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk. RBG has in place a governance framework, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

This statement explains how RBG has complied with its governance framework and is also in line with The Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

The Purpose of the Governance Framework

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

The system of internal control is a significant part of that framework and is designed to manage risks to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and therefore can 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 RBG's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place in RBG for the year ended 31 March 2025 and up to the date of approval of the annual report and statement of accounts.

The Principles of Good Governance

The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) (the 'International Framework'), states that *to deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.* *

Figure I illustrates the various principles of good governance in the public sector and how they relate to each other. **

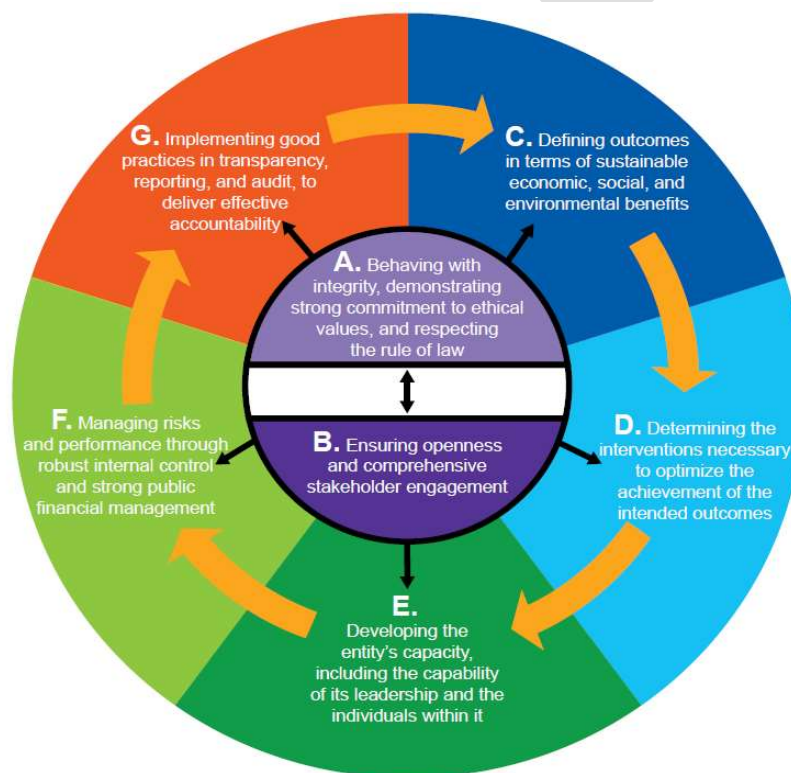


Figure I

* The International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014)

** Delivering Good Governance In Local Government: Framework \ 2016 Edition – CIPFA/SoLACE publication

The Governance Framework

A brief description of the key elements of the governance framework RBG has in place is provided below.

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

The Constitution

RBG's Constitution sets out the basic rules governing its business, including the rights of citizens and how the key parts of the Council operate. It also includes how decisions are made; roles and responsibilities of functions, members and management; and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people.

The constitution contains Codes of Conduct for Officers and Members; rules of procedure including Financial Regulations, Contracts Procedures, Access to Information Procedures; Scheme of Delegation; Purpose and Powers of the Overview and Scrutiny Committee as well as roles and functions of the Full Council, Cabinet and Officers; and Members Allowances Scheme.

In addition to monitoring and reviewing the operation of the Constitution to ensure its aims and principles are given full effect, the Monitoring Officer maintains and ensures an up-to-date version of the Constitution is widely available for consultation by members, staff and the public.

Full details of RBG's Constitution including all updates made to date can be viewed on the Council's website via the link <https://www.royalgreenwich.gov.uk/>

RBG also has a corporate Whistleblowing Procedure.

All Staff, at all levels across the Council, are responsible for ensuring laws and regulations are complied with and that all Council policies are implemented in practice.

- B. *Ensuring openness and comprehensive stakeholder engagement*

Stakeholder Engagement – (Have Your Say)

RBG believes in transparency and actively engages with stakeholders as part of its decision making process.

A corporate report template is used for all decisions and the format of the template is designed to ensure that all appropriate issues have been considered and stakeholders consulted.

RBG takes a strategic approach to consultation and public engagement. Public consultations to gain the views of local residents and businesses on policy are carried out and an overview of the Council's consultation and engagement activities for the year can be viewed on the website via the link <https://www.royalgreenwich.gov.uk/>

The Council's first community engagement Framework was adopted in July 2024.

In addition to this, RBG operates a petition scheme and stakeholders are actively encouraged to participate in the Council's scrutiny process and meetings and to comment on projects.

RBG also uses social media such as X (formerly Twitter), Facebook and YouTube to communicate with all sections of the community and stakeholders. In addition, Council meetings are open to the public.

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

Vision and Priorities

RBG has a clear Vision and missions for where it wants the borough to be by 2030. This will enable it to be purpose-led not task-led; accountable to its communities; and collaborative, empowered and innovative.

“Our Greenwich”, which is a 4-year corporate, was developed with residents, partners and staff and is structured around five themes which are communities, people, place, economy, and organisation.

Details of work undertaken by committees and panels, including minutes of meetings can be viewed on the Council’s website via the link <https://www.royalgreenwich.gov.uk/>

From time to time, the Council may also commission external review of particular risk areas to develop efficient and effective service delivery.

Full details of RBG’s Vision, missions and plan can be viewed on the Council’s website via <https://www.royalgreenwich.gov.uk/>

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

Scrutiny & Interventions

RBG operates various Committees and Panels such as the Overview and Scrutiny Committee, and six scrutiny panels, which support the work of the Cabinet and the Council.

The Panels scrutinise issues relating to performance management, value for money, holding the Executive to account, external bodies and tackling inequality. They also monitor the budget management and general performance of RBG Services.

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

Training & Development

RBG’s Standards Committee ensures that all Members of the Council have access to training in the member Code of Conduct, that this training is actively promoted, and that Members are aware of the standards expected from local councillors under the Code.

Agreeing overall pay banding and salary levels of various senior posts is a matter reserved for Full Council and the General Purposes Committee respectively.

Officer Employment Procedures for Chief Officers including the Head of Paid Service, Chief Finance Officer and Monitoring Officer are detailed in the Council’s Constitution.

The Council operates Performance Development Conversations (PDCs), which enable constructive conversations about performance and development to help employees reach their full potential. PDCs are a way to set employees clear objectives linked to the Council’s corporate and directorate service plans and they support career progression related to an employee’s current job as well as broader professional development.

A series of training courses and workshops are also in place to continue to support staff development, and health and wellbeing.

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

Managing Risks

RBG's Risk Management Toolkit governs the corporate approach to risk management. This is supported by an annual Internal Audit Plan seeking to address areas of key risks across the Council.

In addition to various risk registers, which are reviewed, updated, and reported regularly, RBG's corporate reporting template includes sections to capture key risks, which ensures the impact on areas such as the Council's Vision and missions, legal and financial implications are considered by both report authors and decision makers.

Financially, RBG operates planning through its Medium-Term Financial Strategy and Capital Strategy, and Treasury Management Strategy. The operational expenditure is governed by the Contracts Procedures within the Constitution, and the Scheme of Delegation determines the appropriate authority required for different levels of expenditure, ensuring that appropriate oversight of spend is delivered in alignment with the Council's risk appetite.

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

Transparency & Accountability

RBG's transparency requirements for decision-making is set out within the Constitution, and these processes are enacted and monitored by the Council's Governance and Legal teams.

A standard reporting template is used across the Council to ensure all decisions are afforded the same level of consideration and comparable information is available for all decisions.

RBG's Financial Procedures set out the role and responsibilities of the Internal Audit & Anti-Fraud function with regard to the provision of an internal audit service and the prevention, detection and investigation of fraud and corruption perpetrated against the Royal Borough both internally and externally.

The Audit and Risk Management Panel provides an independent assurance of the adequacy of the risk management framework and the associated control environment of the Council, including the effectiveness of the Internal Audit and Corporate Anti-Fraud functions. Full details of the Panel's Terms of Reference can be viewed on the Council's website via the link <https://www.royalgreenwich.gov.uk/>

The Full Council is responsible for agreeing the authority's policy framework and budget which will be proposed by the Cabinet. Key elements in terms of financial planning include the corporate performance and development plan, the budget, and capital programme.

RBG operates an annual risk-based Internal Audit Plan, which is approved by the Audit & Risk Management Panel. The Internal Audit Plan focuses on key areas of risk across the Council and progress against the plan including audit outcomes and opinions are reported quarterly to the Audit & Risk Management Panel.

Annually, the Head of Internal Audit delivers an internal audit opinion, reported to the Audit & Risk Management Panel.

RBG has resources and processes in place to deliver its statutory transparency and accountability roles within the Freedom of Information and Data Protection Acts, and to ensure full co-operation with all investigations such as by the Information Commissioner and Housing Ombudsman.

In addition to forthcoming decisions listed in a Forward Plan, reports, minutes of meetings and decisions taken are published and can be viewed on the Council's website via the link <https://www.royalgreenwich.gov.uk/>

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure and can therefore only provide reasonable and not absolute assurance of effectiveness.

The review of effectiveness, which includes a range of perspectives, is approached in a way that will provide the required assurance in an efficient and effective manner. It is informed by the work of, and assurances from, the corporate leadership team within RBG who have responsibility for the development and maintenance of the governance environment, statutory officers, the head of internal audit's annual report and opinion, and also by comments made by the external auditors and other review agencies and inspectorates (e.g., Ofsted and the Care Quality Commission) where applicable.

The annual report of the Audit & Risk Management Panel, covering the programme of work completed for 2024/25, shows that the Panel has undertaken its role effectively covering a wide range of topics and ensuring that appropriate governance and control arrangements are in place to protect the interests of the Council and the community in general.

Internal Audit provides independent assurance that systems operated within the Royal Borough are sound and effective and alerts senior management to areas of system weakness and makes recommendations for improvement.

The Internal Audit & Anti-Fraud Annual Performance Report, which provides the opinion of the Head of Internal Audit, and details the work undertaken by the Internal Audit team during 2024/25, can be viewed on the Council's website via the link <https://www.royalgreenwich.gov.uk/>. The report provides confirmation that the arrangements for governance, risk management and internal control provided *Reasonable Assurance* that material risks, which could impact upon the achievement of the Council's objectives, were being identified and managed effectively.

Significant Governance Issues

The areas identified for improvement during 2024/25 are detailed in the table below.

Areas for Improvement	Department's Reported Progress (as at March 2025)	Status
No Recourse to Public Funds (NRPF) The Council has a stable, fully staffed NRPF team with all work overseen by the Greenwich Refugees Asylum Seekers and Migrants Group (GRAM) which monitors global events that may have an impact on demand. Whilst the Council ensures full participation in all government schemes relating to specific groups affected, the following additional actions will be undertaken in 2024/24:	NRPF work is monitored through our Borough of Sanctuary Council Officers Group (formerly the GRAM) where it is a regular agenda item. Performance is also monitored by the Adults Management Team Meeting and in personal supervision sessions. Service development within NRPF is also a feature of the forthcoming Borough of Sanctuary Strategy and Workplan which will be presented to Cabinet for approval in July.	This specific risk is considered to be adequately managed

Areas for Improvement	Department's Reported Progress (as at March 2025)	Status
<ul style="list-style-type: none"> • A revision of the strategy for Borough of Sanctuary • Continued monitoring of global events • Participation in all relevant LA Network groups to plan responses to changes in demand 		
<p>Medium Term Financial Strategy (MTFS)</p> <p>The MTFS, which is one of the largest risks in the Council's Strategic Risk Register, has further significant budget gaps in the medium term.</p> <p>The use of the risk reserves held by the Council to underwrite significant risks aligns to the message contained within the Government's "Local Government Finance Policy Statement 2023/24 to 2024/25" released in December 2022 and updated in December 2023 for which the Government stated "we encourage local authorities to consider how they can use their reserves to maintain services in the face pressures, taking account, of course, of the need to maintain appropriate levels of reserves to support councils' financial sustainability and future investment".</p> <p>2023/24 will utilise a proportion of the councils risk reserves, as reported to Cabinet in the revenue monitor. This report plans to replenish much of the sum utilised this year, from the Council Tax surplus.</p> <p>Further actions to be undertaken in 2024/25 include:</p> <ul style="list-style-type: none"> • Savings being tracked on monthly basis • More frequent monitoring 	<p>At the time of drafting this, the Council's 24/25 Outturn and Statement of Accounts are in the process of being finalized.</p> <p>2024/25 will utilise a proportion of the Council's risk reserves and Council will look to replenish the risk reserves.</p> <p>During 2024/25,</p> <ul style="list-style-type: none"> • the Council's Revenue position and Treasury Management & Capital position has been reported to the Executive on a quarterly basis. • In addition, the Council's Savings Tacker has been monitoring on a monthly basis and has been reported to the Council's Overview & Scrutiny Committee. • The Council had a number of Financial Management Boards through 2024/25 (FMB's) at which the Leader, the Cabinet Member for Finance, the relevant portfolio holder, the Chief Executive, relevant Director and the Council's s151 Officer are in attendance. 	<p>Although this specific risk is considered to be adequately managed, the MTFS remains an area of focus for 2025/26 (details set out in table below)</p>

Areas for Improvement	Department's Reported Progress (as at March 2025)	Status
The 2025/26 MTFS has been refreshed with clear integrated timetable.		

Whilst generally satisfied with the effectiveness of corporate governance arrangements and the internal control environment, as part of continuing efforts to improve, the following additional matters have been identified for focus in 2025/26.

Governance Principle	Area of Focus
	<p>Medium Term Financial Strategy (MTFS)</p> <p>The MTFS continues to be one of the largest risks in the Council's Strategic Risk Register, has further significant budget gaps in the medium term.</p>
F. Managing risks and performance through robust internal control and strong public financial management	<p>The position on the use of risk reserves remains as reported previously.</p> <p>The 2025/26 MTFS process saw the Greenwich Strategic Leadership Team (GSLT) – [a joint meeting of the Cabinet and the Greenwich Management Team] meet regularly throughout the process to help with iterating and challenging ideas.</p> <p>The 2025/26+ MTFS was reported to Full Council on 6th March 2025.</p> <p>The 2026/27+ MTFS is in progress.</p>
	<p>Compliance with Health and Safety standards in relation to Social Housing</p> <p>In May 2022, the Council self-referred to the Regulator of Social Housing (the Regulator) for failing to carry out health and safety assessments across its homes.</p> <p>RBG has continued to work with the Regulator of Social Housing to address the issues that were raised as part of the regulatory notice. We have completed an external audit via Savills which was very favourable to</p>

Governance Principle	Area of Focus
F. Managing risks and performance through robust internal control and strong public financial management	<p>the changes that have been made over the previous few years and are looking to be in a position of compliance over the coming months and will hopefully see the regulatory notice lifted in 2025/26.</p>
	<p>Cyber Security</p> <p>Cyber Security remains under constant review and is an area in which the Council has made significant investment; the existing 24/7 Security Operations Centre contract has been enhanced to both deepen and widen the levels of monitoring, detection and response.</p> <p>Mandatory cyber-awareness training for staff puts focus on a different topic each month and improved reporting will help drive completion levels. This recognises that technical defences cannot be solely relied upon and teaches staff good practices and to be vigilant against social engineering and phishing attacks.</p>
F. Managing risks and performance through robust internal control and strong public financial management	<p>Recommendations and actions from internal audit reviews</p>
	<p>The opinion of the Head of Internal Audit is that the arrangements for governance, risk management and internal control provided Reasonable Assurance that material risks, which could impact upon the achievement of the Council's objectives, were being identified and managed effectively.</p> <p>However, improvements are required in the areas identified in audit reports to enhance the adequacy and effectiveness of the framework of governance, risk management and internal control.</p> <p>Internal audit will continue to monitor, and report to the Audit & Risk Management Panel, progress made by management on the implementation of agreed recommendations and actions.</p>

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

Signed:

Leader of the Council
Dated: **xx XX** 2025

Signed:

Chief Executive
Dated: **xx XX** 2025

Draft

Glossary

Accounting Policies

Rules and Practices are adopted by the Authority that dictate how transactions and events are shown.

Accruals

Income and expenditure are recognised as they are earned or incurred, rather than when money is received or paid.

Actuary

An independent professional who advises on the position of the Pension Fund.

Actuarial Valuation

The Actuary reviews the assets & liabilities of the Pension Fund every three years.

Amortisation

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

Appropriation

The assignment of revenue for a specific purpose.

Balance Sheet

A statement of recorded assets, liabilities and other balances at the end of an accounting period.

Better Care Fund

A pooled budget between the Authority and the Clinical Commissioning Group.

Business Rates

A tax on non-domestic properties.

BSF

Building Schools for the Future.

Capital Expenditure

Expenditure on new assets such as land and buildings or on the enhancement of existing assets so as to significantly prolong their useful life or increase their market value.

Capital Receipts

Income received from the disposal of land, buildings and other capital assets.

Carrying Amount

The amount at which an asset is recognised after deducting any accumulated depreciation and impairment losses.

CIPFA

Chartered Institute of Public Finance and Accounting

Collection Fund Account

A fund operated by the billing authority into which all receipts of council tax and national non-domestic rates are paid.

Community Assets

Assets that the Authority intends to hold in perpetuity, which have no determinable useful life and which may have restrictions on their disposal e.g. parks and historic buildings.

Comprehensive Income and Expenditure Statement (CSIE)

Statement of net cost for the year of all the Authority's services, and how this cost is financed from government grant and local taxpayers.

Council Tax

A tax on domestic properties introduced 1st April 1993 to replace the Community Charge.

CPI

Consumer Prices Index – a measure of inflation.

Creditors

Amounts owed by the Authority for goods and services received where payment has not been made at the date of the Balance Sheet.

Debtors

Amounts owed to the Authority for goods and services provided but not received at the Balance Sheet date.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme.

Defined Contribution Scheme

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

Depreciation

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

Earmarked Reserves

Amounts set aside for a specific purpose or a particular service or type of expenditure.

Fair Value

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

Finance Lease

A lease that transfers substantially all the risks and rewards of ownership to the lessee. Assets under such leases are recognised as the lessee's property.

Financial Instruments Adjustment Account (FIAA)

Provides a balancing mechanism between the different rates at which gains and losses are recognised under the Code and are required by statute to be met from the General Fund.

General Fund

The account that summarises the revenue costs of providing services that are met by the Authority's demand on the collection fund, specific government grants and other income.

Gross Expenditure

Total expenditure before deducting income.

Heritage Asset

An asset with, historical, artistic, scientific, technological, geophysical, environmental or cultural significance.

Highways Network Asset

A grouping of interconnected components, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Components include carriageways, footways and cycle tracks, structures, street lighting, street furniture, traffic management systems and land.

Highways infrastructure asset

Highways infrastructure assets are the elements that make up the highway such as roads, pavements, drains, bridges and street lights and road signs.

HRA

This is the Housing Revenue Account, which includes the expenditure and income for the provision of rented dwelling. Items to be included are prescribed by the Local Government and Housing Act 1989.

IAS19

IAS19 is a complex accounting standard, but is based upon a simple principle – that an organisation should account for retirement benefits when it is committed to give them, even if the actual giving will be many years into the future. Following the adoption of IAS19, the net pensions asset/liability to be recognised is made up of two main elements:

- Liabilities – the retirement benefits that have been promised
- Assets – the attributable share of investments held to cover the liabilities.

IFRS

International Financial Reporting Standards.

Impairment

A reduction in the value of a fixed asset, as shown in the balance sheet, to reflect its true value.

Infrastructure Assets

Non-current assets that cannot be easily disposed of, expenditure on which is only recovered by continued use of the asset e.g. highways and footpaths.

Investment Property

A property which is held solely to earn rentals or for capital appreciation.

Liability Driven Investment (LDI)

A form of investing in which the main goal is to gain sufficient assets to meet all liabilities, both current and future. This form of investing is most prominent with defined-benefit pension plans.

MTFS

Medium Term Financial Strategy.

Minimum Revenue Provision

Amount that the Authority has determined to set aside each year as a provision for the repayment of debt.

Net Book Value

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

Net Expenditure

Gross expenditure less income.

Non-Current Assets

(In)tangible assets that result in benefits to the Authority and the services it provides for more than one year.

Non-Operational Assets

Non-current assets held by the Authority but not used or consumed in the delivery of services e.g. investment properties and assets that are surplus to requirements.

NRC

Neighbourhood Resource Centre.

Operating Lease

A lease other than a finance lease. Allows the Council use of the leased asset, but not ownership.

Outturn

Actual income and expenditure for a financial year.

Precept

The charge made by one authority on another to finance its net expenditure.

Private Finance Initiative (PFI)

Government initiative under which the Authority buys the services of a private sector supplier to design, build, finance and operate a public facility.

Provision

Amounts set aside for any liability or loss that is likely to be incurred, but where the exact amount and date is uncertain.

PWLB

Public Works Loans Board (advances loans to local authorities).

Rateable Value

The value of a property for rating purposes set by the Valuation Office Agency, an executive agency of HM Revenue and Customs. Business rates payable are calculated by multiplying the rateable value of the property by the rate in the pound set by the government.

Reserves

The net worth of the authority (the sum of its net assets).

Revenue Expenditure

Regular day-to-day running costs incurred in providing services e.g. employee costs and purchase of materials.

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 or enhancement of Authority owned assets.

Revenue Support Grant

The main grant paid by central government to the Authority towards the costs of all its services.

RPI

Retail Prices Index – a measure of inflation.

Section 151 Officer

The Chief Finance Officer as set out under Section 151 of the Local Government Act 1972.

SoDoPS

Surplus or Deficit on the Provision of Services.

Soft Loans

Funds advanced or taken on at less than market rates.

Support Services

Activities of a professional, technical and administrative nature, which support front line services.

The Code

The Accounting Code of Practice on Local Authority Accounting in the United Kingdom 2021/22.

Teckal

A company that carries out the essential part of its activities and in any case, more than 80% of its work, for the Authority, whereby the local authority exercises control over it similar to that which it exercises over its own departments.

Unusable Reserves

Element of the net worth of the authority that is not generally cash backed i.e. they are not available to be used (e.g. Revaluation Reserve).

Usable Reserves

Element of the net worth of the authority that is generally cash backed and set aside for specific purposes.