Draft
Statement of Accounts
2025/26

ROYAL borough of GREENWICH

Contents

Introduction and Written Statements

Introduction

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

This year has been shaped by growing demand for council services, continued pressure on local government finances and the need to make difficult decisions about where resources are needed most. Throughout it all, our focus has been protecting vital services, supporting residents through financial hardship, expanding provision for children with special educational needs (SEND) and investing in the long-term future of Royal Greenwich.

Despite challenges, we have continued to get things done for our borough, using our own funding and additional money secured through grants and Section 106 to deliver what our residents have told us are their priorities.

Residents facing financial hardship have continued to receive support through our Advice Hubs and targeted cost of living support – from housing to debt, benefits and financial wellbeing. This work has been recognised nationally, with the council receiving awards for both the Advice Hubs and Welfare Rights Service. Alongside this we committed £1 million through the Greenwich Supports Council Tax Hardship Fund, helping residents bring down the cost of their bills.

We reached a major milestone with the opening of Woolwich Waves, our state-of-the-art leisure centre for residents. This facility is at the forefront of supporting people to live active and healthy lives. Housing remains one of the biggest challenges facing boroughs across London. We have led with innovation in reducing our use of hotels and bed and breakfast by 84%, helping families live in homes that are safer and more secure while also cutting our costs significantly.

We're continuing to invest in council housing, with a further £50 million committed to improve existing homes, making them warmer, safer and more energy efficient. Plus, we have built 756 homes with 505 underway, through our Greenwich Builds programme.

Children and young people have remained a priority. Alongside continued investment in wellbeing and mental health support, we have committed £12 million towards services supporting children and young people by opening six new centres for those with SEND.

Construction has been progressing well with our new SEND school in Kidbrooke, due to open this year providing 128 much-needed places for young people aged 11 to 19.

We pledged that our borough would play an active role in tackling the climate crisis and improving environmental sustainability, and we have followed through on that commitment through projects such as the decarbonisation of the Eltham Centre. We now look forward to seeing how the £1 million Community Energy Fund will support local organisations to deliver projects that reduce emissions, strengthen energy resilience and help tackle fuel poverty.

Behind the scenes we have been improving how we operate as an organisation, improving our systems, modernising services and building stronger engagement with residents to ensure we continue to deliver value for money while rising to meet increasing demand. The year ahead will continue to bring financial pressures and difficult choices, but we are resilient and prepared for the challenge. Our aim remains to protect services, investing to see the greatest impact and working alongside residents to build a borough that we can remain proud of.

I am proud to have served as Cabinet Member for Finance, Resources and Social Value this year, and wish the Royal Borough of Greenwich, our partners and residents continued success as we work to build a fairer, stronger and more resilient borough for all.

Councillor Denise Hyland
Former 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 2025/26 with a Leader / Cabinet system with 55 councillors in total (23 wards); The political balance as at 31st March 2026 was 50 Labour, 4 Conservative and 1 Independent councillors. The previous Borough wide elections took place in May 2022.

Following the local elections that took place on 7th May 2026, the new political structure is 35 Labour, 13 Green, 6 Conservative and 1 Reform councillors.

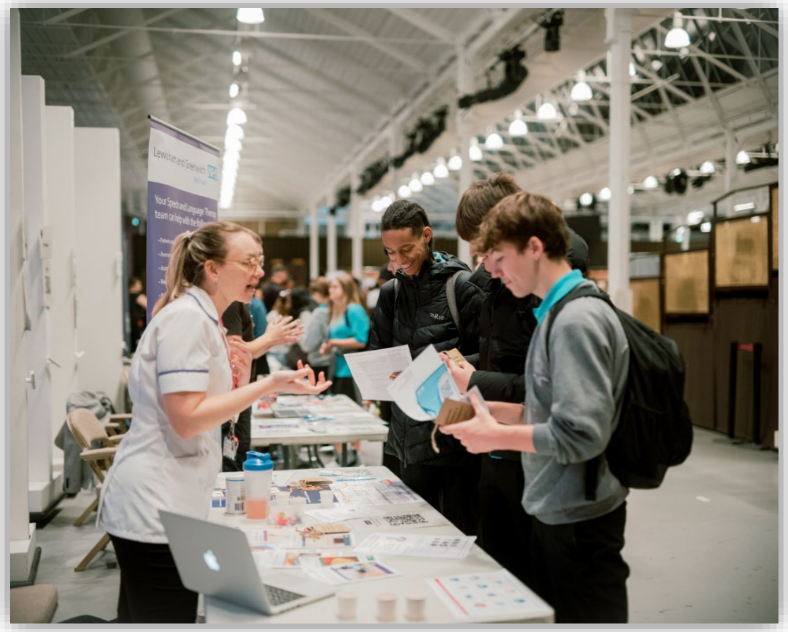
Over the course of 2025/26, the authority was grouped into 8 distinct directorates:

- Children's Services
- Health and Adult Services
- Place and Growth
- Housing and Safer Communities (includes Housing Revenue Account)
- Communities, Environment and Central
- Resources (previously part of Finance & Legal Services)
- Legal & Democratic Services (previously part of Finance & Legal Services)
- Chief Executive's Office (previously part of Finance and 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

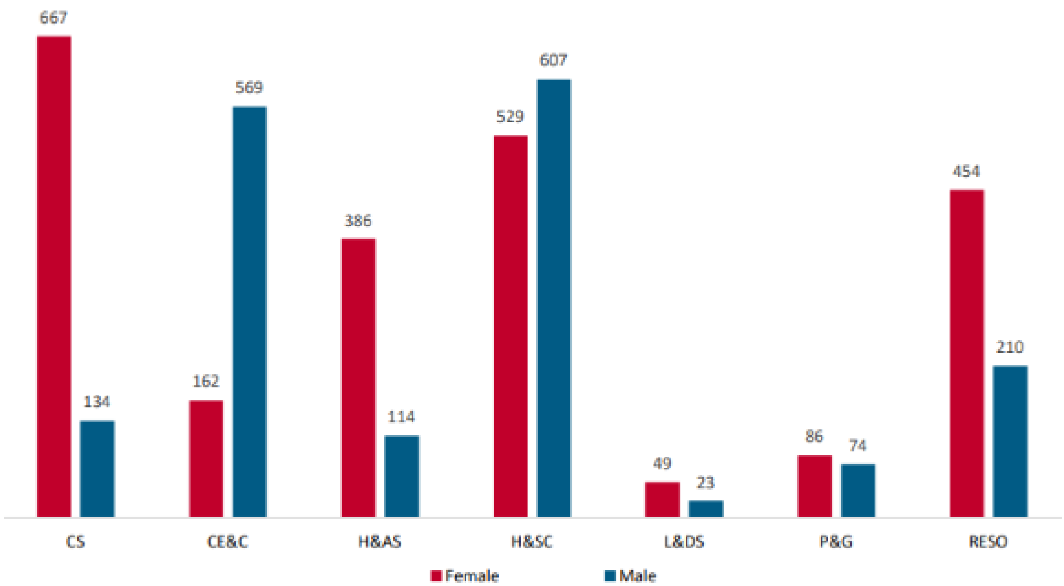
- **Transport and streets** - parking and transport information, as well as resources for cyclists and foot tunnel users

Staffing

The Royal Borough of Greenwich employs 4,000 staff. The demographic composition of the workforce as at 31 March 2026 was:

- 57% female
- 40% black and global majority
- 7% with a disability
- an average age of 46.5
- an average of 11.1 years service

The number of staff working in each Directorate as at 31st March 2026 is illustrated in the chart below:



The Autumn Budget and Financial Outlook

The Chancellor delivered the Government's Autumn Budget on 26 November 2025. The budget sets out the medium term path for public finances. Whilst there weren't a lot of announcements that directly impacted funding arrangements ahead of the provisional Local Government Finance Settlement, there were some announcements that indicated the direction of travel for key issues.

The announcement that SEND funding will become the responsibility of the Government from 2028/29 is very welcome. This will alleviate the risk associated with the current statutory override position to one extent or another. We will have to await final details but indications are that there will be a requirement for local authorities to demonstrate that they have taken appropriate measures to minimise and/or reduce the existing deficit as a precursor to agreeing the final resolution and transfer of responsibility.

Confirmation of Government backing for both, the extension of the Docklands Light Railway through to the Borough, alongside the potential establishment of a new town at Thamesmead were also good news. Again the details of how these infrastructure developments will be delivered and funded have yet to be disclosed but both will drive growth within Greenwich.

The budget also announced the introduction of a High Value Council Tax Surcharge (HVCTS) to be introduced from April 2028, based on updated valuations to identify properties above the threshold, the surcharge will be in addition to existing Council Tax. New charges start at £2,500 per year, rising to £7,500 per year for properties valued above £5 million, and will be levied on property owners rather than occupiers. Local authorities will collect this revenue on behalf of central government and will be fully compensated for the additional costs of administering this new tax. Revenue will be used to support funding for local services, with further consideration through the next spending review in 2027. The government will undertake a new burdens assessment to ensure costs to local authorities are fully funded.

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:

- Launched the Digital Health and Care Technology service providing simple, practical technology that supports residents to stay safe, well, and independent at home.
- Launched eight new Wellbeing Hubs in schools, give young people access to vital support for their wellbeing to help improve attendance, behaviour and reduce anxiety.
- Awarded protected characteristic status to care leavers in Royal Greenwich ensuring that the council will consider the impact on care experienced children and young people whenever we make a new decision, putting their wellbeing at the heart of what we do.
- Provided over 23,000 individual places on the council's popular Holiday Food and Fun programme with free, fun activities and healthy lunches for children across Royal Greenwich.
- Helped 163 pensioners get over £740,000 in Pension Credit through one to one support.
- Launched a five-year Children and Young People's Plan based on the voices and views of local children, young people, and their families.
- Services for children and families in Royal Greenwich were rated 'outstanding' by Ofsted.
- Royal Greenwich was named as a Borough of Sanctuary, meaning it recognised been recognised as a place that welcomes and values the contribution of refugees, migrants and those seeking sanctuary.
- Facilitated 'Shared Lives', a warm and person-centred service that matches adults with care and support needs with approved carers, helping them to live more independently by becoming part of a carer's life and community.
- Launched a new Integrated Enforcement Plan which sets out the council's approach to creating a safer borough through collaborative enforcement work with the Met Police, London Fire Brigade and various departments across the council.

Place:

- Successfully reduced the use of hotel and Bed & Breakfasts for households in temporary accommodation by 84% in only 18 months and reduced the pressure on the council's finances by around £5.88m.
- RBG had the highest number of new affordable homes started of any London borough in 2024-25, repeating its success from 2022-3 and 2023-4.
- Installed 500 new kitchens and bathrooms as part of Housing Our Greenwich, our widescale housing programme to build, buy and improve council homes.
- Retrofitted 665 older council homes across the borough as part of a multimillion-pound energy improvements programme.
- Successfully raised just under £1.28 million through our second round of the Greenwich Green Investment, which backs sustainability and climate action across the borough.

- Launched the new Community Energy Fund – a four-year initiative worth a total of £1million designed to supercharge renewable energy and help cut emissions across the borough.
- As part of our Housing Our Greenwich programme we are investing over £50 million to improve some of our eligible council homes with an Energy Performance Certificate (EPC) of D or below.
- Kidbrooke Park Road North, the first phase of a 452-home social housing development, was shortlisted for a prestigious Royal Institute of British Architects award.
- Collected more than £16million in developer contributions from building development in the borough, with almost all of that going towards paying for vital social housing, healthcare and sport and education facilities.
- Introduced a £100 reward if the council successfully prosecutes or fines a perpetrator thanks to a tip-off from an Royal Greenwich resident.

Economy:

- Number of Living Wage Employers increased by 37% in Royal Greenwich since 2022, helped by the Council introducing a grant scheme to cover the full cost of three years' worth of accreditation from the Living Wage Foundation. The list of 124 accredited businesses includes 103 independent businesses and 21 chains, representing 23,706 employees within the borough.
- Invested £70,000 to fund 18 months of support for the business communities in Woolwich, Eltham, Plumstead, Abbey Wood and Greenwich through the Business Crime Reduction Partnership, targeting anti-social behaviour, violence and burglary.
- Opened applications for the council's largest ever Greenwich Neighbourhood Growth Fund, with a total of £1million for local groups to bid for grants of between £2,500 and £35,000 to make improvements to their neighbourhoods.
- Launched a new Inclusive Economy Strategy, which sets out how the Council and local partners will work together over the next ten years to create a borough where everyone can reach their potential. It will help ensure wealth and opportunity is distributed fairly across the borough.
- Launched the Co-operative Commission, an initiative aimed at shaping the future of co-operative collaboration within the borough. The commission has a special focus on improving three key areas: community energy, cooperative development, and social care.
- Council to invest £3.655 million into borough's voluntary and community sector over the next four years.
- We are getting things done in Cutty Sark Gardens with a revamp of the iconic riverside gardens, making it safer and more attractive. Cutty Sark Gardens has had extra lighting installed around the foot tunnel building, near the Gypsy Moth pub and along upgraded handrails to help people get around after dark. Landscaping will take place next year as part of our Getting Things Done improvement programme to invest £2.1million into Greenwich, Eltham and Woolwich.

Communities:

- Created our first ever community engagement framework, the Our Greenwich: Community Engagement Pledge. The pledge and accompanying handbook were crafted following a nine-week engagement and consultation programme with residents, Council staff, community organisations and partners.
- The Healthier Greenwich Partnership launched a new five-year Health and Wellbeing Strategy for years 2023 to 2028. Healthier Greenwich Partnership is a collective of organisations in the Royal Borough of Greenwich working together to support the health, care and wellbeing needs of local residents. It includes partners from the NHS, council, social care, and the community and voluntary sector.
- RBG was commended in the London Homelessness Awards for its collaborative work with a local community organisation representing migrant woman (Creating Ground CIC), helping improve the lives of families living in temporary accommodation.

Organisation:

- The Royal Borough of Greenwich has become an accredited Carer-Inclusive Workplace, strengthening the support available to council staff who balance work alongside caring responsibilities, and encouraging organisations across the borough to do the same.
- 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.

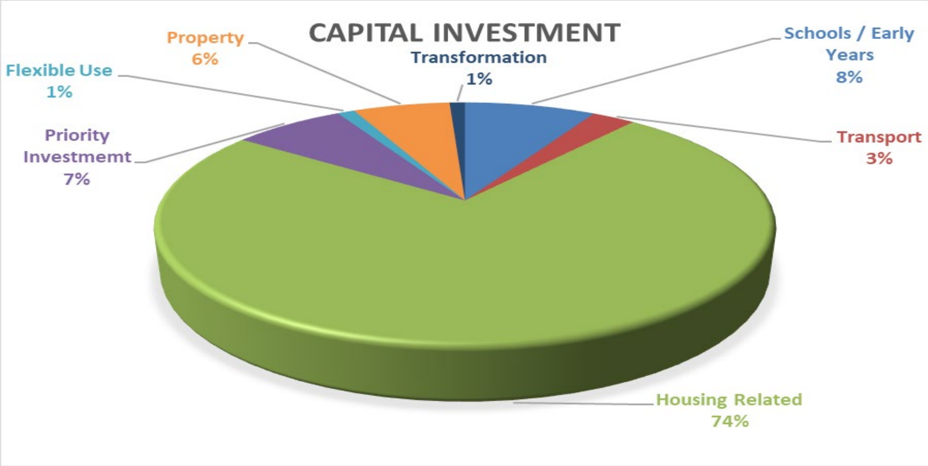
Financial Performance

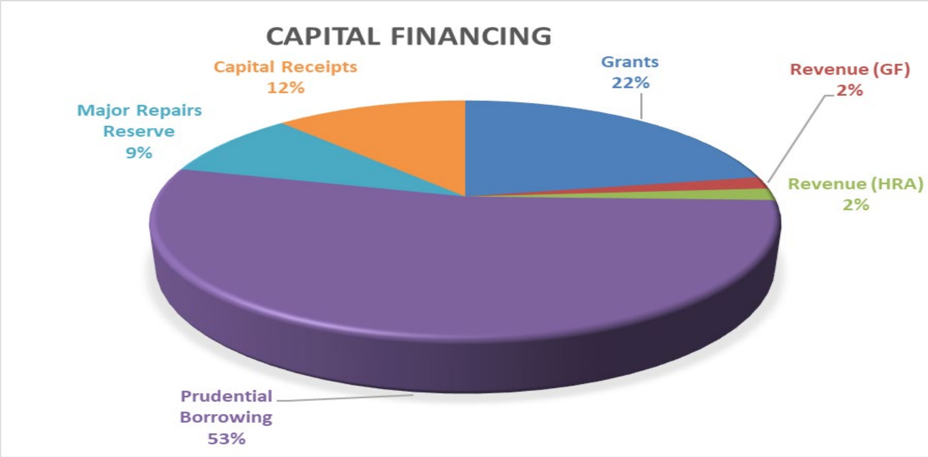
The Council continues to face significant pressures from government policy, alongside local / national demographic and economic trends. Against this backdrop, the borough is reviewing how to best utilise its natural and financial resources in order to counter these pressures. The Council has a medium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

Capital

Capital investment totalled £290m in 2025/26, of which £214m 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 Councils 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 2026 was £908m.

Revenue Outturn

The table below shows the final revenue position for the Authority for 2025/26:

2025/26 Spend versus Budget £m	Overspend / (Underspend)	
	YE Forecast at Q3	Actual Outturn
Departmental		
Chief Executive's Office	0.0	0.1
Children's	1.9	2.8
Communities, Environment & Central	(1.7)	(2.7)
Health & Adults (incl. Nil Recourse)	0.8	(0.1)
Housing & Safer Communities	0.6	(0.3)
Legal & Democratic Services	0.5	0.3
Place & Growth	(0.4)	(1.7)
Resources	0.6	(0.7)
Service Total	**2.3**	**(2.4)**
Corporate		
Treasury Management	3.4	4.4
Business Rates Additional Income	(2.8)	(2.8)
Council Tax and Business Rates Credits	(0.6)	0.0
GSP Surplus Distribution	(0.4)	(0.4)
Other	0.0	(1.5)
Savings Contingency **	(5.2)	(5.2)

Programmed savings that have overachieved	(0.2)	(0.7)
Programmed savings no longer deliverable	2.1	0.4
Programmed savings reprofiled to 2026/27		
delayed due to timing issues	2.6	3.7
delayed due to delivery issues	4.2	4.4
Corporate Total	**3.1**	**2.3**
Net General Fund (GF) Position	**5.4**	**(0.1)**
Dedicated Schools Grant (DSG)	12.2	18.1
Housing Revenue Account (HRA)	1.5	(1.1)

The key budgetary pressures in 2025/26 were in:

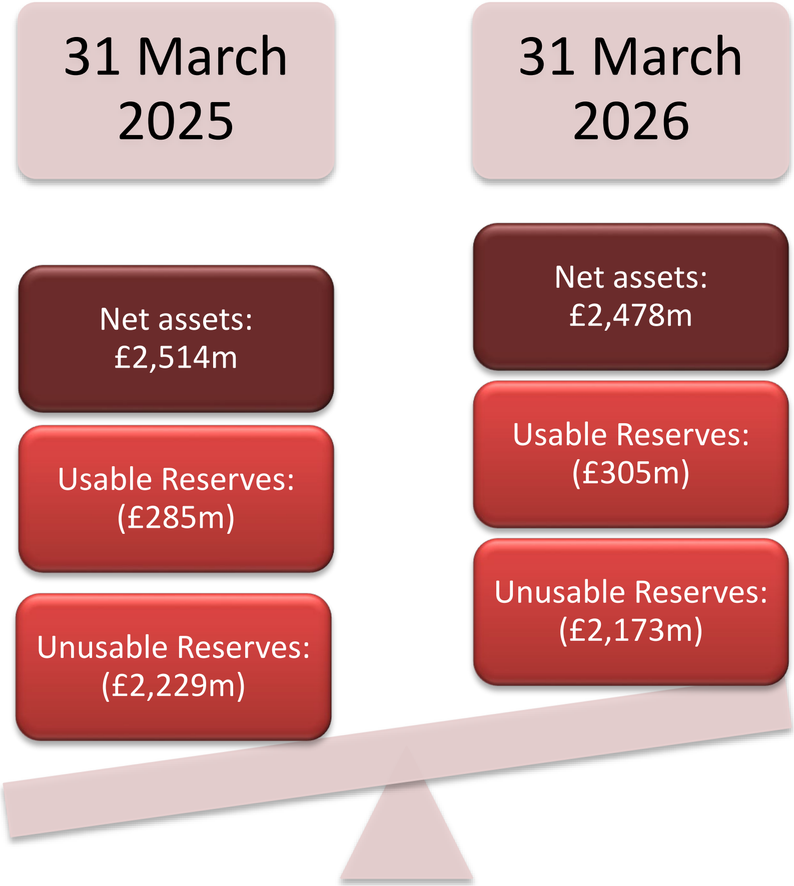
- Health & Adults – The significant cost pressure continues to be the provision of care packages. Ongoing cost pressure in the provision of care packages has contributed to the £2.7m overspend in the Directorate. However, expenditure between Q3 and year-end has decreased by £0.5m and the trajectory of increase for care package expenditure has been less steep than in the previous year with spend being 7% more than for 2024/25, compared to 14% more between 2023/24 and 2024/25.

- Children's Services - the most significant cost pressure remains the social care placements budget which has an overspend of £3.1m alongside £1.3m of savings slippage. In addition, the SEND Transport budget has an overspend of £1.5m. Total placement spend for 2025/26 is £39m against a total Directorate net budget of £105m representing 37% of spend. This compares to 42% in 2024/25. There has been a recent slow down in placement spend as the service continues to implement initiatives aimed at managing demand in this area.

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

Balance Sheet

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



Housing Revenue Account

The Council maintains a stock of 20,635 social rented homes and 5,277 leaseholders as at the 31st March 2026. A multi-year programme to increase and improve its housing stock is underway, with £189m of investment during 2025/26.

The Council manages its own Housing Stock and collected £129m in dwelling rents and £26m in service charges in 2025/26. 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 2025, assessed the funding level at 118% compared with 103% in 2022.

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	• 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	• 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	• 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	• Key services fail to support the recovery efforts
Health & Safety, Compliance and Wellbeing Procedures	• Breach of statutory duty resulting in increased risk of injury to persons and damage to property
Key Strategic Partnerships and Supply Chain Security	• 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	• Breach of Statutory Duty • Compensation Claims • Reputational damage
Loss of life and limb through lack of residential building safety	• Lack of effective maintenance / compliance regime • Residents at risk of injury • Resources to raise conditions of properties
Demand for School Places	• 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	• 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	• Increase demand for services • Increase in bad debts • Failure to meet statutory duty
Preventable Incident to the Wellbeing of a Child or Adult	• 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	• 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	• Breach of Statutory Duty • Compensation Claims

Loss of life and limb through lack of residential building safety	• Lack of effective maintenance / compliance regime • Residents at risk of injury • Resources to raise conditions of properties

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 2025/26, 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 2026.

I hereby certify that the Statement of Accounts is approved.

Damon Cook CPFA **Dated** **XX/XX/202X**
CFO - Section 151 Officer

Primary Financial Statements

Comprehensive Income and Expenditure Statement

2024/25				2025/26		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
302	0	302	Chief Executive's Office	326	0	326
442,395	(319,272)	123,123	Children's Services	468,299	(344,258)	124,041
98,776	(29,750)	69,026	Communities, Environment & Central	97,277	(37,656)	59,621
215,338	(113,292)	102,046	Health & Adult Services	224,468	(126,225)	98,243
53,426	(32,783)	20,643	Housing & Safer Communities	52,910	(39,658)	13,253
221,762	(160,026)	61,736	Housing Revenue Account	200,796	(159,721)	41,075
1,072	(249)	823	Legal and Democratic Services	769	(175)	594
49,931	(46,633)	3,298	Place & Growth	113,149	(41,208)	71,941
165,341	(134,864)	30,477	Resources	137,228	(113,390)	23,838
1,248,346	**(836,871)**	**411,474**	**Net Cost of Services**	**1,295,224**	**(862,291)**	**432,932**
1,621	(12,494)	(10,873)	Other Operating Expenditure (Note 3)	2,174	(25,979)	(23,805)
30,737	(3,525)	27,212	Financing and Investment Income and Expenditure (Note 4)	41,993	(2,923)	39,069
0	(383,446)	(383,446)	Taxation and Non-Specific Grant Income (Note 5)	0	(388,825)	(388,825)
1,280,704	**(1,236,336)**	**44,367**	**(Surplus) or Deficit on Provision of Services**	**1,339,391**	**(1,280,019)**	**59,372**
		24,693	(Surplus) or deficit on revaluation of property, plant & equipment			(47,451)
		(32,250)	Re-measurement of the net defined benefit liability / (asset)			24,619
		(7,557)	**Other Comprehensive Income and Expenditure**			**(22,832)**
		36,810	**Total Comprehensive Income and Expenditure**			**36,540**

Note: Reporting lines were reorganised in 2025/26 whereby Finance and Legal was split into Resources, Legal and Democratic Services, and Chief Executive's Office. To provide meaningful comparative figures Finance and Legal has been reported against the new reporting lines.

Movement in Reserves Statement

2025/26	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 2025 carried forward	**(189,444)**	**(8,151)**	**(25,332)**	**0**	**(62,138)**	**(285,064)**	**(2,229,065)**	**(2,514,129)**
Movement in Reserves During 2025/26								
Total Comprehensive Income and Expenditure	31,634	27,738	0	0	0	59,372	(22,832)	36,540
Adj. between accounting basis & funding basis under regs (Note 7)	(47,699)	(28,855)	(12,364)	0	9,448	(79,471)	79,471	0
(Increase) / Decrease in 2025/26	**(16,065)**	**(1,117)**	**(12,364)**	**0**	**9,448**	**(20,099)**	**56,639**	**36,540**
Balance at 31 March 2026 carried forward	**(205,509)**	**(9,267)**	**(37,696)**	**0**	**(52,690)**	**(305,164)**	**(2,172,424)**	**(2,477,589)**
General Fund balance comprises:								
Amounts Earmarked (Note 7)	(186,786)							
Amounts Uncommitted	(18,723)							
Total General Fund Balance at 31 March 2026	**(205,509)**							

Movement in Reserves Statement (continued)

2024/25	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 2024 carried forward	**(213,456)**	**(9,837)**	**(41,959)**	**0**	**(75,297)**	**(340,548)**	**(2,210,392)**	**(2,550,940)**
Movement in Reserves During								
Total Comprehensive Income and Expenditure	(4,507)	48,876	0	0	0	44,367	(7,557)	36,810
Adj. between accounting basis & funding basis under regs (Note 7)	28,519	(47,189)	16,627	0	13,159	11,116	(11,116)	0
(Increase) / Decrease in 2024/25	24,012	1,686	16,627	0	13,159	55,484	(18,673)	36,810
Balance at 31 March 2025 carried forward	**(189,444)**	**(8,151)**	**(25,332)**	**0**	**(62,138)**	**(285,063)**	**(2,229,066)**	**(2,514,129)**
General Fund balance comprises:								
Amounts Earmarked (Note 7)	(170,721)							
Amounts Uncommitted	(18,723)							
Total General Fund Balance at 31 March 2025	**(189,444)**							

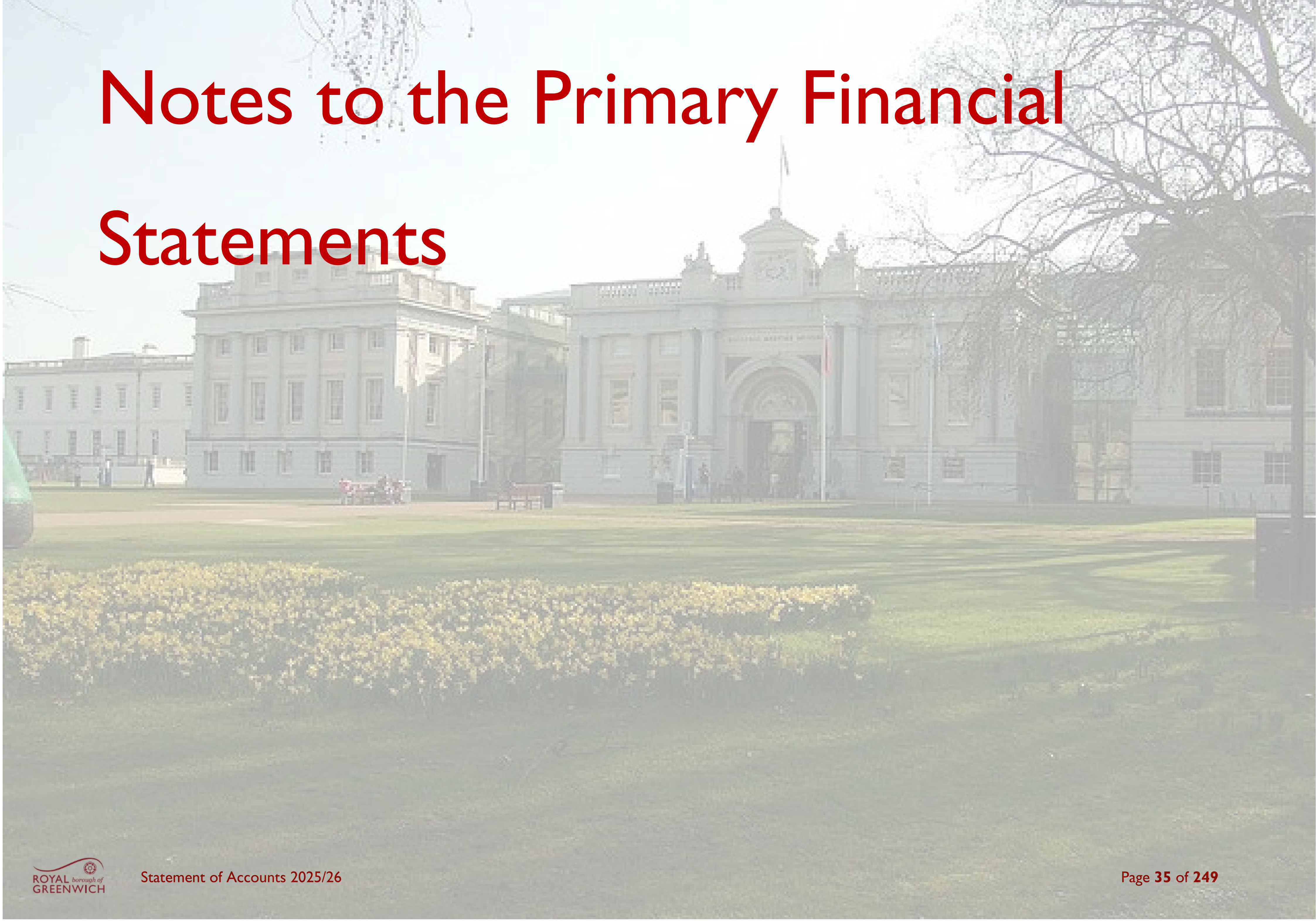
Balance Sheet

31 March 2025		Notes	31 March 2026
£000			£000
3,368,898	Property, Plant & Equipment	10	3,479,717
770	Heritage Assets		770
4,168	Investment Properties	12	4,049
39,813	Long Term Investments	18	39,543
5,242	Long Term Debtors	18	5,015
3,418,891	**Long Term Assets**		**3,529,093**
659	Short Term Investments	18	639
1,896	Assets Held for Sale	14	4,877
721	Inventories		122
109,661	Short Term Debtors	22	111,921
26,836	Cash and Cash Equivalents	32	50,742
139,772	**Current Assets**		**168,300**
(709)	Cash and Cash Equivalents*	32	(664)
(64,080)	Short Term Borrowing	18	(111,920)
(214)	Short Term Deferred Income	16	(196)
(147,768)	Short Term Creditors	23	(134,543)
(4,286)	Receipts in Advance	6	(1,759)
(217,057)	**Current Liabilities**		**(249,082)**
(15,324)	Net Pension Liability	21	(24,491)
(9,691)	Provisions	24	(6,250)
(673,854)	Long Term Borrowing	18	(803,533)
(1,413)	Long Term Deferred Income	16	(1,215)
(127,194)	Other Long-Term Liabilities	16/18	(135,233)
(827,477)	**Long Term Liabilities**		**(970,723)**
2,514,129	**Net Assets**		**2,477,589**
(285,063)	Usable Reserves	MIRS	(305,164)
(2,229,066)	Unusable Reserves	9	(2,172,424)
(2,514,129)	**Total Reserves**		**(2,477,589)**

Cash Flow Statement

2024/25 £000		2025/26 £000
(44,367)	Net surplus or (deficit) on the provision of services	(59,372)
124,571	Adjustment to net surplus or deficit on the provision of services for non cash movements (Note 28)	184,590
(73,016)	Adjust for items included in net surplus / deficit on the provision of services that are investing and financing	(101,574)
7,187	Net cash flows from Operating Activities	23,644
(272,038)	Investing Activities (Note 29)	(179,853)
281,147	Financing Activities (Note 30)	180,160
16,296	Net increase or (decrease) in cash and cash	23,951
9,830	**Cash and cash equivalents at the beginning of the reporting period**	**26,126**
26,126	**Cash and cash equivalents at the end of the reporting period (Note 32)**	**50,078**

Notes to the Primary Financial Statements



Note 1 – Expenditure and Funding Analysis

2024/25				2025/26		
Net Expenditure Chargeable to the General Fund and HRA	Adjustments Between the Funding and Accounting Basis	Net Expenditure in CIES		Net Expenditure Chargeable to the General Fund and HRA	Adjustments Between the Funding and Accounting Basis	Net Expenditure in CIES
£000	£000	£000		£000	£000	£000
305	(3)	302	Chief Executive's Office	362	(36)	326
113,028	10,095	123,123	Children's Services	109,132	14,909	124,041
74,105	(5,079)	69,026	Communities, Environment & Central	61,704	(2,083)	59,621
101,798	248	102,046	Health & Adult Services	99,110	(867)	98,243
21,320	(677)	20,643	Housing and Safer Communities	14,500	(1,247)	13,253
(15,367)	77,103	61,736	Housing Revenue Account	(24,352)	65,427	41,075
838	(15)	823	Legal and Democratic Services	769	(175)	594
689	2,609	3,298	Place & Growth	(1,268)	73,209	71,941
7,833	22,644	30,477	Resources	14,666	9,172	23,838
304,550	**106,924**	**411,474**	**Net Cost of Services**	**274,624**	**158,308**	**432,932**
1,621	(12,494)	(10,873)	Other Operating Expenditure (Note 3)	1,646	(25,451)	(23,805)
28,216	(1,004)	27,212	Financing and Investment Income and Expenditure (Note 4)	39,423	(354)	39,069
(308,689)	(74,757)	(383,446)	Taxation and Non-Specific Grant Income (Note 5)	(332,876)	(55,949)	(388,825)
25,698	**(88,255)**	**44,367**	**(Surplus) or Deficit on the Provision of Services**	**(17,182)**	**76,554**	**59,372**
(223,293)			Opening General Fund Balance & Housing Revenue Account	(197,595)		
25,698			(Surplus) or Deficit on General Fund & Housing Revenue Account Balance in Year	(17,182)		
(197,595)			**Closing General Fund Balance & Housing Revenue**	**(214,777)**		

Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts 2025/26

	Adjustments for Capital Purposes	Net Change in Pension Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Chief Executive's Office	0	53	(17)	36
Children's Services	(3,437)	5,855	(17,327)	(14,909)
Communities, Environment & Central	300	1,830	(47)	2,083
Health & Adult Services	(795)	1,670	(8)	867
Housing and Safer Communities	757	507	(17)	1,247
Housing Revenue Account	(69,342)	3,724	191	(65,427)
Legal and Democratic Services	0	257	(82)	175
Place & Growth	(73,795)	418	168	(73,209)
Resources	(9,909)	785	(48)	(9,172)
Net Cost of Services	**(156,220)**	**15,099**	**(17,187)**	**(158,308)**
Other Operating Expenditure	25,541	0	0	25,541
Financing and Investment Income and Expenditure	0	354	0	354
Taxation and Non-Specific Grant Income	54,910	0	1,038	55,949
Other Income and Expenditure	**80,362**	**354**	**1,038**	**81,754**
Difference Between General Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statement (Surplus)/Deficit on Provision of Services	**(75,858)**	**15,453**	**(16,149)**	**(76,554)**

Adjustments from General Fund to arrive at Comprehensive Income & Expenditure Statement amounts 2024/25

	Adjustments for Capital Purposes	Net Change in Pension Adjustments	Other Differences	Total Adjustments
	£000	£000	£000	£000
Chief Executive's Office	0	4	(7)	(3)
Children's Services	3,817	(2,755)	9,033	10,095
Communities, Environment & Central	(3,966)	(1,100)	(13)	(5,079)
Health & Adult Services	966	(796)	78	248
Housing and Safer Communities	(403)	(260)	(14)	(677)
Housing Revenue Account	78,421	(1,557)	239	77,103
Legal and Democratic Services	0	19	(34)	(15)
Place & Growth	3,174	(263)	(302)	2,609
Resources	22,595	70	(20)	22,644
Net Cost of Services	**104,603**	**(6,639)**	**8,961**	**106,924**
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	**22,840**	**(7,643)**	**3,473**	**18,669**

Note 2 – Expenditure and Income Analysed by Nature

Expenditure and Income Analysed by Nature	2024/25	2025/26
	£000	£000
Expenditure		
Employee Expenses	316,868	316,777
Other Service Expenditure	769,666	781,918
Depreciation, Amortisation, Impairment & Reversal of Impairment	161,809	197,057
Interest Payments	30,737	41,993
Precepts & Levies	1,621	1,646
Total Expenditure	**1,280,701**	**1,339,391**
Income		
Fees, Charges and Other Service Income	(253,413)	(275,345)
Interest and Investment Income	(3,525)	(2,923)
Income from Council Tax and Business Rates	(249,347)	(262,841)
Government Grants & Contributions	(717,555)	(713,458)
Gains on the disposal of non-current assets	(12,494)	(25,451)
Total Income	**(1,236,334)**	**(1,280,019)**
Surplus or Deficit on the Provision of Services	**44,367**	**59,372**

Note 3 - Other Operating Expenditure

	2024/25	2025/26
	£000	£000
Levies	1,621	1,646
(Gains) / losses on the disposal of non-current assets	(12,494)	(25,451)
Total	**(10,873)**	**(23,805)**

Note 4 - Financing and Investment Income and Expenditure

	2024/25	2025/26
	£000	£000
Interest payable and similar charges	30,737	41,993
Pensions interest cost and expected return on pensions assets	(1,004)	(354)
Interest receivable and similar income	(2,521)	(2,569)
Total	**27,212**	**39,069**

Note 5 – Taxation and Non-Specific Grant Income

	2024/25	2025/26
	£000	£000
Council Tax Income	(127,594)	(142,043)
Business Rates	(121,753)	(120,798)
Revenue Support Grant	(31,565)	(32,173)
Social Care Grant	(31,592)	(31,592)
Other Government Grants	(1,673)	(7,309)
Capital Grants and Contributions	(69,269)	(54,910)
Total	**(383,445)**	**(388,825)**

Note 6 – Grant Income

Credited to Services (CIES)	2024/25	2025/26
	£000	£000
Grant Income		
Dedicated Schools Grant	(255,465)	(281,997)
Rent Allowance Subsidy	(59,705)	(49,194)
Rent Rebate Subsidy	(55,414)	(47,049)
Public Health Grant	(26,107)	(27,611)
Improved Better Care Fund	(15,434)	(19,041)
Private Finance Initiative – Building Schools for the Future	(12,291)	(12,291)
Pupil Premium	(10,353)	(10,403)
Post 16 Grant	(9,571)	(9,433)
Producer Grant	0	(6,287)
Market Sustainability & Improvement Fund	(5,820)	(5,820)
Rough Sleeping Initiative	(3,149)	(5,338)
Universal Free School Meals	(4,772)	(4,507)
Household Support Fund	(4,757)	(4,192)
Flexible Homelessness Support Grant	(3,651)	(3,605)
Homeless Prevention Grant	0	(3,299)
National Insurance Contribution	0	(3,163)
Core School Budget Grant	(3,469)	(3,135)
Supporting Families Grant	(1,097)	(2,788)
Skills Funding Agency	(2,195)	(2,212)
Infants Free School Meal Grant	(2,189)	(2,130)
Private Finance Initiative – Neighbourhood Resource Centres	(2,091)	(2,091)
Family First Programme	0	(1,908)
Unaccompanied Asylum Seeking Children Grant	(1,979)	(1,728)
Family Hub	(1,404)	(1,474)
School Budget Support Grant	0	(1,471)
Homes for Ukraine Scheme	(1,716)	(1,408)
Benefit Administration Grant	(1,290)	(1,332)
Holiday Activities and Food Grant	(1,399)	(1,258)

Restart Grant	(920)	(1,080)
Other Miscellaneous Grants	(33,145)	(16,682)
<u>Contributions</u>		
Clinical Commissioning Group	(32,171)	(34,907)
Building Schools for the Future	(7,730)	(7,849)
Section 106	(17,844)	(5,813)
Oxleas NHS Trust	(1,804)	(1,767)
Other Miscellaneous Contributions	(4,524)	(3,211)
Total Grants and Contributions	**(583,456)**	**(587,474)**

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:

Grants Received in Advance	**2024/25**	**2025/26**
	£000	£000
Revenue Support Grant	(2,896)	(0)
Skills Funding Agency	(939)	(993)
Contributions to HRA Schemes	0	(347)
Devolved Formula Grant	(385)	(262)
Other (under £100k each)	(66)	(157)
Total	**(4,286)**	**(1,759)**

Note 7 - 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.

2025/26	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)	12,199	3,254	0	0	0
Financial Instruments (transferred to the Financial Instruments Adjustments Account)	194	0	0	0	0
Council Tax and Business Rates (transfers to or from Collection Fund Adjustment Account)	1,038	0	0	0	0
Transfer of Schools Budget to DSG Unusable Reserve	(18,079)	0	0	0	0
Holiday pay (transferred to the Accumulated Absences Reserve)	507	191	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)	(110,996)	(117,150)	0	0	0
Total Adjustments to Revenue Resources	(115,137)	(113,705)	0	0	0
Adjustments between Revenue and Capital Resources					
Transfer of capital grants from revenue to the Capital Grants Unapplied Reserve	43,839	11,071	0	0	(54,910)
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	4,048	43,465	(47,514)	0	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	(644)	644	0	0
Posting of Housing Revenue Account resources from revenue to the Major Repairs Reserve	0	26,257	0	(26,257)	0
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	14,736	0	0	0	0
Capital expenditure financed from the revenue balances (transfer to the Capital Adjustment Account)	4,815	4,701	0	0	0
Total Adjustments between Revenue and Capital Resources	67,438	84,850	(46,870)	(26,257)	(54,910)

2025/26	Usable Reserves				
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied
	£000	£000	£000	£000	£000
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	34,505	0	0
Use of the Major Repairs Reserve to finance new capital expenditure	0	0	0	26,257	0
Application of capital grants to finance capital expenditure	0	0	0	0	64,358
Cash payments in relation to deferred capital receipts	0	0	0	0	0
Total Adjustments to Capital Resources	0	0	34,505	26,257	64,358
Total Adjustments	**(47,699)**	**(28,855)**	**(12,365)**	**0**	**9,448**

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
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)	0	0	0	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)	13,175	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	17,274	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

2024/25	Usable Reserves				
	General Fund Balance	**Housing Revenue Account**	**Capital Receipts Reserve**	**Major Repairs Reserve**	**Capital Grants Unapplied**
	£000	**£000**	**£000**	**£000**	**£000**
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	**28,520**	**(47,189)**	**16,627**	**0**	**13,159**

Note 8a – 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 2025/26.

	31/03/24	Transfers Out	Transfers In	31/03/25	Transfers Out	Transfers In	31/03/26
	£000	£000	£000	£000	£000	£000	£000
Other Earmarked Reserves	**(40,785)**	9,353	(8,181)	**(39,613)**	8,070	(14,149)	**(45,692)**
Schools	**(11,666)**	4,293	(544)	**(7,917)**	4,142	(5,925)	**(9,701)**
Education and Social Care	**(23,093)**	6,461	(3,064)	**(19,697)**	5,877	(8,403)	**(22,223)**
Risk	**(44,850)**	8,285	(3,804)	**(40,369)**	942	(4,353)	**(43,780)**
Joint Funds Held for Social Care	**(8,723)**	56	(352)	**(9,019)**	111	(1,364)	**(10,272)**
Total Reserves held specifically for Revenue	**(129,118)**	**28,447**	**(15,945)**	**(116,615)**	**19,142**	**(34,195)**	**(131,669)**
Reserves held specifically for Capital purposes							
Priority Investment Programme	**(1,246)**	1,314	(485)	**(417)**	303	(360)	**(474)**
Schools Capital	**(4,668)**	0	0	**(4,668)**	0	0	**(4,668)**
Section 106 Contributions	**(7,044)**	503	(2,201)	**(8,742)**	144	(7)	**(8,605)**
Vehicles and Other Capital Reserves	**(26,062)**	3,892	(7,180)	**(29,350)**	7,186	(8,641)	**(30,804)**
Minimum Revenue Provision Capacity	**(26,423)**	17,695	(2,200)	**(10,928)**	361	0	**(10,566)**
Total Reserves held specifically for Capital	**(65,442)**	**23,404**	**(12,066)**	**(54,104)**	**7,994**	**(9,007)**	**(55,118)**
Total Earmarked Reserves	**(194,560)**	**51,852**	**(28,011)**	**(170,719)**	**27,136**	**(43,202)**	**(186,786)**

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 8b – Capital Receipts Reserve

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

	2024/25	2025/26
General Fund	£000	£000
Balance at 1st April	(12,474)	(7,223)
Cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure statement	(356)	(4,048)
Use of Capital Receipts Reserve to finance new capital expenditure	5,597	3,250
Balance at 31st March	**(7,233)**	**(8,023)**
Housing Revenue Account		
Balance at 1st April	(29,484)	(18,098)
Cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income & Expenditure statement	(19,897)	(43,465)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current asset disposals	296	644
Use of Capital Receipts Reserve to finance new capital expenditure	30,987	31,256
Balance at 31st March	**(18,098)**	**(29,663)**
Total	**(25,331)**	**(37,695)**

Note 8c - 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.

	2024/25	2025/26
	£000	£000
Gov – Schools & Education	35,205	20,086
Gov – Disabled Facility Grant	7,765	8,681
Gov – Sustainable Warmth	2	0
Gov – Community Capacity Social Care	2,505	2,505
Community Infrastructure Levy	13,659	17,713
Other	3,002	3,704
Balance at end of the year	**62,138**	**52,690**

Note 9 – Unusable Reserves

	2024/25	2025/26
	£000	£000
Revaluation Reserve	(657,122)	(681,027)
Capital Adjustment Account	(1,560,736)	(1,505,507)
Financial Instruments Adjustment Account	763	566
Pensions Reserve	15,324	24,491
Council Taxpayers Adjustment Account	(2,798)	(6,256)
Deferred Capital Receipts Reserve	(37,932)	(37,930)
Business Ratepayers Adjustment Account	(5,412)	(2,992)
Accumulated Absences Account	9,933	9,236
Dedicated Schools Grant Adjustment Account	8,916	26,995
Total Unusable Reserves	**(2,229,066)**	**(2,172,424)**

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.

	2024/25	2025/26
	£000	£000
Balance at 1 April	(720,705)	(657,122)
Upward revaluation of assets	(78,865)	(102,753)
Downward revaluation of assets & impairment losses not charged to the Surplus or Deficit on the Provision of	121,767	55,302
Surplus / deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the	**42,902**	**47,451**
Difference between fair value depreciation and historical cost depreciation	20,250	18,966
Accumulated gains on assets sold or scrapped	431	4,580
Amount written off to the Capital Adjustment Account	**20,681**	**23,546**
Balance at 31 March	**(657,122)**	**(681,027)**

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

	2024/25	2025/26
	£000	£000
Balance brought forward	(1,514,900)	(1,506,736)
Adjustment to balance b/f	(9,262)	48
Balance at 1 April	(1,524,162)	(1,506,688)
Reversal of items relating to capital expenditure debited or credited to the Comprehensive I&E Statement		
Charges for depreciation and impairment of non current assets	53,747	56,157
Revaluation losses on property, plant and equipment	79,831	140,899
Revenue expenditure funded from capital under statute	8,410	9,673
Amounts of non current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	7,421	21,370
	149,408	228,099
Adjusting amounts written out of the Revaluation Reserve	(431)	(4,580)
Adjusting amounts written out of the Revaluation Reserve for the difference between fair value depreciation and historical cost depreciation	(20,250)	(18,966)
Net written out amount of the cost of non current assets consumed in the year	128,728	204,553
Capital financing applied in the year		
Use of the Capital Receipts Reserve to finance new capital expenditure	(36,584)	(34,505)
Use of the Major Repairs Reserve to finance new capital expenditure	(26,165)	(26,257)
Capital grants and contributions credited to the Comprehensive I&E Statement that have been applied to capital financing	(60,244)	(39,364)
Application of grants to capital financing from the Capital Grants Unapplied Account	(5,891)	(24,994)
Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(18,922)	(14,736)
Capital expenditure charged against the General Fund and HRA balances	(17,496)	(9,516)
	(165,302)	(149,372)
Balance at 31 March	**(1,560,736)**	**(1,505,507)**

The adjustment to the opening balance reflects changes arising from the adoption of IFRS 16, including the unwinding of the lease premium for heritage assets on the Royal Arsenal. Further details of the adjustment are noted in Notes 9 and 15 below.

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 2026 will be charged to the General Fund until extinguished in 2031/32.

	2024/25	**2025/26**
	£000	£000
Balance at 1 April	998	763
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(235)	(197)
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)	(197)
Balance at 31 March	**763**	**566**

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.

	2024/25	**2025/26**
	£000	£000
Balance at 1 April	55,217	15,324
Adjustment to balance b/f*	4,114	0
Actuarial gains or losses on pensions assets and liabilities	(36,103)	24,619

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	28,665
Employer's pensions contributions and direct payments to pensioners payable in the year	(41,575)	(44,117)
Balance at 31 March	**15,324**	**24,491**

*The adjustment to opening balance is detailed 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.

	2024/25	2025/26
	£000	£000
Balance b/f	(37,932)	(37,932)
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES	0	0
Transfer to the capital receipts reserve upon receipt of cash	0	0
Balance at 31 March	**(37,932)**	**(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.

	2024/25	2025/26
	£000	£000
Balance at 1 April	(5,793)	(2,798)
Amount by which council tax income credited to the CIES is different from council tax income calculated for the year in accordance with statutory requirements	2,995	3,458
Balance at 31 March	**(2,798)**	**(6,256)**

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.

	2024/25	2025/26
	£000	£000
Balance at 1 April	3,071	(5,412)
Amount by which business rates income credited to the CIES is different from business rates income calculated for the year in accordance with statutory requirements	(8,483)	2,420
Balance at 31 March	**(5,412)**	**(2,992)**

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.

	2024/25	2025/26
	£000	£000
Balance at 1 April	9,654	9,933
Settlement or cancellation of accrual made at the end of the preceding year	(9,654)	(9,933)
Amounts accrued at the end of the current year	9,933	9,236
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	279	(697)
Balance at 31 March	**9,933**	**9,236**

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.

	2024/25	**2025/26**
	£000	£000
Balance at 1 April	0	8,916
In year Dedicated Schools Grant deficit	8,916	18,079
Balance at 31 March	**8,916**	**26,995**

Note 10 - Property, Plant and Equipment

Movements 2025/26	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 2025	1,558,989	1,311,035	32,943	13,079	51,595	281,540	**3,249,181**	168,271
Adjustment to Balance b/fwd*								
Additions	84,440	81,036	2,159	1,404	750	102,564	**272,352**	0
Revaluation increases / (decreases) recognised in Revaluation Reserve	15,271	15,486	0	0	428	0	**31,185**	(910)
Revaluation increases / (decreases) recognised in SoDoPS	(25,699)	(68,137)	0	0	(3,321)	(72,410)	**(169,567)**	0
Derecognise – Disposals	(17,120)	(2,078)	(744)	0	(950)	0	**(20,892)**	0
Derecognise – Other	0	0	0	0	0	0	**0**	0
Assets reclassified (to) / from Held for Sale	0	(1,032)	0	0	(2,570)	0	**(3,602)**	0
Assets reclassified / Other movements in cost or valuation	0	58,204	0	0	12,412	(70,616)	**0**	0
At 31 March 2026	**1,615,880**	**1,394,514**	**34,358**	**14,482**	**58,344**	**241,079**	**3,358,658**	**167,361**
Accumulated depreciation and Impairment								
At 1 April 2025	34	5,280	19,165	0	0	0	**24,479**	1,011
Depreciation charge	25,352	18,226	4,024	0	356	0	**47,958**	1,783
Depreciation written out to the Revaluation Reserve	(25,021)	(21,753)	0	0	(339)	0	**(47,113)**	(2,793)
Depreciation written out to the SoDoPS	0	0	0	0	0	0	**0**	0
Derecognise – Disposals	(278)	0	(792)	0	(17)	0	**(1,086)**	0
Other movements in depreciation and Impairment	0	0	0	0	0	0	**0**	0
At 31 March 2026	**87**	**1,753**	**22,397**	**0**	**0**	**0**	**24,238**	**0**
Net Book Value:								
At 31 March 2025	1558,955	1,305,755	13,778	13,079	51,595	281,540	**3,224,702**	167,260
At 31 March 2026	**1,615,793**	**1,392,761**	**11,961**	**14,482**	**58,344**	**241,079**	**3,334,420**	**167,361**

Movements 2025/26	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**
Assets subject to an Operating Lease	0	416,387	0	34	23,853	0	**440,274**	167,361
Assets not subject to an Operating Lease	1,615,793	976,374	11,961	14,448	34,491	241,079	**2,894,146**	0
At 31 March 2026	**1,615,793**	**1,392,761**	**11,961**	**14,482**	**58,344**	**241,079**	**3,334,420**	**167,361**
Revaluations:								
Historic Cost	0	0	11,961	14,482	0	241,079	**267,522**	0
At 31 March 2026	1,613,771	457,548	0	0	58,344	0	**2,129,663**	0
At 31 March 2025	0	664,090	0	0	0	0	**664,090**	137,171
At 31 March 2024	2,022	171,605	0	0	0	0	**173,627**	0
At 31 March 2023	0	95,359	0	0	0	0	**95,359**	31,100
At 31 March 2022	0	1,385	0	0	0	0	**1,385**	0
Indexation applied to valuations above	0	2,774	0	0	0	0	**2,774**	(910)

Movements 2024/25	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 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	8,425	836	0	0	0	**9,262**	0
Additions	139,248	56,791	1,643	628	759	128,831	**327,899**	0
Revaluation increases / (decreases) recognised in Revaluation Reserve	(62,175)	13,682	0	0	(15,594)	0	**(64,087)**	(678)
Revaluation increases / (decreases) recognised in SoDoPS	(93,429)	(6,967)	0	0	(2,196)	0	**(102,593)**	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	**1,558,989**	**1,311,035**	**32,943**	**13,079**	**51,595**	**281,540**	**3,249,181**	**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	18,413	4,074	0	822	0	**48,549**	1,761
Depreciation written out to the Revaluation Reserve	(12,997)	(16,788)	0	0	(1,656)	0	**(31,441)**	(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**	**5,280**	**19,165**	**0**	**0**	**0**	**24,479**	**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	**1,558,955**	**1,305,755**	**13,778**	**13,079**	**51,595**	**281,540**	**3,224,702**	**167,260**

Movements 2024/25	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**
Assets subject to an Operating Lease	0	413,393	0	34	24,000	0	**437,427**	167,260
Assets not subject to an Operating Lease	1,558,955	892,362	13,778	13,045	27,595	281,540	**2,787,275**	0
At 31 March 2025	**1,558,955**	**1,305,755**	**13,778**	**13,079**	**51,595**	**281,540**	**3,224,702**	**167,260**
Revaluations:								
Historic Cost	0	0	13,778	13,079	0	281,540	**308,397**	0
At 31 March 2025	1,558,955	1,066,885	0	0	51,595	0	**2,677,435**	137,171
At 31 March 2024	0	142,397	0	0	0	0	**142,397**	30,089
At 31 March 2023	0	92,869	0	0	0	0	**92,869**	0
At 31 March 2022	0	42	0	0	0	0	**42**	0
At 31 March 2021	0	2,897	0	0	0	0	**2,897**	0
At 31 March 2020	0	665	0	0	0	0	**665**	0

- The brought forward balances have been adjusted as a result of the mandated transitional arrangements for the adoption of IFRS16 from 1 April 2024. Opening balanced are restated to reflect Right of Use Assets in accordance with the modified retrospective approach outlined by CIPFA. These adjustment are further detailed in Note 15.

<u>Depreciation</u>

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 2025/26 and future years budgeted to cost £128.04m. Similar commitments at 31 March 2025 were £273.7m. The major commitments are:

- Housing Projects - £92.13m
- Transportation Capital Programme - £5.69m
- Schools Capital Programme - £6.04m
- Regeneration projects - £4.43m
- Property - £18.13m
- Other schemes - £1.58m

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 £39.1m (£38.7m at 31 March 2024) of this facility had been drawn down leaving up to £15.6m available for future years.

Non Current Assets – Schools

There were no in-year school academy conversions. (none in 2024/25):

This resulted in the sum of £nil being written out of the Royal Boroughs Balance Sheet (£nil in 2024/25).

Revaluations

The Authority carries out a rolling programme that ensures all Property, Plant and Equipment required to be measured at fair value is revalued every five years, supplemented by annual indexation in the intervening years.

From 1 April 2025, the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requirements changed in respect of revaluations of property, plant and equipment. Where authorities do not have a rolling programme of revaluations in place and/or the assets are not non-property assets subject to indexation, Authorities should revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where authorities cannot obtain indices without undue cost or effort, authorities revalue those assets using a quinquennial revaluation with a desktop revaluation in year three.

Valuations were carried out both 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.

Index	Average Change %	Valuation Change £000
Amenity Land	0	0
Industrial	3.33	1,841
Office	-4.02	-136
Residential	1.82	852
Residential (Brownfield)	-2.95	-10
Retail	0.73%	24
Other indices *	-	202

* For assets valued at DRC, separate indices are applied to land and buildings using the indices listed above

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.

Surplus Assets FV valuation technique	**2024/25** £000	**2025/26** £000
Estimated sales price assuming development potential	29,184	37,025
Estimated sales price by direct comparison	2,720	6,377
Capitalisation of rental value	19,690	14,943
Net Book Value at 31 March	**51,595**	**58,344**

Note 11 – Infrastructure Assets

	2024/25	2025/26
	£000	£000
Net book value (modified historical cost)		
At 1 April	142,424	144,147
Additions	6,886	9,280
Derecognition	0	0
Depreciation	(5,163)	(8,130)
Net Book Value at 31 March	**144,147**	**145,297**

	2024/25	2025/26
	£000	£000
Infrastructure Assets	144,147	145,297
Other PPE assets	3,224,702	3,334,420
Total PPE assets	**3,368,849**	**3,479,717**

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 2026, will continue to be realised through continued use.

Note 12 – 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:

	2024/25	2025/26
	£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:

	2024/25	2025/26
	£000	£000
Balance at start of the year	4,166	4,168
Net Gains/Losses from fair value adjustment	2	(119)
Balance at end of the year	**4,168**	**4,049**

Note 13 – 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:

	2024/25	2025/26
	£000	£000
Balance at start of the year	44,846	51,595
Additions	759	750
Transfers:		
To/from property, plant and equipment	23,780	9,842
Depreciation	(822)	0
Total (losses) included in deficit / surplus on provision of services resulting from changes in the fair value	(2,138)	(3,321)
Total gains / (losses) included in other comprehensive income and expenditure	(14,830)	428
Disposals	0	(950)
Balance at end of the year	**51,595**	**58,344**

Note 14 – Assets Held for Sale

	2024/25	2025/26
	£000	£000
Balance outstanding at start of year	1,189	1,896
Assets newly classified as held for sale – Property, Plant and Equipment	2,011	3,602
Additions	0	4
Revaluation gains	0	968
Revaluation losses	(339)	0
Assets declassified as held for sale – Property, Plant and Equipment	(964)	0
Assets sold	0	(1,593)
Balance outstanding at year-end	**1,896**	**4,877**

Note 15 – 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 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.

	2024/25	2025/26
	£000	£000
Opening Capital Financing Requirement b/f	980,262	1,158,405
Adjustment to balance b/f	(6,983)	0
Opening Capital Financing Requirement	973,438	1,158,405
Capital Investment:		
Property, Plant and Equipment	334,785	280,239
Assets Held For Sale	0	4
Revenue expenditure funded from capital under statute	8,410	9,673
Sources of Finance:		
Capital receipts	(36,584)	(34,505)
Government grants and other contributions	(66,135)	(64,358)
Direct revenue contributions	(43,411)	(35,773)
Movement in Lease Liabilities	(3,075)	(455)
MRP	(8,864)	(9,819)
Closing Capital Financing Requirement	**1,158,405**	**1,303,411**
Assets acquired under finance leases		
Assets Acquired under a finance Lease	0	3,645
Increase in underlying need to borrow (supported by government financial assistance)	(1,868)	(1,868)
Increase in underlying need to borrow (unsupported by government financial assistance)	180,010	143,229
Increase / (decrease) in Capital Financing Requirement	**178,143**	**145,006**

Note 16 – Private Finance Initiatives and Similar Contracts

Part 1 - 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 £14.979m (NRCs) and £17,437m (secondary schools) in 2025/26. The Authority is required to make the following payments to the Providers of these contracts:

	NRCs			Secondary Schools		
Year	Services	Interest	Capital	Services	Interest	Capital
	£000	£000	£000	£000	£000	£000
2026/27	12,838	730	656	8,242	5,114	3,146
2027/28 to 2030/31	51,623	3,551	4,824	33,694	16,546	17,514
2031/32 to 2035/36	49,711	1,071	6,132	40,041	12,459	36,339
2036/37 to 2040/41	0	0	0	3,433	1,006	6,308
Total	**114,172**	**5,352**	**11,612**	**85,410**	**35,125**	**63,307**

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	
Outstanding Liability	2025/26	2026/27	2025/26	2026/27
	£000	£000	£000	£000
Balance outstanding at start of year	12,116	11,611	66,200	63,307
Payments during the year	(505)	(656)	(2,893)	(3,146)
Balance outstanding at year-end	**11,611**	**10,955**	**63,307**	**60,161**

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 2025/26 and applied as a reduction in the interest charge was £0.216m (£0.236m 2024/25). The amounts held as deferred income in respect of this transaction at 31 March 2026 is;

PFI Deferred Income	2025/26	2026/27
	£000	£000
Not later than one year	198	181
Later than one year and not later than five years	637	582
Late than five years	576	450
Total	**1,411**	**1,213**

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 2026, the Authority held £50.786m of S106 liabilities (£41.906m 2024/25). The Council has committed over 80% of these funds to services and projects across the borough.

Note 17 – Leases

Authority as lessee

The authority's lease contracts comprise leases of operational land and buildings, plant and equipment and motor vehicles.

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
Balance at 1 April 2024	15,599	40,794	574	**56,967**
Additions	0	3,116	1,394	**4,510**
Revaluations	349	453	0	**802**
Depreciation and amortisation	0	(354)	(263)	**(617)**
Disposals	0	0	(187)	**(187)**
Balance at 31 March 2025	**15,948**	**44,009**	**1,518**	**61,475**

Transactions under leases

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

Comprehensive income and expenditure statement	2024/25	2025/26
	£000	£000
Interest expense on lease liabilities	7,484	7,530
Expense relating to short term leases	216	323
Expenses relating to low-value items	2	2
Income from sub-letting right of use assets	(641)	(634)
Cashflow statement		
Minimum lease payments	3,635	4,100

Maturity analysis of lease liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments). There is no exposure to any further cash outflows, such as variable lease payments and residual value guarantees.

	2024/25	2025/26
	£000	£000
Less than one year	1,493	1,116
One to five years	3,430	4,286
More than five years	34,301	35,698
Total undiscounted liabilities	**39,225**	**41,099**

Authority as lessor

The authority leases out property under operating leases for the following purposes:
- for the provision of community services including sport and leisure facilities, community centres, nurseries and culture
- for economic development purposes to provide suitable affordable retail and industrial premises.

Transactions under leases

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

	2024/25	2025/26
	£000	£000
Finance Leases		
Finance income on the net investment in the lease	0	0
Operating Leases		
Total lease income	6,743	6,842

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.

	2024/25	2025/26
	£000	£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). All lease payments are fixed and predetermined under the contractual terms of the agreements. There are no variable lease payment components linked to performance, usage, or any other contingent factors.

	Finance leases		Operating Leases	
	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000
Less than one year	75	75	5,203	4,925
One to two years	75	75	4,073	4,361
Two to three years	75	75	3,186	3,245
Three to four years	75	75	2,636	2,743
Four to five years	75	75	2,193	2,361
More than five years	7,256	7,182	26,699	25,994
Total undiscounted receivables	**7,631**	**7,557**	**43,990**	**43,629**

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

	2024/25	2025/26
	£000	£000
Total undiscounted lease receivables	7,631	7,557
Unearned finance income	(7,323)	(7,249)
Net investment in leases	**308**	**308**

The following tables note the movement in valuations where assets are subject to operating leases. These are shops, schools, care homes and industrial units held for economic development, community and regeneration purposes.

Movements 2025/26	Other Land and Buildings	Community Assets	Surplus assets	Total Property Plant and Equipment
Gross Carrying Amount at 31 March 2026	421,205	34	24,000	445,239
Transfers / Newly Recognised	3,069	-	-	3,069
Gross Carrying Amount at 31 March 2026	**424,274**	**34**	**24,000**	**448,308**
Depreciation and Impairment at 1 April 2025	(3,440)	-	-	(3,440)
Depreciation Charge	(6,028)	-	(104)	(6,132)
Additions	4,371	-	18	4,389
Revaluation Increase / (Decrease)	(6,877)	-	(164)	(7,041)
Other Adjustments	5,097	-	103	5,200
Depreciation Carried Forward	(1,010)	-	-	(1,010)
NBV at 31 March 2026	**416,387**	**34**	**23,853**	**440,274**

Movements 2024/25	Other Land and Buildings	Community Assets	Surplus assets	Total Property Plant and Equipment
Gross Carrying Amount at 31 March 2025	425,694	34	16,974	442,702
Transfers / Newly Recognised	(16,075)	-	16,075	0
Gross Carrying Amount at 31 March 2025	**409,619**	**34**	**33,049**	**442,702**
Depreciation and Impairment at 1 April 2024	(1,643)	-	(832)	(2,475)
Depreciation Charge	(6,035)		(227)	(6,262)
Additions	1,543	-	321	1,864
Revaluation Increase / (Decrease)	5,672	-	(9,371)	(3,699)
Other Adjustments	7,677	-	1,060	8,737
Depreciation Carried Forward	(3,440)	-	-	(3,440)
NBV at 31 March 2025	**413,393**	**34**	**24,000**	**437,427**

Note 18 - Financial Instruments

Categories of Financial Instruments

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

	Carrying Value			
	Long Term		Short Term	
	2024/25	2025/26	2024/25	2025/26
	£000		£000	£000
Investments*				
Amortised Cost	39,813	39,543	659	639
Debtors**				
Amortised Cost	3,264	3,015	73,329	107,099
Cash and Cash Equivalents	0	0	26,836	50,742
Total Financial Assets	**43,077**	**42,558**	**100,824**	**158,480**
Borrowings				
Financial Liabilities at amortised cost	(673,854)	(628,501)	(64,080)	(111,920)
Other Long Term Liabilities				
PFI and Finance Lease Liabilities	(83,806)	(84,447)	(4,177)	(4,211)
Creditors***				
Amortised Cost	0	0	(88,590)	(87,672)
Cash Overdrawn	0	0	(709)	(664)
Total Financial Liabilities	**(757,660)**	**(712,948)**	**(157,556)**	**(204,467)**

* Long Term Investment includes £37.290m (2024/25 £37.459m) held with Meridian Home Start.
** The figure for short-term debtors (net of bad debts provision) excludes prepayments of £6.631m (2024/25 £6.300m) and also excludes Collection Fund, NNDR and Government entries of -£1.809m (2024/25 £30.032m). The figure for long-term debtors excludes Collection Fund entries of £2.000m (2024/25 £1.978m)
*** The figure for creditors excludes prepaid income of £9.577m (2024/25 £8.774m) and also excludes Collection Fund and Government entries of £37.294m (2024/25 £50.756m)

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	2024/25			2025/26		
	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	(30,218)	0	0	(41,777)	0	0
Interest Income	0	2,176	0	0	1,770	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.

The fair value of the financial assets carried at fair value (described below), 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 assumptions:

- 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 premature 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 £771m (24/25 £601m), LOBO £28.7m & Fixed rate loans £35.8m (24/25 £35.5m & £38m) and Other Loans £8.4m (24/25 £8.6m). The PFI liabilities using the new adoption of IFRS16 rate would be £88.7m (24/25 £89.1m). 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		31 March 2025		31 March 2026	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Held at Amortised Cost	Fair Value Level	£000	£000	£000	£000
PFI/ Finance Lease	2	(87,983)	(87,983)	(88,658)	((771,230)
PWLB	2	(630,216)	(600,792)	(812,309)	(771,230)
LOBO*	2	(97,698)*	(73,082)	(92,677)	(64,546)
Other Loans	2	(10,021)	(7,886)	(10,468)	(8,448)
Overdrawn	N/A	(709)	(709)	(664)	(664)
Short Term Creditors	N/A	(88,590)	(88,590)	(87,672)	(87,672)

*includes £52.5m of fixed rate loans

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 2026) arising from a commitment to pay interest to lenders lower than current market rates.

Assets		31 March 2025		31 March 2026	
	Fair Value Level	Carrying Amount	Fair Value	Carrying Amount	Fair Value
		£000	£000	£000	£000
Financial assets held at amortised cost:					
Investment	2	40,472	39,815	40182	39,538
Cash and cash equivalents	1	26,836	26,836	50,742	50,742
Short Term Debtors	N/A	73,329	73,329	107,099	107,099
Long Term Debtors	N/A	3,264	3,264	3,015	3,015

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 19 - 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.

<u>Overall Procedures for Managing Risk</u>

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 2026.

<u>Credit Risk</u>

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 2026 the Council's investment assets with a value of £40.19m had a calculated ECL of £0.028m; 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	2024/25	2025/26
	£'000	£'000
Less than three months	16,803	19,710
Three to six months	5,541	6,233
Six to one year	9,341	8,009
More than one year	21,417	23,876
Total	**53,103**	**57,827**

A summary of the credit quality of the Council's investments at 31 March 2026 is shown below:

31/03/2025 £'000				31/03/2026 £'000	
Amortised Cost			Fitch Ratings	Amortised Cost	
Long-Term	Short-Term			Long-Term	Short-Term
0	6,419	Debt Management Office	N/A	0	0
36,914	544	Housing	N/A	36,758	529
224	11	Sports Clubs	N/A	213	11
300	100	Credit Union	N/A	200	100
1,847	2	Leisure	N/A	1,844	2
528	0	Other Entities	N/A	528	0
39,814	**7,076**	**Sub-total**		**39,543**	**643**
	46,890	**Total**			**40,186**

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% (2024/25: 0.96% - 8.13%). The principal maturity analysis of financial liabilities is as follows:

2024/25 £'000					2025/26 £'000			
PWLB	LOBO/Fixed*	Others	Total		PWLB	LOBO/Fixed*	Others	Total
40,000	-	712	40,712	Less than one year	103,443	-	956	104,399
46,910	-	716	47,626	Between one and two years	101,533	-	971	102,504
204,092	-	2,176	206,268	Between two and five years	274,207	-	2,735	276,942
100,729	-	3,692	104,421	Maturing in five to ten years	126,679	-	3,853	130,532
234,176	97,000	2,697	333,873	Maturing in more than ten years	199,628	92,000	1,927	293,555
625,907	**97,000**	**9,993**	**732,900**		**805,490**	**92,000**	**10,442**	**907,932**

* 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 £39.5m 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 £8.82m remaining for our street lighting capital program with a preferential rate of 0.96% and a Greenwich Green loan for £1.62m at a rate of 4%, whilst the remaining £805.5m 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 2026, 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 2026, £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 of 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 2026 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 20 - 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 21.

Scheme	Year ending 31 March 2025		Year ending 31 March 2026	
	Contributions Paid	Percentage of pensionable pay	Contributions paid	Percentage of pensionable pay
	£000	%	£000	%
Teacher's Pensions	20,138	28.68	20,821	28.68
NHS Pension scheme	75	14.38	58	14.38
Total	**20,213**	**-**	**20,879**	**-**

**Total contributions paid into the Teachers' Pension Scheme in 2025/26 was £28.298m (£27.064m in 2024/25).*

The estimated employer contributions for the NHS Pension Scheme for 2026/27 are £0.060m and for the Teachers' Pension Scheme the estimated 2026/27 employer contributions are £21.622m.

Note 21 - 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

	2024/25	2025/26		
	Total	RBG	LPFA	Total
	£000	£000	£000	£000
Comprehensive I&E Statement				
Cost of Services				
Current service cost including admin expenses	33,122	26,566	177	26,743
Settlements and curtailments	1,553	1,475	93	1,568
Past Service Cost (Mc Cloud Impact)	0	0	0	-
Financing and Investment Income and Expenditure				
Net interest expense	(1,004)	340	14	354
Total Post Employment Benefit Charged to SDPS	33,671	28,381	230	28,665
Other Post Employment benefit Charged to the OCI				
Re-measurement of the net defined benefit liability comprising:				
Return on plan assets	12,072	(107,197)	1,411	(105,786)
Actuarial (gains) or losses arising on changes in demographic	(4,312)	28,087	749	28,836
Actuarial (gains) or losses arising on changes in financial	(204,418)	(58,390)	(991)	(59,381)
Experience gain/loss	(3,788)	145,879	2,405	148,274
Other Actuarial (gains) or losses	-	-	-	-
Change in the effect of the asset ceiling	164,343	16,610	(5,745)	10,865
Total Post Employment Benefit Charged to OCI	**(36,103)**	**24,989**	**(370)**	**24,619**
Movement in Reserves Statement				
Reversal of net charges made to SDPS for post- employment	(33,671)	(28,381)	(284)	(33,671)
Actual amount charged against the General Fund Balance for				
Employer's contributions payable to the scheme	37,873	41,101	142	41,243
Retirement benefits payable to pensioners	3,702	2,728	146	2,874
Total Movement in Reserves Statement	**41,575**	**43,829**	**288**	**44,117**

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 it defined benefits plans is as follows:

	LGPS			
	2024/25	2025/26		
	Total	RBG	LPFA	Total
	£000	£000	£000	£000
Present value of defined benefit obligation	(1,419,466)	(1,479,448)	(50,716)	(1,530,164)
Fair value of plan assets	1,628,373	1,666,939	95,816	1,762,755
Subtotal	208,907	187,491	45,100	232,591
Present value of defined benefit obligation (unfunded)	(18,720)	(23,306)	(1,486)	(24,792)
Other movements in liability/(assets) – asset ceiling	(42,935)	(187,491)	(44,799)	(232,290)
Net liability arising from Defined Benefit Obligation	**(38,334)**	**(23,306)**	**(1,185)**	**(24,491)**

As at 31 March 2026 RBG had a funding surplus i.e. an asset of £187.491m (24/25 deficit of £160.925m), and the LPFA had a funding surplus of £45.100m (23/24 surplus of £47.982m).

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	2024/25	2025/26
	£000	£000
Opening impact of asset ceiling	-	161,519
Interest on impact in asset ceiling		9,362
Actuarial (losses)/ gains	161,519	16,610
Closing impact of asset ceiling	161,519	187,491

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

Reconciliation of asset ceiling	2024/25	2025/26
	£000	£000
Opening impact of asset ceiling	42,935	47,841
Interest on impact in asset ceiling	2,082	2,703
Actuarial losses/ (gains)	2,824	(5,745)
Closing impact of asset ceiling	47,841	44,799

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.

	Local Government Pension Scheme*			
	2024/25	2025/26		
	Total	RBG	LPFA	Total
	£000	£000	£000	£000
Opening balance 1 April	1,582,703	1,530,321	98,052	1,628,373
Adjustment to opening Balance	277	0	0	0
Interest on scheme assets	80,954	88,434	5,418	93,852
Re-measurement gain/ loss:				
Return on assets less interest	(12,072)	107,197	(1,411)	105,786
Other	0	(47,681)	(1,801)	(49,482)
Administration expenses	(1,370)	0	(91)	(91)
Employer contributions	41,575	43,829	288	44,117
Contributions by scheme participants	14,998	15,298	32	15,330
Benefits paid	(78,692)	(70,459)	(4,671)	(75,130)
Settlements	0	0	0	0
Closing balance 31 March	**1,628,373**	**1,666,939**	**95,816**	**1,762,755**

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

	LGPS (Funded)				Discretionary (Unfunded)			
	2024/25*	2025/26			2024/25	2025/26		
	Total	RBG	LPFA	Total	Total	RBG	LPFA	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Opening balance 1 April	(1,576,265)	(1,369,396)	(50,070)	(1,419,466)	(18,720)	(13,171)	(1,837)	(18,720)
Adjustment to opening	(4,342)	0	0	0	(49)	0	-	(49)
Current service cost	(31,752)	(26,566)	(86)	(26,652)	-	(686)	(92)	(778)
Interest cost	(77,002)	(78,726)	(2,637)	(81,363)	(866)	(781)	(85)	(866)
Contributions by	(14,998)	(15,298)	(32)	(15,330)	-	-	-	-
Remeasurement gains	-	-	-	-	-	-	-	-
Change in demographic	4,259	(27,711)	(724)	(28,435)	53	48	5	53
Change in financial	203,551	58,099	970	59,069	867	841	26	867
Experience loss/(gain) on defined benefit obligation	3,746	(86,105)	(2,569)	(88,674)	42	37	5	42
Benefits paid	74,890	67,731	4,525	72,256	-	-	-	-
Unfunded Pension	-	-	-	-	3,802	3,616	186	3,802
Settlements	-	-	-	-	-	-	-	-
Past service costs	(1,553)	(1,475)	(93)	(1,553)	-	-	-	-
Closing balance 31	**(1,419,466)**	**(1,479,477)**	**(50,716)**	**(1,419,466)**	**(14,871)**	**(13,171)**	**(1,700)**	**(14,871)**

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.

On 5 June 2025 the Government pledged to introduce legislation to enable affected schemes to retrospectively gain written actuarial confirmation that historic benefit changes met the required standards at the time. On 1 September 2025, the Government made amendments to the Pension Scheme Bill to provide for retrospective validation of specific pension scheme rule changes.

The current impact on The Royal Borough of Greenwich Pension Fund is currently unknown. In the absence of legislation to clarify the retrospective validation of amendments, there is currently no accounting obligation on LGPS Funds in relation to recognition of any possible contingent liabilities. There is currently no formal indication that the any future legislation will apply to the LGPS. The Scheme Advisory Board (SAB) has requested clarification on this matter. The Fund therefore holds the position that a contingent liability disclosure is not currently required however the Fund will continue to monitor developments and assess any potential impact on liabilities.

Local Government Pension Scheme AssetsThe 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	2024/25			2025/26		
	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
UK and Overseas Unit Trusts	-			-		-
Unitised insurance policies	-	-	-	-		
Equity	-	683,478	683,478	-	788,711	788,711
Bonds	-	-	-	-	-	-
Fixed Income	-	415,416	415,416	-	412,784	412,784
Property	-	-	-	-	-	-
Property- Unit trust	-	131,213	131,213	-	141,252	141,252
Multi Asset	-	-	-	-	-	-
Absolute Return	-	88,634	88,634	-	93,123	93,123
Infrastructure	-	25,936	25,936	-	28,605	28,605
Private Debt	-	62,120	62,120	-	88,902	88,902
Diversified Alternative	-	70,168	70,168	-	51,461	51,461
Private equity	-	652	652	-	607	607
Property-Freehold	-	5,722	5,722	-	18,414	18,414
Cash/other investment balance	-	46,982	46,982	-	43,101	43,101
Closing balance 31 March	**-**	**1,530,321**	**1,530,321**	**-**	**1,666,960**	**1,666,960**

LPFA	2024/25			2025/26		
	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	57,832	-	57,832	51,258	-	51,258
Property	-	8,936	8,936	-	9,879	9,879
Infrastructure	-	11,184	11,184	-	11,257	11,257
Target Return Portfolio	17,807	-	17,807	20,190	-	20,190
Cash	-	2,293	2,293	-	3,232	3,232
Closing balance 31 March	**75,639**	**22,413**	**98,052**	**71,448**	**24,368**	**95,816**

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	
	2024/25	2025/26	2024/25	2025/26
Mortality assumptions (yrs)				
Longevity at 65 for current pensioners				
Men	19.2	21.5	20.6	21.2
Women	22.7	24.1	23.1	24.1
Longevity at 65 for future pensioners				
Men	20.6	22.4	20.9	21.4
Women	24.2	25.4	25.2	26.0
Other assumptions (%)				
Rate of inflation (CPI)	2.90	3.0	2.90	2.85
Rate of increase in salaries	3.90	4.0	3.90	3.85
Rate of increase in pensions	2.90	3.0	2.90	2.85
Rate for discounting scheme liabilities*	5.80	6.20	5.65	5.85

*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 2024/25 and 2025/26 for the RBG and the LPFA schemes. The RBG discount rate increased by 0.40% and the LPFA discount rate increased by 0.20%. Had the discount rate remained at 2024/25 levels, the defined benefits obligation for RBG would have increased by £87.160m and LPFA would have increased by £2.9m.

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	(21,964)	(433)	(22,397)	21,746	441	22,187
Rate of increase in salaries (increase or decrease by 0.1 %)	938	9	947	(950)	(8)	(958)
Rate of increase in pensions (increase or decrease by 0.1	20,789	457	21,246	(21,015)	(354)	(21,369)
Longevity (increase or decrease in 1 year)	60,110	3,418	63,258	(60,110)	(2,958)	(63,068)

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 £124.491m (2024/25: £15.324m) has a substantial impact on the net worth of the Authority as recorded in the Balance Sheet resulting in an overall balance of £2.478bn (2024/25: £2.514bn). However, statutory arrangements for funding the deficit mean that the financial position of the Authority remains healthy:

- The deficit recognised in respect of unfunded discretionary benefits. These benefits are not funded through employer contribution rates and are instead met by the Authority on a pay as you go basis as the liabilities fall due

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 2025, 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 2027 are £29.368m. The weighted average duration of the defined benefit obligation for RBG scheme members is 20 years and LPFA scheme members 12 years.

Note 22 - Short Term Debtors

	31-Mar-25	31-Mar-26
	£000	£000
HMRC – VAT	15,381	12,274
Other Central government bodies	3,774	1,601
Other local authorities	12,945	22,427
NHS bodies	10,785	7,919
Council Tax Arrears	8,220	10,011
Council Tax Court Cost	1,160	1,172
Housing Benefit Overpayment Debt	1,853	1,198
Housing Rents	2,338	3,822
Business Rates Arrears	1,014	585
Sundry Debtors	25,320	25,351
Prepayments	7,953	6,631
Other	18,917	18,929
Total	**109,661**	**111,921**

Debtors are shown net of bad debts provision of £84.391m at 31st March 2026 and £77.990m at 31st March 2025.

Debtors for Local Taxation

Aged Taxation Arrears	Council Tax		Business Rates	
	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000
Not later than one year	3,871	5,133	523	332
Later than one year and not later than five years	4,287	4,464	471	242
Later than five years	62	414	20	10
Total	**8,220**	**10,011**	**1,014**	**585**

Council Tax debtors are shown net of expected credit loss provision of £34.579m at 31st March 2026 and Business Rates debtors are shown net of expected credit loss provision of £2.120m at 31st March 2026.

Note 23 - Short Term Creditors

	31-Mar-25	31-Mar-26
	£000	£000
Central government bodies	(11,133)	(6,123)
MHCLG - Business Rate Prepayments	(2,274)	(2,457)
HMRC – PAYE & N.I.	(7,154)	(8,351)
Other local authorities	(10,270)	(4,737)
GLA – Business Rate Prepayments	(2,630)	(2,755)
NHS bodies	(4,272)	(4,785)
Accumulated Absences Account	(9,934)	(9,236)
HRA Prepayments	(7,410)	(7,637)
RBG Council Tax Prepayments	(6,858)	(7,540)
RBG Business Rates Prepayments	(1,844)	(2,234)
Other Prepayments	(1,086)	(1,184)
Other entities and individuals	(82,902)	(77,505)
Total	**(147,768)**	**(134,543)**

Note 24 – Provisions

	1 April 2025	Amounts Used/ Reversed	Additional Provisions	31 March 2026
	£000	£000	£000	£000
Insurance	(5,500)	0	0	(5,500)
Business Rates Appeals	(2,459)	2,159	0	(300)
Other	(1,732)	1,385	(103)	(450)
Total (Long Term)	**(9,691)**	**3,544**	**(103)**	**(6,250)**

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 25 - Agency Services

Mayoral Community Infrastructure Levy (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 can retain up to 4% for administration and collection purposes. During 2025/26 £0.057m was recognised as admin fee income (£0.059m 2024/25) and as at 31 March 2026 £0.572m was collected but not paid over on behalf of Transport for London (£0.288m in 2024/25).

	2024/25	2025/26
	£000	£000
Balance at start of the year	1,013	288
Contributions	822	1,983
Recognised administration fee	(59)	(57)
Transfers to TfL	(1,487)	(1,642)
Balance at end of the year	**288**	**572**

Council Tax and NDR

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

Note 26 - 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.

Total 2024/25		Central Expenditure	Individual Schools Budget	Total 2025/26
£000		£000	£000	£000
402,440	Final DSG for 2025/26 before academy and high needs recoupment			442,255
143,484	Academy and high needs figure recouped for 2025/26			156,461
258,956	**Total DSG after academy and high needs recoupment for**			**285,784**
832	Plus: Brought Forward from 2024/25			0
0	Less: Carry-forward to 2026/27 agreed in advance			0
259,788	**Agreed initial budgeted distribution in 2025/26**	**72,543**	**213,240**	**285,784**
(555)	In year adjustments	0	(608)	(608)
259,233	**Final Budget distribution for 2025/26**	**72,543**	**212,632**	**285,175**
81,530	Less: Actual central expenditure	91,138		91,138
186,620	Less: Actual ISB deployed to schools		212,117	212,117
0	Plus: Local authority contribution for 2025/26	0	0	0
(8,916)	**In year Carry-forward to 2025/26**	**(18,595)**	**516**	**(18,079)**
0	Plus: Carry forward to 2026/27 agreed in advance			0
0	Carry forward to 2026/27			0
0	DSG Unusable Reserve at the end of 2024/25			(8,916)
(8,916)	Addition to DSG Unusable Reserve at the end of 2025/26			(18,079)
(8,916)	Total of DSG Unusable Reserve at the end of 2025/26			(26,995)
(8,916)	**Net DSG Position at the end of 2025/26**	**0**	**0**	**(26,995)**

The total amount of individual school reserve balances at 31 March 2026 was £2.434m (£5.978m at 31 March 2025).

Note 27 - 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	2024/25	2025/26
	£000	£000
Funding provided to the pooled budget by		
the Authority	(2,714)	(2,802)
the Trust	(40,461)	(43,316)
Sub Total	**(43,174)**	**(46,119)**
Expenditure met from the pooled budget by		
the Authority	2,706	2,797
the Trust	40,621	44,021
Sub Total	**43,327**	**46,817**
Net (surplus) / deficit arising on the pooled budget during the year	**153**	**699**

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 £37.049m (incl. DFG & Discharge funds).

Better Care Fund	2024/25	2025/26
	£000	£000
Pooled Budget Funding		
the Authority	(21,548)	(22,347)
the Greenwich CCG	(14,688)	(14,702)
Sub Total	**(36,236)**	**(37,049)**
Expenditure incurred from pooled budget		
the Authority	20,839	22,098
the Greenwich CCG	14,688	14,702
Sub Total	35,527	36,800
Net (surplus) / deficit arising on the pooled budget during the year	**(709)**	**(249)**

Note 28 – Cash Flows from Operating Activities

The cash flows for operating activities include the following items:

2024/25		2025/26
£000		£000
2,522	Interest received	2,569
(28,968)	Interest paid	(39,506)

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

2024/25		2025/26
£000		£000
44,331	Depreciation	56,157
99,278	Impairment and downward valuations	140,900
4,949	Increase / (decrease) in creditors	(13,283)
(25,160)	(Increase) / decrease in debtors	(2,260)
670	(Increase) / decrease in inventories	599
(2,045)	Increase / (decrease) in receipts in advance	0
(7,643)	Movement in pension liability	(15,452)
5,454	Increase / (decrease) in bad debt provision	0
(2,684)	Increase / (decrease) in other provisions	0
7,421	Carrying amount of non-current assets and non-current assets held	21,370
0	Other non-cash items charged to the net surplus or deficit	(3,441)
124,571		**184,590**

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

2024/25		2025/26
£000		£000
(19,957)	Proceeds from the sale of property, plant and equipment, investment property and	(46,870)
(53,059)	Capital Grants credited to surplus or deficit on the provision of services	(54,910)
0	Proceeds from short-term and long-term investments	206
(73,016)		**(101,574)**

Note 29 – Cash Flows from Investing Activities

2024/25		2025/26
£000		£000
(336,817)	Purchase of property, plant and equipment, investment property and intangible assets	(281,632)
19,957	Proceeds from the sale of property, plant and equipment, investment property and	46,870
(700)	Purchase of short-term and long-term investments	(228)
677	Proceeds from short-term and long-term investments	0
44,845	Other receipts from investing activities	55,137
(272,038)	**Net cash flows from investing activities**	**(179,853)**

Note 30 – Cash Flows from Financing Activities

2024/25		2025/26
£000		£000
305,562	Cash receipts of short- and long-term borrowing	236,277
(4,364)	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance	0
(36,608)	Repayments of short-term and long-term borrowing	(61,443)
16,558	Other receipts from financing activities	5,326
281,147	**Net cash flows from financing activities**	**180,160**

Note 31 - Reconciliation of Liabilities Arising from Financing Activities

2025/26	1 April	Financing Cash flows	Other non-cash changes	31 March
	£000	£000	£000	£000
Long-term borrowings	673,854	230,449	(100,770)	803,533
Short-term borrowings	64,080	(55,417)	103,257	111,920
Lease liabilities	9,126	(702)	5,315	13,739
On balance sheet PFI liabilities	78,856	(3,936)	0	74,919
Total liabilities from *financing activities*	**825,915**	**170,394**	**7,802**	**1,004,111**

2024/25	1 April	Financing Cash flows	Other non-cash changes	31 March
	£000	£000	£000	£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**

Note 32 – Cash and Cash Equivalents

2024/25		2025/26
£000		£000
26,836	Cash and bank balances	50,742
(709)	Bank overdraft	(664)
26,126	**Total cash and cash equivalents**	**50,078**

Note 33 - 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:

	2024/25	2025/26
	£000	£000
Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	516	530
Fees payable to external auditors for the certification of grant claims and audit services carried out by the appointed auditor prior to 24/25	102	60
Total	**618**	**590**

Note 34 - Related Parties

The Authority is required to disclose material transactions with related parties, bodies or individuals that have the potential to control or influence the Authority or to be controlled or influenced by the Authority. Disclosure of these transactions allows readers to assess the extent to which the Authority might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Authority. 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 has a partner in the role of Executive Director at the London & Quadrant Housing Association. An amount of £119,476.55 was paid to the organisation from the Authority during the year, (£42,976.75 paid in 2024/25).
- C Haley, an employee of the Authority has a partner at HTA Design LLP, £43,750 was paid to the company during the year, (£54,250 in 2024/2025).
- T Dorling, an employee of the Authority, is Board of Director of D G Cities Limited and Director and CEO of DG Connect Ltd. a joint venture company in which DG Cities Ltd (a council owned company) has 50% ownership. Please 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
- 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.

Members

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 £1,286,882 during the year (£1,211,052 paid in 2024/25). In addition to the above, in 2025/26 the Greenwich and Bexley Credit Union repaid the Authority £100,000. In 2024/25 the Greenwich and Bexley Credit Union also repaid the Authority £100,000 of a £500,000 loan which was provided in 2019/20, leaving £300,000 outstanding balance as at 31/03/2026.

- Councillor L Bird is chair of board of Directors of East Greenwich Bridge Community Interest Company (CIC), an amount of £38,931 was paid to the organisation during the year (£29,941 2024/2025).
- Councillor J Ranabhat's partner is chair of Greenwich Mummies Forum, for which an amount of £3,299 was paid to the organisation from RBG in 2025/26 (£2,990 in 2024/25)
- Councillor R Tester, owner of RMT Electrical Services, £12,995 was paid the organisation in 2025/2026, no transaction recorded in 2024/2025.

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:

2024/25					2025/26		
Payments	**Receipts**	**Monies Owed at Year End**	**Organisation**	**Councillor(s)**	**Payments**	**Receipts**	**Monies Owed at Year End**
91,385	15,289	0	Charlton Triangle Homes	• Councillor L Saldin (Member)	91,385	0	0
See note below	See note below	See note below	Royal Borough of Greenwich Destination Management Company	• Councillor J van den Broek (Member)	See note below	See note below	See note below
See note below	See note below	See note below	Digital Greenwich 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)	See note below	See note below	See note below

2024/25 Payments	2024/25 Receipts	2024/25 Monies Owed at Year End	Organisation	Councillor(s)	2025/26 Payments	2025/26 Receipts	2025/26 Monies Owed at Year End
				• Councillor M Williams (Member)			
0	0	0	Eltham United Charities	• Councillor L Bird (Member)		3,120	0
331,000	410	0	Greenwich & Docklands International Festival	• Councillor G Dillon (Member)	162,727	826	139,650
957,898	158,438	9,470	Greenwich Development Corporation	• Councillor J Fahy (Board Member/ interim chair) • Councillor S Thomas (Member)	1,005,809	48,189	28,083
204,450	0	0	Greenwich Housing Rights	• Councillor C Burke-McDonald (Member)	208,058	0	0
0	665,610	0	Greenwich Millennium Village Management Ltd	• Councillor D Scott MacDonald (Deputy) • Councillor D Gardner (Member)	1,550	989,174	0
See note below	See note below	See note below	Greenwich Services Plus	• Councillor I Cooke (Member) • Councillor C Burke-McDonald (NED)	See note below	See note below	See note below
0	295	0	Greenwich Theatre Board	• Councillor M R Cottell (Member)	1,098	5,456	0
25,370	0	0	Greenwich Winter Night Shelter	• Councillor L Saldin (Trustee)	26,400	0	0
223,850	0	0	Lee Valley Regional Park Authority	• Councillor D Gardner (Member)	0	0	0
46,421	0	0	LGA General Assembly	• Councillor A Okereke (Member) • Councillor L Olugbemi (Member)	42,556	0	0

2024/25					2025/26		
Payments	**Receipts**	**Monies Owed at Year End**	**Organisation**	**Councillor(s)**	**Payments**	**Receipts**	**Monies Owed at Year End**
				• Councillor O McGahey (Member)			
0	0	27,256	Local Government Information Unit	• Councillor A Smith (Member) • Councillor D Gardner (Member)	56,457	0	27,256
93,561	485,605	94,924	London Councils	• Councillor A Okereke (Member) • Councillor A Khaireh (Member) • Councillor D Gardner (Member) • Councillor D Hyland (Member)	975,152	45,642	40,219
0	0	0	Long Lane Football Club	• Councillor O McGahey (Member)	4,900	0	4,900
89,298	0	0	Middle Park Community Centre	• Councillor R Taggart-Ryan (Member) Councillor C May (Member)	86,489	0	0
682	0	0	New Charlton Community Centre	• Councillor A Mohammed (Member)	0	0	0
9,928,182	1,989,448	2,601,594	Oxleas Foundation	• Councillor D Scott MacDonald (Member)	12,405,536	1,988,674	1,522,520
19,013	0	0	Plumstead Alms Houses	• Councillor J Ranabhat (Member) • Councillor P Slattery (Trustee)	19,043	0	308
0	0	0	Plumstead Make Merry	• Councillor I Cooke (Member)	14,000	0	0
See note below	See note below	See note below	Royal Greenwich Heritage Trust (RGHT)	• Councillor J Van den Broek (Member) • Councillor L Saldin (Trustee)	See note below	See note below	See note below
54,674	2,233	0	Roots for Life	• Councillor D Gardner (Trustee)	0	2,377	0

2024/25					2025/26		
Payments	**Receipts**	**Monies Owed at Year End**	**Organisation**	**Councillor(s)**	**Payments**	**Receipts**	**Monies Owed at Year End**
39,046	0	0	Samuel Montague Youth Centre	• Councillor O McGahey (Trustee)	7,359	0	0
9,535,996	0	0	Southeast London Combined Heat and Power Company (SELCHP)	• Councillor A Smith (Member) • Councillor A Cousen (Member)	9,398,669	0	0
209,818	180	6,378	Tramshed Arts	• Councillor J Smith (Member)	304,423	180	50,525
134,150	2,921	0	Woolwich Creative District Trust (Woolwich Works)	• Councillor D Sullivan (Member) • Councillor M Williams (Member) • Councillor J Smith (Member)	85,000	21,407	0

Other Public Bodies

The Authority has entered into a pooled budget agreement with Oxleas NHS Foundation Trust as outlined in Note 27.

Eltham Crematorium

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

Eltham Crematorium Transactions	2024/25	2025/26
	£000	£000
Amounts held in Royal Borough of Greenwich bank account	1,525	852
Annual Support Service Cost	906	806
Surplus Distribution	203	202

Pension Fund

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

Pension Fund Transactions	2024/25	2025/26
	£000	£000
Annual Support Service Cost	1,388	1,473
Employer Contributions into the Fund	37,674	40,323

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, 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

2024/25				Transactions	2025/26			
Payments	Creditor	Receipts	Debtor		Payments	Creditor	Receipts	Debtor
£000	£000	£000	£000		(0)	0	0	0
(0)	0	0	0	Greenwich Services Solution	(24,552)	(4,408)	920	4,183
(21,383)	(4,960)	1,889	3,297	Greenwich Services Plus	(465)	(92)	0	0
(291)	(250)	0	0	Digital Greenwich CITIES	(369)	(0)	0	0
(186)	(165)	3	0	Royal Borough of Greenwich Destination Management Company	(566)	(0)	38	0
(439)	(2)	40	0	Royal Greenwich Heritage Trust				

Note 35 - Members' Allowances

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

	2024/25	2025/26
	£	£
Allowances	1,068,930	1,112,711

Note 36 - Officers' Remuneration

Senior Employees

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

Post Title	Name	Year	Salary, Fees and Allowances	Compens'n for loss of office	Pension Contributions	Totals
			£	£	£	£
Chief Executive	D Warren	2025/26	232,353		42,985	275,338
		2024/25	225,148		41,652	266,800
Director of Health and Adult's Services*	S McClinton	2025/26	0		0	0
		2024/25	159,149		29,518	188,667
Director of Health and Adult's Services**	N Davies	2025/26	177,822		32,897	210,719
		2024/25	42,614		2,429	45,043
Director of Children's Services	F Kroll	2025/26	181,861		33,644	215,506
		2024/25	178,179		32,963	211,142
Director of Place and Growth***	A Evans	2025/26	200,450		0	200,450
	P Hack	2024/25	188,772	89,090	32,963	310,825
Director of Resources (Section 151 Officer)	D Cook	2025/26	183,881		34,018	217,899
		2024/25	178,179		32,963	211,142

Post Title	Name	Year	Salary, Fees and Allowances	Compens'n for loss of office	Pension Contributions	Totals
Director of Communities, Environment and Central	M Bakalovic	2025/26	183,881		34,018	217,899
		2024/25	178,179		32,963	211,142
Director of Housing and Safer Communities	J Carswell	2025/26	196,489		36,350	232,839
		2024/25	176,077		32,574	208,651
Director of Legal and Democratic Services	A Onuorah	2025/26	153,586		28,413	181,999
		2024/25	148,823		27,532	176,355
Assistant Chief Executive (Acting Up)		2025/26	111,552		21,074	132,626
		2024/25	105,047		19,434	124,481
Assistant Chief Executive (Secondment)		2025/26	71,738		13,272	85,010
		2024/25	69,083		12,780	81,863

* Postholder last day of service 07/01/25
** Postholder acted up into role from 02/01/25 in 2024/25 and took the permanent role as at 01/05/25
*** In 2025/26 this post has been occupied by an Interim Consultant

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:

2024/25 Corporate	2024/25 **Schools**	Remuneration Band	2025/26 **Corporate**	2025/26 **Schools**
342*	144	£50,000 - £54,999	292*	142*
183	131*	£55,000 - £59,999	304*	132*
93*	135*	£60,000 - £64,999	128*	151*
110*	77	£65,000 - £69,999	103*	99*
67*	58*	£70,000 - £74,999	121*	83
23*	31	£75,000 - £79,999	31*	39*
23*	25	£80,000 - £84,999	16*	26*
23	13*	£85,000 - £89,999	42	24
17*	13*	£90,000 - £94,999	19	10

2024/25 Corporate	2024/25 **Schools**	Remuneration Band	2025/26 **Corporate**	2025/26 **Schools**
10*	6	£95,000 - £99,999	18	11
5*	8	£100,000 - £104,999	3	9
5	7*	£105,000 - £109,999	6	6
2	4	£110,000 - £114,999	5	4
6	2	£115,000 - £119,999	3	5
5	0	£120,000 - £124,999	0	2
4*	2	£125,000 - £129,999	6	3*
0	0	£130,000 - £134,999	2	3*
2	2	£135,000 - £139,999	1	0
1	1	£140,000 - £144,999	0	1
0	0	£145,000 - £149,999	1	2
0	0	£150,000 - £154,999	0	0
0	0	£155,000 - £159,999	1*	0
0	1	£160,000 - £164,999	0	0
1*	0	£165,000+	1*	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 £1.047m relating to pension strain (£1.553m in 2024/25). 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:

	Compulsory Redundancies		Other Departures Agreed		Total Exit Packages by Cost Band		Total Cost of Exit Packages in each Band	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Exit Package Cost Band	No.	No.	No.	No.	No.	No.	£	£
£0 - £20,000	16	5	12	23	28	28	279,294	244,068
£20,001 - £40,000	13	3	4	12	17	15	472,744	433,077
£40,001 - £60,000	2	4	1	8	3	12	148,829	599,859
£60,001 - £80,000	2	2	0	3	2	5	137,143	351,130
£80,001 - £100,000	4	2	0	2	4	4	357,496	356,883
£100,001 - £150,000	3	4	4	2	7	6	895,220	753,495
Above £150,000	0	0	2	0	2	0	790,474	0
Total	**40**	20	**23**	**50**	**63**	**70**	**3,081,200**	**2,738,512**

Note 37 - Contingent Liabilities

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

Note 38 - 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 2026 for which there is a risk of material adjustment in the forthcoming financial year are as follows:

<table>
<tr><th>Item</th><th>Uncertainty</th><th>Effect if actual results differ from assumptions</th></tr>
<tr>
<td>Current Value Estimations</td>
<td>Other Land and Building assets are re-valued at intervals of not less than 5 years. Where an appropriate index exists, this will be applied annually, with a desktop valuation undertaken for all other assets in year 3. 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 application of an appropriate valuation technique or index.

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%.</td>
<td>At the balance sheet bate the carrying value of assets held at Current Value was £3,008.554m (£2,864.710m 2024/25).

<table>
<tr><th>Category</th><th>Carrying Value £000</th><th>1% Change £000</th></tr>
<tr><td>Dwellings</td><td>1,615,793</td><td>16,158</td></tr>
<tr><td>Other Land and Buildings</td><td>1,392,761</td><td>13,928</td></tr>
<tr><td>Total</td><td>3,008,554</td><td>30,086</td></tr>
</table>
</td>
</tr>
</table>

Item	Uncertainty	Effect if actual results differ from assumptions
Net Pension Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements, including those relating to: • the discount rate used • the rate at which salaries are projected to increase • the rate at which pensions are projected to increase • longevity rates.	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 £63m . If discount rates decrease by 0.1%, then the net pensions liability would have increase by £22m compared to that calculated herein. However, the assumptions interact in complex ways and during 2025/26, the actuaries advised that, overall, the net pensions liability had increase by £9m as a result of updating estimates to reflect current market conditions.

Note 39 - 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 2025/26 Code. New or amended standards contained in the 2025/26 code that will apply from 1st April 2026 or after are:

Amendments to:

FRS 102 Amendments to Heritage Assets – Issued in March 2024, the changes emphasise improved disclosures on the nature and valuation of heritage assets; whilst also providing clearer guidance where reliable measurement may be difficult. It is likely there will be limited application to the accounts.

IFRS 9 and IFRS 7 in regard to the measurement of Financial Instruments – Issued in May 2024, the updates clarify the requirement for assessing contractual cashflow for financial instruments. Enhanced disclosures aim to improve transparency and assist the users of the accounts with improved understanding of the impact of complex financial instruments on financial position and performance. These changes are expected to have no impact on the substance of the accounts, with the primary effect being additional disclosures.

Annual improvements to IFRS accounting standards (Vol.11) - The July 2024 update introduce a series of minor, non-urgent amendments to various standards, clarifying wording, resolving inconsistencies and improving coherence. These have no impact on recognition or measurement.

IFRS 9 and IFRS 7 in regard to Contracts Referencing Nature dependent Electricity - Issued in December 2024 the amendments clarify how such contracts should be assessed for classification and measurement, particularly where pricing is linked to environmental factors such as renewable energy generation. Changes also introduce targeted disclosures to improve transparency around the risks and financial effects of these arrangements. The Council currently has no such contracts; therefore, no implications will arise following the implementation date.

Note 40 - 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 £31.7m) 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 £135.7m) is recognised as property, plant and equipment on the authority's Balance Sheet.

Management has considered the requirements of IFRS 16 in relation to Private Finance Initiative (PFI) arrangements. Following a detailed assessment, it concluded that IFRS 16 does not have a material impact on the measurement of PFI liabilities, as the element of the Unitary Charge relating to the asset is wholly unindexed. These liabilities continue to be accounted for in accordance with existing accounting policies, and no remeasurement has been performed. This judgement reflects the nature of the contractual terms and the fact that the recognition and measurement principles under IFRS 16 do not significantly alter the existing treatment of PFI obligations.

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 41 - 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 2025/26 (nil in 2024/25).

Note 42 - Events after the Reporting Period

The Statement of Accounts was authorised for issue by the s151 Officer on 3 July 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. 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 2026 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 2026.

School	Academy Order Date	Academy Conversion Date	Asset(s) Value £000
De Lucy Primary School	24 October 2024	TBC	£9,844

Collection Fund Account and Explanatory Notes

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.

Council Tax	Business Rates	Total 31/03/25	Income and Expenditure Account	Note	Council Tax	Business Rates	Total 31/03/26
£000	£000	£000			£000	£000	£000
			Income				
(174,981)	0	(174,981)	Council Tax Income	4	(193,076)	0	(193,076)
0	(99,373)	(99,373)	Business Rates Receivable	5	0	(100,840)	(100,840)
0	(2,730)	(2,730)	Business Rates Supplement	6	0	(2,662)	(2,662)
0	2,743	2,743	Business Rates Transitional Payments		0	(14)	(14)
(174,981)	**(99,360)**	**(274,340)**	**Total Income**		**(193,076)**	**(103,516)**	**(296,592)**
			Expenditure				
			Precepts and Demands				
			Council Tax				
125,556	0	125,556	Royal Borough of Greenwich		138,585	0	138,585
40,843	0	40,843	Greater London Authority		44,668	0	44,668
			Business Rates				
0	28,714	28,714	Royal Borough of Greenwich		0	31,049	31,049
0	35,414	35,414	Greater London Authority		0	38,293	38,293
0	31,585	31,585	Central Government		0	34,153	34,153
0	2,724	2,724	Business Rates Supplement	6	0	2,656	2,656
			Previous Year's Surplus/(Deficit)				
6,616	0	6,616	Council Tax	7	0	0	0
0	(13,767)	(13,767)	Business Rates	7	0	9,398	9,398
			Collection Fund Charges				
5,889	0	5,889	Council Tax bad debts	8	5,267	0	5,267
0	(3,282)	(3,282)	Business Rates bad debts	9	0	2,514	2,514
0	(8,065)	(8,065)	Business Rates appeals	10	0	(7,197)	(7,197)
0	180	180	Business Rates Interest to Ratepayers		0	375	375
0	319	319	Business Rates cost of collection		0	320	320

0	6	6	Business Rates Supplement cost of collection	6	0	6	6
0	(2,743)	(2,743)	Business Rates transitional payments		0	14	14
178,903	**71,085**	**249,988**	**Total Expenditure**		**188,520**	**111,582**	**300,102**
3,923	**(28,275)**	**(24,352)**	**(Surplus) / Deficit for Year**		**(4,556)**	**8,066**	**3,510**

Fund Statement	Note	Council Tax	Business Rates	**Total 31/03/25**	Council Tax	Business Rates	**Total 31/03/26**
		£000	£000	**£000**	£000	£000	**£000**
Fund Balance B/F		(7,623)	10,235	**2,612**	(3,700)	(18,040)	**(21,740)**
(Surplus) / Deficit for Year		3,923	(28,275)	**(24,352)**	(4,556)	8,066	**3,510**
Fund Balance C/F	**11**	**(3,700)**	**(18,040)**	**(21,740)**	**(8,257)**	**(9,974)**	**(18,230)**

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 (76%) and the GLA (24%).

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 2025/26 the Royal Borough set a band D tax of £2,011.64 (£1,920.36 in 2024/25). These charges are before any appropriate discounts. The charge for each band is a ratio of band D. The 2025/26 charges were:

Band	Ratio to Band D	Council Tax 2024/25	Council Tax 2025/26
		£	£
A	6/9	1,280.24	1,341.09
B	7/9	1,493.61	1,564.61
C	8/9	1,706.98	1,788.12
D	1	1,920.36	2,011.64
E	11/9	2,347.11	2,458.67
F	13/9	2,773.85	2,905.71
G	15/9	3,200.60	3,352.73
H	18/9	3,840.72	4,023.28

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 2025/26 was 91,088 (86,642 in 2024/25) as calculated below:

2024/25	2025/26					
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**
0	A (Disabled)	0	2	2	5/9	1
4,236	A	10,792	(3,937)	6,855	6/9	4,570
11,228	B	22,145	(6,404)	15,741	7/9	12,243
31,241	C	45,242	(8,152)	37,090	8/9	32,969
22,178	D	26,938	(3,806)	23,132	1	23,132
13,435	E	12,784	(1,463)	11,321	11/9	13,837
5,118	F	4,006	(299)	3,707	13/9	5,355
3,576	G	2,281	(106)	2,175	15/9	3,624
639	H	354	(31)	323	18/9	646
91,651	**Total**	**124,542**	**(24,196)**	**100,346**		**96,377**
(5,270)	less Allowance for Non Collection					(5,542)
261	plus Adjustment for Armed Forces Dwellings					253
86,642	**Royal Borough Tax Base**					**91,088**

Based on the estimated tax base of 91,088 an income yield for 2025/26 of £183.2m (£166.4m in 2024/25) was anticipated. The actual taxbase was equivalent to 95,979 (91,119 in 2024/25) including backdated transactions and the equivalent yield was £193.1m (£175.0m in 2024/25).

Note 5 - Business Rate Income

	2024/25	2025/26
	£000	£000
Debits Raised	135,646	135,838
Relief and Exemption granted	(36,286)	(32,322)
Total Collectable	**99,360**	**103,516**

The Business Rate Multipliers are set nationally and for 2025/26 the standard multiplier was 55.5p (54.6p in 2024/25) and the small business multiplier was 49.9p (49.9p in 2024/25). The total rateable value for non-domestic rated property in the Royal Borough for 2025/26 was £264.8m (£265.1m in 2024/25).

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 no council tax surplus or deficit distribution in 2025/26 (there was a £6.616m surplus distributed in 2024/25; RBG £5.033m / GLA £1.583m). There was a business rate surplus of £9.398m distributed in 2024/25; Central Government £3.102m / RBG £2.819m / GLA £3.477m (a deficit of £13.767m recovered in 2024/25; Central Government £4.543m / RBG £4.130m / GLA £5.094m).

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 2025/26, £5.267m (£5.889m in 2024/25) was contributed to the council tax expected credit loss provision and £0.189m of irrecoverable debts were written off in year (£0.241m in 2024/25).

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 2025/26 £2.514m was contributed to the business rates expected credit loss provision (£3.282m was released from the provision in 2024/25). There was £1.599m of irrecoverable debts written off in 2025/26 (£0.798m of debts were written off in 2024/25).

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 2026 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 2025/26 £7.197m was released from the provision (£8.065m released in 2024/25).

Note 11 - Collection Fund Position

Council Tax Surplus

The balance on the Fund for council tax at 31 March 2026 is £8.256m (£3.700m in 24/25). Of this sum, £2.000m (£0.902m in 24/25) is the GLA's share of the Collection Fund and is shown as a creditor in the Authority's Balance Sheet. The balance of £6.256m (£2.798m in 24/25) 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 Surplus

The balance on the Fund for Business Rates at 31 March 2026 is a surplus of £9.973m (£18.040m in 24/25). Of this surplus, £3.690m is the GLA's share (£6.675m deficit share in 24/25) and £3.291m is the Government share (£5.953m deficit share in 24/25). The remaining £2.992m is the balance in the Collection Fund (£5.412m in 24/25).

Housing Revenue Account and Explanatory Notes

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.

2024/25	HRA Income and Expenditure Statement	2025/26
£000		£000
46,346	Repairs and Maintenance	43,396
55,694	Supervision and Management	56,333
1,024	Rent, Rates, Taxes and Other Charges	1,323
118,298	Depreciation, Impairments and Revaluation Losses in relation to Non-current Assets	98,586
176	Debt Management Costs	212
225	Contribution to Bad Debt Provisions	946
221,762	**Total Expenditure**	**200,796**
(121,800)	Dwelling Rents	(128,868)
(3,248)	Non Dwelling Rents	(3,277)
(26,809)	Charges for services and facilities	(25,586)
(8,170)	Contribution towards expenditure	(1,990)
(160,027)	**Total Income**	**(159,721)**
61,735	**Net (Income)/Expenditure of HRA Services**	
	HRA share of the operating income and expenditure included in the whole Authority Comprehensive I&E Statement	
(12,403)	(Gain) or Loss on sale of HRA non-current Assets	(25,979)
17,063	Interest Payable and Similar Charges	23,402
(17,466)	Capital Grants and contributions receivable	(11,099)
(10)	Interest and Investment income	(10)
(44)	Net interest on the net defined benefit liability / (asset)	349
48,876	**(Surplus) / Deficit for the Year on HRA Services**	**27,738**

2024/25	Movement on the HRA Statement	2025/26
£000		£000
(9,837)	**Balance on the HRA as at the end of the previous reporting period**	**(8,151)**
48,876	(Surplus) or deficit for the year on the HRA Income and Expenditure Statement	27,738
(47,190)	Adjustment between accounting basis and funding basis under statute	(28,855)
1,686	(Increase) or decrease in year on the HRA	(1,117)
(8,151)	**Balance on the HRA at the end of the current reporting period**	**(9,269)**

Note 1 - Depreciation and Impairment

	2024/25	2025/26
	£000	£000
Dwellings	25,240	25,352
Other Land & Buildings	883	901
Surplus	42	4
Sub-total Depreciation	26,165	26,257
Impairment and Revaluation Losses	91,750	98,249
REFCUS	383	1,722
Total Depreciation, Impairments and Revaluation Losses	**118,298**	**126,228**

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 20,635 owned dwellings as at 31 March 2026. The property is analysed below.

	1 Bed	2 Beds	3 & more	Total
Low rise flats in blocks up to 2 stories	1,295	979	323	2,597
Medium rise flats in blocks of 3-5 stories	3,708	3,149	1,394	8,251
High rise flats in blocks of 6 or more stories	1,470	1,633	210	3,313
Houses and bungalows	248	1,190	5,023	6,461
Multi occupied dwellings				13
Total at 31 March 2026				**20,635**

The movement in the stock numbers includes the loss of 226 properties through Right to Buy disposals (104 in 2024/25) in accordance with the Housing Act 1985.

HRA valuations were undertaken as at 31 March 2026.

	31 March 2025	31 March 2026
	£000	£000
Dwellings	1,558,955	1,615,793
Property Plant and Equipment – Other	278,519	313,064
Assets Held For Sale	224	229
Total	**1,837,698**	**1,929,086**

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 2025	1 April 2026
	£000	£000
Total	6,227,521	6,455,086

Note 3 - Major Repairs Reserve

	2024/25	2025/26
	£000	£000
Balance as at 1 April	0	0
Depreciation for the year	(26,165)	(26,257)
Other contributions from revenue	0	0
Financing of Capital Expenditure for year	26,165	26,257
Balance as at 31 March	**0**	**0**

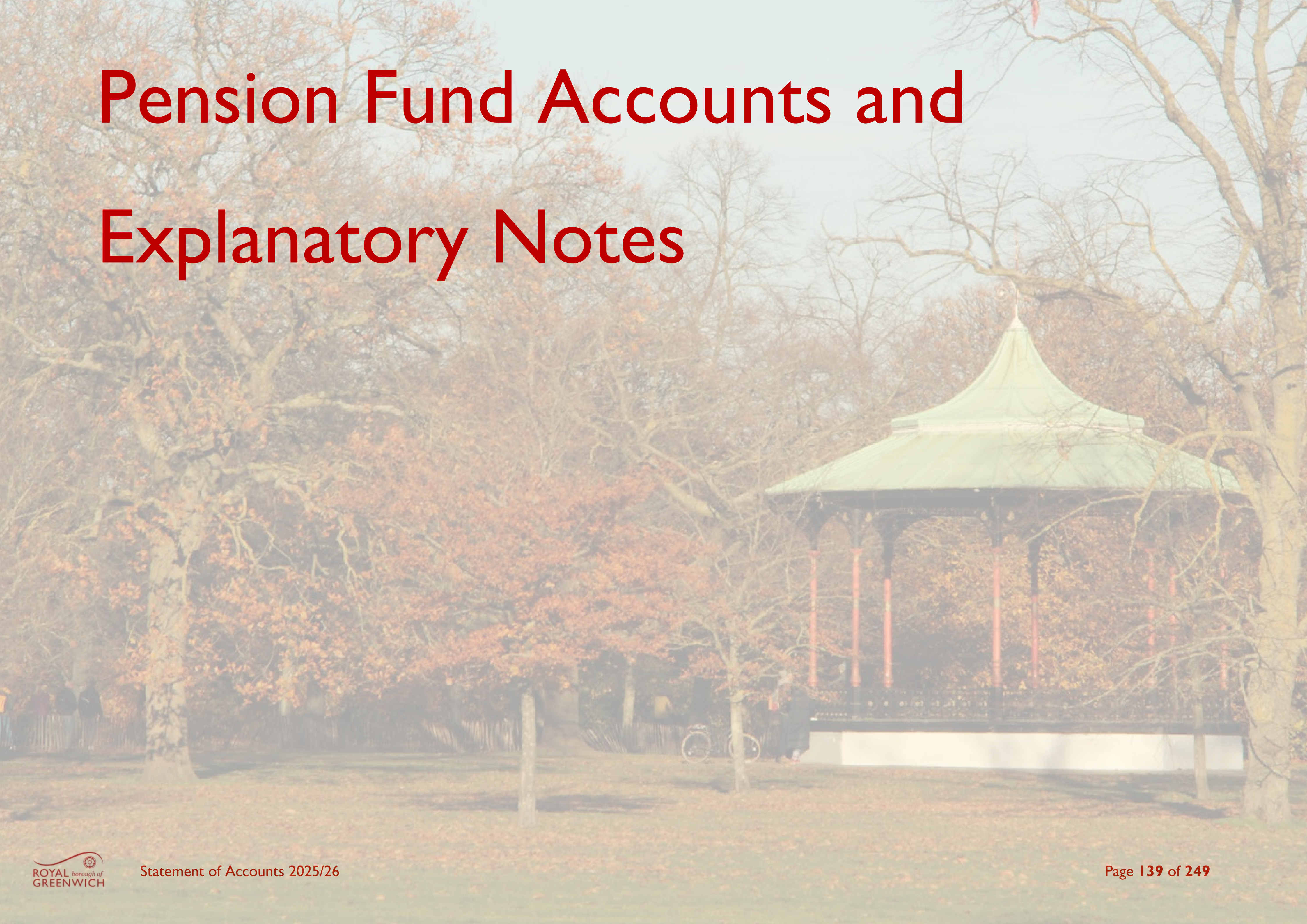
Note 4 – Capital Financing

HRA Capital Expenditure	2024/25	2025/26
	£000	£000
Houses	228,135	186,924
Other Property	0	111
Total	**228,135**	**187,035**
Financed By:		
Capital Receipts	30,604	29,533
Major Repairs Reserve	26,165	26,257
Prudential Borrowing	128,524	104,664
Other Grants	29,130	21,769
Revenue	13,712	4,812
Total	**228,135**	**187,035**

Note 5 - Rent and Service Charge Arrears

HRA rent and service charge arrears at 31 March 2026 totalled £12.299m. 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 2026 the provision totalled £8.5m.

	2024/25	2025/26
	£000	£000
Due from Current Tenants	7,030	6,983
Due from Former Tenants	4,957	5,316
Total	**11,987**	**12,299**



Pension Fund Accounts and Explanatory Notes

Fund Account

2024/25		Notes	2025/26
£000			£000
	Dealings with Members, Employers and Others directly involved in the Scheme		
	Contributions Receivable:		
(48,986)	Employer Contributions	6	(51,562)
(17,678)	Member Contributions	6	(19,001)
(8,484)	Transfers in from Other Pension Funds	7	(14,757)
	Benefits:		
63,647	Pensions	8	67,011
15,204	Lump Sum and Commutations	8	18,482
1,786	Lump Sum Death Benefits	8	2,011
2,674	Payments to and on account of Leavers	9	5,112
8,163	**Net (additions) / withdrawals from Dealings with Members**		**7,206**
5,849	Management Expenses	10a	5,817
14,012	**Net (additions)/withdrawals including fund management expenses**		**13,023**
	Returns on Investment		
(17,200)	Investment Income	11	(28,743)
(60,672)	(Profit) and Losses on disposal of Investments and Changes in Value of Investments		(189,600)
0	Taxes on Income	11a	0
(77,872)	**Net Returns on Investment**		**(218,343)**
(63,860)	**Net (increase) / decrease in the Net Assets available for Benefits during the year**		**(205,320)**

Net Asset Statement

31 March 2025		Notes	31 March 2026
£000			**£000**
	Investment assets		
	Pooled Investment Vehicles:		
783,867	Equities	14	927,586
476,274	Fixed Income	14	485,286
150,437	Property Unit Trusts	14	159,502
101,619	Multi Asset	14	109,479
29,736	Infrastructure	14&22	33,223
71,220	Private Debt (1 and 2)	14&22	105,489
0	Nature Based Solutions	14&22	21,175
	Non-Pooled Investments:		
80,447	Diversified Alternative	14	60,500
747	Private Equity	14&22	719
6,560	Property - Freehold	3&14	6,560
38	Cash Deposits	19	57
44,183	Cash Equivalents	19	34,152
3,058	Other Investment Balances	18	2,945
	Investment Liabilities		
(918)	Other Investment Balances	18	(896)
1,747,268	**Net Investment Assets / (Liabilities)**		**1,945,776**
	Current Assets		
5,523	Contributions Due	18	5,943
724	Other Current Assets	18	657
3,037	Cash Balances	19	9,570
	Current Liabilities		
(579)	Unpaid Benefits	18	(292)
(1,463)	Other Current Liabilities	18	(1,825)
7,242	**Net Current Assets / (Liabilities)**		**14,053**
1,754,510	**Net Assets of the Scheme available to fund Benefits at the Period End**		**1,959,829**

The financial statements of the Fund do not take account of liabilities to pay pensions and other benefits after 31 March 2026. 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 2025/26 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 can 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 2026 (63 as at 31 March 2025). The following table summarises the composition of the registered membership of the Fund as at 31 March 2026.

Membership	Administering Authority		Admitted Bodies		Scheduled Bodies	
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
Employees contributing into Fund	6,165	6,415	361	413	2,293	2,464
Pensioners / Dependents	7,970	8,272	360	390	701	794
Former Members entitled to	7,459	7,400	350	368	1,772	1,993
Totals	**21,594**	**22,087**	**1,071**	**1,171**	**4,766**	**5,251**

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 2026. 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 30 March 2026 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 2025/26 financial year and its position at year-end as at 31 March 2026. The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (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 2025 and determines the contribution rates for the next three years from 1 April 2026 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 accrual 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

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.

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.

Freehold property gives rise to rental income. These amounts are recognised on a straight-line basis over the life of the operating lease.

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.

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.

Diversified Alternatives distributions have been treated as dividend income and return of capital, in line with the structure of the mandate.

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.

Income on Nature based solutions are treated as dividend income; recognition is in line with the structure of the mandate. Where equalisation takes place, the amount received is recognised as interest income.

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 accrual 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 daily as well as the fees for the Nature-based, Private Equity, Infrastructure and Private Debt assets, 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 as 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 de minimus 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/Amended 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:

IFRS 9 and IFRS 7 - Amendments to the Classification and Measurement of Financial Instruments issued in May 2024

Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024

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 2025/26.

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, considering 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 investments 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 £60.5m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 11.88% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £7.19m.
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 £43.4m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 2.81% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £1.22m.

Item	Uncertainties	Effect if actual results differ from assumptions
LCIV 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 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 a degree of estimation involved in the valuation.	The total value of Level 3 investment in LCIV renewable infrastructure is £33.22m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 3.64% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £1.21m The total value of Level 3 investment in LCIV Private Debt is £105.5m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 6.53% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £6.88m.
Nature Based Solutions	Nature Based investments 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 Nature Based Solutions is £21.2m. There is a risk that the investment may be under or overstated in the accounts. The Funds' performance management advisors report a tolerance of 11.88% in respect of the net asset values the fund valuation is based upon. This equates to a tolerance of +/- £2.52m.

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 2024/25 and 2025/26 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:

2024/25	**By Category**	2025/26
£000		£000
(17,678)	Employee's Contributions	(19,001)
(17,678)	Total Employees' Contributions	(19,001)
	Employer's Contributions:	
(47,592)	Normal Contributions	(50,553)
(968)	Deficit Recovery Contributions	(1,026)
(426)	Augmentation Contributions	(73)
(48,986)	Total Employers' Contributions	(51,652)
(66,664)		**(70,653)**
2024/25	**By Authority**	2025/26
£000		£000
(51,541)	Administering Authority	(55,341)
(11,430)	Scheduled Bodies	(11,924)
(3,693)	Admitted Bodies	(3,388)
(66,664)		**(70,653)**

Note 7 - Transfers in from Other Pension Funds

2024/25	Transfers in from other Pension	2025/26
£000		£000
(8,484)	Individual Transfers	(14,757)

Note 8 - Benefits

Benefits payables 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.

2024/25		**2025/26**
£000		£000
	Pensions	
58,907	Administering Authority	61,679
2,260	Admitted Bodies	2,524
2,480	Scheduled Bodies	2,808
63,647	**Total Pensions Payable**	**67,011**
	Lump Sums and Commutations	
12,970	Administering Authority	15,253
892	Admitted Bodies	1,228
1,342	Scheduled Bodies	2,001
15,204	**Total Lump Sums and Commutations**	**18,482**
	Lump Sum Death Benefits:	
1,360	Administering Authority	1,497
33	Admitted Bodies	40
393	Scheduled Bodies	474
1,786	**Total Lump Sum Death Benefits**	**2,011**
80,637	**Total Benefits Payable**	**87,504**

2024/25	Benefits Total by Employer Type	2025/26
£000		£000
73,237	Administering Authority	78,429
3,185	Admitted Bodies	3,792
4,215	Scheduled Bodies	5,283
80,637	**Total Benefits Payable**	**87,504**

Note 9 - Payments to and on Account of Leavers

2024/25		2025/26
£000		£000
266	Refunds to Members leaving Service	257
(1)	Payments for Members joining	2
2,409	Individual Transfers	4,853
2,674	**Total Payments to and on Account of Leavers**	**5,112**

Note 10a – Management Expenses

2024/25		2025/26
£000		£000
1,399	Administration Expenses	1,485
232	Oversight and Governance	267
4,218	Investment Management Expenses	4,065
5,849	**Total Management Expenses**	**5,817**

Note 10b Investment Management Expenses

2024/25		2025/26
£000		£000
3,902	Management Expenses	3,844
265	Performance Fees	172
51	Custody Fees	49
4,218	**Total investment Management Expenses**	**4,065**

Note 11 - Investment Income

2024/25		2025/26
£000		£000
(8,229)	Income from Equities	(8,007)
0	Income from Private Equity	(5,000)
(115)	Rental Income from Freehold Property	(115)
(2,581)	Income from Pooled Investment Vehicles	(599)
(4,689)	Income from Property Unit Trusts	(4,720)
(1,584)	Interest	(10,299)
(2)	Other Investment Income	(3)
(17,200)	**Total Investment Income**	**(28,743)**

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 Administrating 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.

2024/25	Taxes on Income	2025/26
£000		£000
0	Taxes on Transition	0
0	Total taxes on income	0

Note 12 - External Audit Costs

2024/25		2025/26
£000		£000
101	Payable in respect of external audit	99
1	PSAA Refund	8
102	**Total External Audit Costs**	**107**

Note 13 - Investments

The investment managers and their mandates are as follows:

Manager	Mandate(s)
Blackrock	Passive Global Equity
Legal and General	Low Carbon Passive Global Equity
CBRE Global Investors	Property
Fidelity International	Bond/Global Multi Asset Credit (GMAC)/Global Emerging
Wilshire	Private Equity
Partners Group	Diversified Alternative
LCIV	Absolute Return, Real Return, Renewable Infrastructure,

The market value and proportion of investments managed by each fund manager as at 31 March 2026 was as follows:

	2024/25	2024/25	2025/26	2025/26
	Market Value	Market Value	Market Value	Market Value
	£000	%	£000*	%
Blackrock	388,002	22	466,686	24
LGIM	307,931	18	339,394	17
CBRE Global Investors	156,649	9	164,245	8
Fidelity BOND	301,138	17	300,611	15
Fidelity GMAC	174,961	10	184,493	9
Royal Borough of Greenwich	51,951	3	50,019	3
Wilshire	747	0	719	0
London CIV	252	0	336	0
Partners Group	80,017	4	60,247	3
Fidelity GEME	90,306	5	123,740	6
LCIV Nature Based Solutions	0	0	21,175	1
LCIV Absolute Return Fund	101,619	6	109,479	5
LCIV Renewable Infrastructure	29,730	2	33,215	2
LCIV Private Debt I	71,207	4	74,948	4
LCIV Private Debt II	0	0	30,522	2
Total	**1,754,510**	**100**	**1,959,829**	**100**

*The values above exclude 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 31 March 2025	Purchases	Sales	Change in Market Value of Investments	Market Value
	£000	£000	£000	£000	£000
Blackrock	385,218	0	(0)	78,701	463,919
LGIM	307,957	0	(20,000)	51,457	339,414
CBRE Global Investors	150,437	12,169	(6,429)	3,326	159,502
Fidelity BOND	301,207	777	(10,000)	8,696	300,680
Royal Borough of Greenwich	6,560	0		(0)	6,560
Wilshire	747	0	0	(28)	719
Fidelity GMAC	175,064	450	0	9,088	184,602
London CIV	252	70	0	14	336
Partners Group	80,449	0	(16,502)	(3,445)	60,502
Fidelity GEME	90,442	240		33,235	123,917
LCIV Absolute Return Fund	101,618	600		7,261	109,478
LCIV Renewable Infrastructure	29,736	3,973		(486)	33,223
LCIV Nature Based Solutions	0	25,622	(3,974)	(473)	21,175
LCIV Private Debt I	71,220	6,369		(2,621)	74,968
LCIV Private Debt II	0	43,199	(14,732)	2,055	30,522
Total	**1,700,907**	**93,468**	**(71,637)**	**186,781**	**1,909,518**

*The values above exclude working capital of £50,310K (of which cash £9,627K, cash equivalents £34,152K, debtors £9,545K and creditors -£3,013K)

The prior year comparator is as follows:

Manager	Market Value 31 March 2024	Purchases	Sales	Change in Market Value of Investments	Market Value
	£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		(5,584)	301,207
Royal Borough of Greenwich	5,945			615	6,560
Wilshire	838	0	0	(91)	747
Fidelity GMAC	166,545	5,067		3,452	175,064
London CIV	150			102	252
Partners Group	102,583		(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		2,354	101,618
LCIV Renewable Infrastructure	24,066	7,506		(1,836)	29,736
LCIV Private Debt	67,733	0	0	3,487	71,220
Total	**1,655,717**	**210,556**	**(206,218)**	**40,852**	**1,700,907***

*The values above exclude working capital of £53,603K (of which cash £3,075K, cash equivalents £44,183K, debtors £9,305K and creditors -£2,960K)

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

Investment Assets	Manager	2025/26	2025/26
		£000	%
Future World Global Equity	LGIM	339,414	17%
Fidelity UK Aggregate Bond	Fidelity	300,680	15%
ISHARES UK Equity	Blackrock	262,868	13%
Fidelity Global Multi Asset	Fidelity	201,041	10%
Aquila Life GLB 3000	Blackrock	184,606	9%
Absolute Return Fund	London CIV	123,917	6%
Fidelity Institutional Funds	Fidelity	109,479	6%

The prior year comparator is 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	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%
Partners IC RBG LTD	Partners Group	80,447	5%

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 2025/26. 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 2026):

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:

2024/25		2025/26
£000		£000
5,945	Opening balance	6,560
615	Net increase in market value	0
6,560	**Closing balance**	**6,560**
2024/25		2025/26
£000		£000
115	Within one year	115
460	Between one and five years	460
575	**Total future lease payments due under existing contracts**	**575**

IFRS 16 Leases became effective for local authorities from 1 April 2024. The standard replaces IAS 17 and introduces a single lessee accounting model. However, the accounting treatment for lessors remains largely unchanged. The Pension Fund acts as a lessor in respect of its directly held investment properties, which continue to be accounted for in accordance with IAS 40 Investment Property and measured at fair value. As such, the implementation of IFRS 16 has had no material impact on the Pension Fund's financial statements. This disclosure is included for transparency and to comply with the requirements of the Code of Practice on Local Authority Accounting.

Note 14 – Financial Instruments

Accounting policies describe how different asset classes of financial instruments are measured and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the carrying amounts of financial assets and liabilities by category and net assets statement heading. No financial assets were reclassified during the accounting period.

31 March 2025				31 March 2026		
Fair Value	Assets at Amortised Cost	Financial Liabilities		Fair Value	Assets at Amortised Cost	Financial Liabilities
£000	£000	£000		£000	£000	£000
			Financial Assets			
			Pooled Investment Vehicles:			
783,867			Equities	927,586		
476,274			Fixed Income	485,286		
150,437			Property Unit Trusts	159,502		
101,619			Multi Asset	109,479		
29,736			Infrastructure	33,223		
71,220			Private Debt	105,489		
747			Private Equity	719		
80,447			Diversified Alternative	60,500		
			Nature Based Solutions	21,175		
	38		Cash Deposits		57	
	44,183		Cash Equivalents		34,152	
	3,058		Other investment balances		2,945	
	5,523		Contributions Due		5,943	
	649		Other Current Assets		657	
	3,037		Cash Balances		9,570	
1,694,347	**56,488**	**0**	**Total Financial Assets**	**1,902,958**	**53,324**	**0**

31 March 2025				31 March 2026		
Fair Value	Assets at Amortised Cost	Financial Liabilities		Fair Value	Assets at Amortised Cost	Financial Liabilities
£000	£000	£000		£000	£000	£000
			Financial Liabilities			
		(918)	Other Investment Balances			(896)
		(579)	Unpaid Benefits			(292)
		(508)	Other Current Liabilities			(693)
		(2,005)	Total Financial Liabilities	0	0	(1,881)
1,694,347	**56,488**	**(2,005)**	**Net Financial Assets**	**1,902,958**	**53,324**	**(1,881)**

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

2024/25	Gains and Losses	2025/26
£000		£000
	Financial Assets	
(60,672)	Fair Value Through Profit and	(189,600)
	Financial Liabilities	
(60,672)	**Total**	**(189,600)**

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

2024/25	Interest Revenue and Expense	2025/26
£000		£000
	Assets at amortised cost	
(1,591)	Interest Revenue	(1,467)
1	Interest Expense	1
(1,590)	**Total**	**(1,466)**

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 31/03/2025	Transfer into Level 3	Transfer out of Level 3	Purchases at cost	Sales	Unrealised Gain/(Loss)	Realised Gains/(Loss)	Market Value At 31/03/2026
	£000	£000	£000	£000	£000	£000	£000	£000
UT - Property UK	38,148	0	0	5,001	(1,368)	1,273	304	43,358
Freehold Property	6,560	0	0	0	0	0	0	6,560
Diversified Alternative	80,447	0	0	0	(16,502)	(3,445)	0	60,500
Private Equity	747	0	0	0	0	(28)	0	719
Infrastructure	29,736	0	0	3,973	0	(486)	0	33,223
Private Debt I	71,220	0	0	6,369	0	(2,621)	0	74,967
Private Debt II	0	0	0	43,199	(14,732)	2,055	0	30,522
Nature Based Solutions	0	0	0	25,622	(3,974)	(473)	0	21,175
Total	**226,858**	**0**	**0**	**84,163**	**(36,576)**	**(3,725)**	**304**	**271,024**

The prior year comparator is as follows:

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/(Loss)	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**

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 2026.

Asset	Value as at 31 March 2026	Percentage Change	Value on Increase	Value on Decrease
	£000	%	£000	£000
UT - Property UK	43,358	2.8	44,577	42,139
Freehold Property	6,560	2.8	6,744	6,376
Private Equity	719	11.9	804	634
Diversified Alternative	60,500	11.9	67,686	53,314
Nature Based Solutions	21,175	11.9	23,690	18,560
Infrastructure	33,223	3.6	34,431	32,015
Private Debt	105,489	6.5	112,373	98,606
Total Level 3 Assets available	**271,024**		**290,305**	**251,644**

The prior year comparator is as follows:

Asset	Value as at 31 March 2025	Percentage Change	Value on Increase	Value on Decrease
	£000	%	£000	£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	**226,858**		**246,263**	**207,452**

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 2026	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial Assets				
Financial Assets at Fair Value through profit and loss	53,323	1,638,495	264,464	1,956,282
Non-Financial assets at Fair Value through profit and loss	0	0	6,560	6,560
Financial Liabilities at Fair Value through profit and loss	(3,013)	0	0	(3,013)

The prior year comparator is as follows:

Values as at 31 March 2025	Level 1	Level 2	Level 3	Total
	£000	£000	£000	£000
Financial Assets				
Financial Assets at Fair Value through profit and loss	56,563	1,474,050	220,297	1,750,910
Non-Financial assets at Fair Value through profit and loss	0	0	6,560	6,560
Financial Liabilities at Fair Value through profit and loss	(2,960)	0	0	(2,960)
	53,603	**1,474,050**	**226,857**	**1,754,510**

Fair Value – Basis of Valuation

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Input	Key Sensitivities affecting the 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

Description of asset	**Valuation Hierarchy**	**Basis of Valuation**	**Observable and Unobservable Input**	**Key Sensitivities affecting the valuations provided**
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 (ranging from December 2025 to March 2026)	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 September 2025 to March 2026)	INREV NAV	Return of capital, investment contributions, capital calls and accruals of

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Input	Key Sensitivities affecting the valuations provided
				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	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). 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. 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	-EV/EBITDA multiples -Discounted cash flows -Third party appraisals	Valuations could be affected by material events occurring between the date of the financial statements

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Input	Key Sensitivities affecting the valuations provided
		are adjusted for recent developments 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. For stable and operating infrastructure assets, a market approach (i.e. multiple method) is used.		provided and the Fund's own reporting date, and by any differences between audited and unaudited accounts.
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 2026 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 latest available information from the London CIV	N/A	N/A

Description of asset	Valuation Hierarchy	Basis of Valuation	Observable and Unobservable Input	Key Sensitivities affecting the valuations provided
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
Pooled Investments - Nature Based Solutions	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. The Risk Register is reviewed quarterly by the Pension Board.

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 contacts 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	9.54%
Overseas Equities	9.54%
Bonds	4.77%
Property	2.81%
Cash Equivalents	0.24%
Private Equity	11.88%
Multi Asset	4.75%
Diversified Alternative	11.88%
Nature Based Solutions	11.88%
Private Debt	6.53%
Infrastructure	3.46%

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 2026	Percentage Change	Value on Increase	Value on Decrease
	£000	%	£000	£000
Cash Equivalents	34,152	0.24	34,233	34,071
UK Equities	262,877	9.54	287,960	237,794
Overseas Equities	664,373	9.54	727,765	600,980
Bonds	485,286	4.77	508,438	462,133
Diversified Alternative	60,500	11.88	67,686	53,314

Nature Based	21,175	11.88	23,690	18,660
Property	166,062	2.81	170,732	161,392
Private Equity	719	11.88	804	634
Multi Asset	109,479	4.75	114,675	104,284
Infrastructure	33,223	3.64	34,431	32,015
Private Debt	105,489	6.53	112,373	98,605
Other Investment Balances	12,011	0.00	12,011	12,011
Total Assets available to Pay Benefits	**1,955,346**		**2,094,799**	**1,815,892**

The prior year comparator is as follows:

Asset	Value as at 31 March 2025	Percentage Change	Value on Increase	Value on Decrease
	£000	%	£000	£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**

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 assumed 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 31 March 2026	Change in Year in the Net Assets available to Pay Benefits	
		+ 75 bps	-75 bps
	£000	£000	£000
Cash Balances	9,570	9,642	9,498
Cash on Deposit	57	57	56
Cash Equivalents	34,152	34,408	33,896
Blackrock Institutional Series	9	9	9
Total Interest Rate Risk	**43,788**	**44,116**	**43,460**

Asset	Carrying Amount 31 March 2026	Change in Year in the Net Assets available to Pay Benefits	
		+ 75 bps	-75 bps
	£000	£000	£000
Fidelity GMAC	184,606	178,643	190,569
Fidelity UK Aggregate Bond	300,680	284,443	316,917
Total Interest Rate Risk	**485,286**	**463,086**	**507,485**

The prior year comparator is as follows:

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	**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	301,207	284,701	317,713
Total Interest Rate Risk	**476,274**	**455,164**	**497,385**

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 2026	Potential Change in Foreign Exchange	Value on Increase	Value on Decrease
	£000	%	£000	£000
Private Equity	719	6.83	768	670
Equity	664,373	4.92	697,084	631,661
Multi Asset	19,575	3.67	20,293	18,857
Cash held in Foreign Currencies	10	3.13	10	9
Total Currency Risk Assets	**684,677**		**718,155**	**651,197**

The prior year comparator is as follows:

Asset	Asset Value as at 31 March 2025	Potential Change in Foreign Exchange	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**

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 2026 was £9.6m (£3m as at 31 March 2025). This was held as follows:

Counterparty Type	31 March 2025	31 March 2026
	£000	£000
UK Banks	3,037	9,570

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 AA- as at 31 March 2026.

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 2026, the value of liquid assets represented 80% of the Fund (81% as at 31 March 2025). Financial liabilities of £3.013m 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 2025 (effective from 1 April 2026) by the fund's actuary, Hymans Robertson LLP. The results were published in the 31 March 2025 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 2025 review date was £1,755m (£1,613m in 2022) and results showed that assets represented 118% of the liabilities (103% in 2022). The Fund surplus arising from the valuation was £272m as at 31 March 2025 (£44m as at 31 March 2022). Deficits are spread and recovered over a maximum 20-year period from 01 April 2026. The reconciliation of the contribution rate is as shown below:

Contribution Rate Analysis	Mar-25
	%
Future Service Total	15.7
Deficit Contribution	(2.0)
Total Employer Contribution Rate	**13.7**

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	Other Bodies
2026/27	13.25%	13.25%-16.25%
2027/28	13.25%	13.25%-16.25%
2028/29	13.25%	13.25%-16.25%

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 2025 are actuarially assessed to determine their individual employer contribution rates.

The actuarial valuation uses membership data and assumptions to project the expected benefits for all members into the future and uses the expected future investment returns to express this as a single liability value. The assets are valued at fund level as market value on the valuation date, each employer's individual assets are calculated using a cashflow approach. The assumptions used in the calculation and applied during the inter-valuation period are summarised as follows:

Future Assumed Returns as at March 2025	Assumed Returns
	% p.a.
Investment Return	
UK Equities	8.4
Global Equities (unhedged)	8.3
EM equities (unhedged)	8.5
DGF Low Beta	6.1
Private Equity	9.9
Property	7.3
Infrastructure equity	8.3
BBB Credit (4 yr maturity)	6.1

Future Assumed Returns as at March 2025	Assumed Returns
A Credit (4 yr maturity)	5.8
Fixed interest gilt (14yr	5.8
Fixed interest gilt (4 yr	4.9
Multi Asset Credit (sub	7.6
Private Lending	8.8

Financial Assumptions	2025	2022
	% p.a.	% p.a.
Discount Rate	6.2	4.8
Salary Increases	3.3	3.9
Consumer Price Inflation (CPI)	2.3	2.9
Pension Increases	2.3	2.9

The assumed life expectations from age 65 are as follows:

Demographic assumptions – Life expectancy from age 65	31-Mar 2025	31-Mar 2026
Retiring Today		
Males	19.2	21.5
Females		24.2
Retiring in 20 years		
Males	20.6	22.4
Females	24.2	25.4

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 2026, 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 2025	31-Mar 2026
	£000	£000
Present Value of Funded	(1,569,054)	(1,747,756)
Fair Value of Scheme Assets	1,754,510	1,959,746
Net Assets/ (Liabilities)	**185,456**	**211,991**

The financial assumptions used to assess the total net liability as at 31 March 2026 are:

Financial Assumptions	Mar-25	Mar-26
	% p.a.	% p.a.
Discount Rate	5.80	6.20
Pay Increases	3.90	4.00
Pension Increases	2.90	3.00

Virgin Media

In the case of Virgin Media v National Trans communications Limited (NTL) Pension Trustees II (and others) on 25 July 2024, the Court of Appeal upheld the High Court's 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.

On 5 June 2025, the Government pledged to introduce legislation to enable affected schemes to retrospectively gain written actuarial confirmation that historic benefit changes met the required standards at the time. On 1 September 2025, the Government made amendments to the Pension Scheme Bill to provide for retrospective validation of specific pension scheme rule changes.

The current impact on The Royal Borough of Greenwich Pension Fund is currently unknown. In the absence of legislation to clarify the retrospective validation of amendments, there is currently no accounting obligation on LGPS Funds in relation to recognition of any possible contingent liabilities. There is currently no formal indication that the any future legislation will apply to the LGPS. The Scheme Advisory Board (SAB) has requested clarification on this matter. The Fund, therefore, holds the position that a contingent liability disclosure is not currently required 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 2026:

2024/25	Debtors	2025/26
£000		£000
	Investment Debtors	
13	Tax Refunds Due	14
2,885	Dividends Due	2,820
160	Interest	111
3,058	Total Investment Debtors	2,945
5,523	Contributions	5,943
724	Other	657
6,247	Total Member Debtors	6,600
9,305	Total Debtors	9,545
	Analysed By	
4,799	Other Entities and Individuals	9,544
4,431	Local Authorities	1
75	Central Government Bodies	0
9,305	**Total Debtors**	**9,545**

2024/25	Creditors	2025/26
£000		£000
	Investment Creditors	
(903)	Management Fees	(827)
(7)	Custody Fees	(12)
(8)	Other	(57)
(918)	Total Investment Creditors	(896)
	Member Creditors	
(579)	Benefits Unpaid	(292)

(1,463)	Other	(1,825)
(2,042)	Total Member Creditors	(2,117)
(2,960)	Total Creditors	(3,013)
(955)	Central Government Bodies	(1,132)
(2,005)	Other entities and individuals	(1,881)
(2,960)	**Total Creditors**	**(3,013)**

Note 19 – Cash and Cash Equivalents

The cash balance can be further analysed as follows:

Cash	2024/25	2025/26
	£000	£000
Royal Borough of Greenwich Pension Fund	3,037	9,570
Royal Borough of Greenwich Pension Fund	10	10
CBRE Cash at Hand	28	45
Other (Blackrock, Fidelity, LCIV, LGIM)	0	2
Total Cash	**3,075**	**9,627**
Cash Equivalents	2024/25	2025/26
	£000	£000
Royal Borough of Greenwich Pension Fund	38,040	29,356
Blackrock	5	7
CBRE	6,138	4,782
Total Cash Equivalents		**34,152**

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 2026 are shown below:

2024/25	AVC Contributions	2025/26
£000		£000
263	AVC Contributions to Clerical Medical	388
263	**Total Contributions**	**388**

31 March 2025	AVC Market Values	31 March 2026
£000		£000
1,377	Clerical Medical Market Value	1,483
329	Utmost Life and Pensions Market Value	367
1,706	**Total Market Value**	**1,850**

Note 21a - Related Party Transactions

The UK Government exerts a significant influence over the Fund through the enaction of 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 £1.473m (2024/25: £1.388m).

b) The Royal Borough of Greenwich is the single largest employer of members of the pension fund and contributed £40.323m to the Fund in 2025/26 (2024/25: £37.674m). In 2025/26, £3.374m 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 £0.938m was owed to the Fund by Academies at year-end for contributions due (2024/25: £0.776m).

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 Shareholders' Board. In 2025/26, administration and management fees of £0.173m were paid to this organisation (2024/25: £0.222m).

e) As at the reporting date, Kelly 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) and Councillor Leo Fletcher Fund's representative on the Board Deputy also a Non-Executive Director on the Board of Greenwich service Plus (GSP) and John Roan Foundation Trustee Limited. During the financial year, contributions by GSP amounted to £0.503m (2024/25: £0.527m), with no contribution for GSS and ULT John Roan £0.273m (2024/25: £0.247m).

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:

2024/25		2025/26
£000		£000
81	Short-term benefits	94
54	Post-employment benefits	49
135		**143**

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 2026, the Fund had £136.686m of commitments outstanding (31 March 2025: £42.841m). These are not required to be included in the Accounts.

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-minimus 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 has restricted the RBG and LPFA funded surpluses to its total future service cost and taken 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; being the PWLB rate at the adoption of IFRS 16, or lease commencement date and reflective of the lease duration. The weighted average incremental cost of borrowing was 6.69%. The ROU asset is initially measured at cost, comprising the lease liability, initial direct costs, and any restoration obligations.

Finance lease assets valued at current value during the valuation period before transition and where a right-of-use asset continues to be carried at current value after the transition, will carry forward the existing revaluation reserve balances applicable and these will be adjusted in the event of a revaluation of the ROU asset.

The Council has applied the following practical expedients:

Short-term leases (12 months or less) and low-value assets (under £5,000, when new, regardless of age) 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.

Subsequent measurement of ROU assets is determined by the classification of the underlying asset, as required by the Code and depreciated over the shorter of the useful life or lease term. Where the Code does not require current value measurement (e.g. vehicles and equipment), the Authority applies the cost model, carrying the ROU assets at cost less accumulated depreciation and impairment.

Lease liabilities are measured at amortised cost, using the effective interest rate method. The liability is adjusted for lease modifications, changes in index or rate linked payment obligations and reassessment of any extension or termination option. A corresponding adjustment is made to the ROU asset for any remeasurement.

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 may 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 Resources 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 on a five-year rolling basis supported with indexation in intervening years. Where no appropriate index is available a desktop valuation will be undertaken 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)	×
Trust	×
Foundation	×
Academies	×
Independent	×
Free schools	×

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.

Annual Governance Statement (AGS)

Executive Summary

The Royal Borough of Greenwich ("the Council") is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. In accordance with the Local Government Act 1999, the Council has a duty to make arrangements to secure continuous improvement in the exercise of its functions, having regard to economy, efficiency, and effectiveness.

The Council'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 this responsibility, the Council has put in place robust governance arrangements, including an effective system of risk management and internal control. These arrangements are designed to manage risk to a reasonable level and provide reasonable, but not absolute, assurance of effectiveness.

The Council's governance arrangements, through which it directs and controls its activities and engages with stakeholders, is provided in Appendix A below. The arrangements are consistent with the principles of the CIPFA/SOLACE Delivering Good Governance In Local Government: Framework (2025).

This statement explains how the Council complied with its governance arrangements in 2025/26, and ensures compliance with The Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement (AGS).

Summary of Key Conclusions

This Annual Governance Statement provides an open and honest self-assessment of the Council's governance arrangements, which are detailed in **Appendix A**.

The arrangements, which are in line with the core principles of good governance, support the achievement of the Council's strategic objectives; manage risks to a reasonable level; and provide value for money to our residents, businesses and communities.

Following a robust review of effectiveness, the Council is satisfied that its governance arrangements are adequate and effective overall.

Although improvement actions have been determined, no significant governance issues that materially undermine the Council's arrangements were identified. The Council will continue to build on strengths in ethical leadership, transparency, risk management, and financial stewardship, while addressing targeted areas for improvement.

Governance Outlook & Commitment to Ensure Governance will be Fit For Purpose

The Council is fully committed to maintaining and strengthening its governance arrangements to ensure they will be fit for purpose in 2026/27. Leadership *(both Members and officers)* will continue to promote the highest standards of conduct, transparency, and accountability, supported by training, and robust assurance mechanisms.

Improvement Areas the Council will Action in the Forthcoming Year

In the forthcoming year (2026/27), the Council will focus on the following key areas of improvement and development:

- *Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it*
    - extensive Induction Programme for new Councillors has been developed to take place after the May 2026 election. This will be supplemented throughout the year by continuous development training. A Training Hub and members Information site will be in place from May 2026.

- *Principle F - Managing risks and performance through robust internal control and strong public financial management*
    - completion of agreed actions to ensure conformance with the Global Internal Audit Standards and CIPFA Code of Practice on the Governance of Internal Audit
    - completion of agreed actions to ensure conformance with the Code of Practice on Managing the Risk of Fraud and Corruption including requirements of the Economic Crime and Corporate Transparency Act 2023.

The Council is satisfied that the agreed improvement actions, detailed in **Appendix C**, will strengthen its governance arrangements and effectively support the achievement of intended outcomes.

Progress against these actions will be monitored during the year.

Signed:

Name:
Chief Executive

Dated: dd mm yyyy

Signed:

Name:
Leader of the Council

Dated: dd mm yyyy

Our Assessment of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance arrangements, which are detailed in **Appendix A**. The review of effectiveness incorporates a range of perspectives and is structured to deliver the necessary assurance in an efficient and effective manner.

This review is informed by the work of, and assurances from, the Council's corporate leadership team who are responsible for developing and maintaining the governance arrangements. It also draws on reports of the work undertaken by the internal audit function including the Head of Audit annual opinion, assurances from the statutory officers, external auditors reports, and where relevant, feedback from other review agencies and inspectorates (such as Ofsted and the Housing Regulator).

Overall Opinion

Based on the results of the review of effectiveness (provided in **Appendix B** below), the Council is satisfied that its governance arrangements are adequate and effective overall.

The arrangements, which are in line with the core principles of good governance, support the achievement of the Council's strategic objectives; manage risks to a reasonable level; and provide value for money to its residents, businesses and communities.

Although improvement actions have been determined, no significant governance issues that materially undermine the Council's arrangements were identified.

Where our Governance Needs to Improve

Whilst no significant governance issues that materially undermine the Council's arrangements were identified, the Council is satisfied that the agreed improvement actions detailed in **Appendix C** will further strengthen its governance arrangements, ensure they will be fit for purpose, and effectively support the achievement of intended outcomes.

Progress against these actions will be monitored during the year and also reported as part of the subsequent annual review process.

How We Improved Our Governance Arrangements in 2025/26

An update on the progress made on key improvement areas detailed in the 2024/25 Annual Governance Statement is provided in **Table 1** below.

Improvement Areas (Governance Principle)	Department's Reported Progress (at March 2026)	Status
Medium Term Financial Strategy (MTFS) **F**. *Managing risks and performance through robust*	The final 2026/27 MTFS was approved by Full Council on 26th February 2026. Whilst the 3-year settlement provides some certainty, the MTFS identified a growing budget deficit each year	Although this specific risk is considered to be adequately managed, the MTFS remains an area of focus for 2026/27

Improvement Areas (Governance Principle)	Department's Reported Progress (at March 2026)	Status
internal control and strong public financial management	that would require new base budget savings of around £35m each year.	
Compliance with Health and Safety standards in relation to Social Housing **F.** *Managing risks and performance through robust internal control and strong public financial management*	The Regulatory Notice was lifted in February 2026. We have a robust programme in place to assure ourselves and demonstrate compliance with the Regulator of Social Housing's standards in preparation for any future inspection.	This specific risk is considered to be adequately managed
Cyber Security **F.** *Managing risks and performance through robust internal control and strong public financial management*	The Council's Cyber Security position remains stable. There have been no successful Cyber incidents. External reviews have taken place during the last 12 months and recommendations are being acted upon. These are recorded in the strategic risk register. There has been a focus on ensuring officers and members complete their regular mandatory cyber awareness training, and any individual who has not completed their training is liable to lose their access to Council systems until it is completed.	Although this specific risk is considered to be adequately managed, cyber security remains an area of focus for 2026/27
Recommendations and actions from internal audit reviews	In the year, the majority of audit findings (85% of recommendations issued)	Although this specific risk is considered to be adequately managed, agreed internal audit

Improvement Areas (Governance Principle)	Department's Reported Progress (at March 2026)	Status
F. *Managing risks and performance through robust internal control and strong public financial management*	related to two key themes: policies and procedures, and process design and execution. For each recommendation, appropriate improvement actions were agreed with management. 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.	improvement actions remain an area of focus for 2026/27

Forward Look on Governance

Looking ahead to 2026/27 and beyond, in addition to the improvement areas in Table 1 above and agreed actions detailed in **Appendix C**, the Council will continue to strengthen its governance to meet emerging challenges including but not limited to medium-term financial pressures, service demand, legislative changes and compliance.

Appendix A: RBG Governance Arrangements

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

*Delivering good governance in local government: framework (CIPFA/SOLACE, 2025)
Governance arrangements are essential for a corporate culture focused on achieving objectives, managing risk and fulfilling stewardship and statutory responsibilities, including best value.

Details of RBG governance arrangements, aligned to the principles of good governance are provided below.

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

The public sector is normally responsible for using a significant proportion of resources raised through taxation to provide services to citizens. Public sector entities are accountable not only for how much they spend, but also for how they use the resources under their stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes they have achieved. In addition, they have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. Public sector entities are accountable to legislative bodies for the exercise of legitimate authority in society. This makes it essential that each entity as a whole can demonstrate the appropriateness of all of its actions and has mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

The Constitution

The Council's Constitution sets out the basic rules governing its business, including citizens' rights, decision-making processes, roles and responsibilities of functions, Members and officers, and procedures to ensure efficiency, transparency and accountability to local people.

It incorporates Codes of Conduct for Members and Officers, responsibility for functions such as Financial Regulations, Contracts Procedures, Access to Information Procedures, Overview and Scrutiny Committee procedures, the scheme of delegation, roles of Full Council, Cabinet and officers, and the Members' Allowances Scheme.

The Monitoring Officer monitors and reviews the operation of the Constitution to ensure its aims and principles are given full effect, maintains an up-to-date version, and ensures it is widely available for consultation by Members, staff and the public.

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

The Council maintains a corporate Whistleblowing Procedure.

All staff, at every level, are responsible for complying with laws, regulations, and Council policies, and for implementing them in practice.

Principle B: **Ensuring openness and comprehensive stakeholder engagement**

As public sector entities are established and run for the public good, the Leadership Team should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Stakeholder Engagement – *(Have Your Say)*
The Council is committed to transparency and actively engages stakeholders as an integral part of its decision-making processes.

A corporate report template is used for all decisions to ensure that all appropriate issues are considered and that relevant stakeholders have been consulted.

The Council's Community Engagement Framework provides a strategic approach to consultation and public engagement. In addition, a new community engagement and consultations online platform (*Community Conversations Greenwich*) was launched in March 2026.

The Council carries out public consultations to obtain the views of local residents and businesses on policy matters, operates a petition scheme, actively encourages participation in scrutiny processes and meetings, and invites comments on projects.

Communication is further supported through social media channels including X (formerly Twitter), Facebook and YouTube. Council meetings are open to the public, and an overview of consultation and engagement activities including decisions taken in the year is published on the Council's website https://www.royalgreenwich.gov.uk/

Vision and Priorities
The Council has a clear vision and missions for where it wants the borough to be by 2030, designed to make the organisation purpose-led rather than task-led, accountable to its communities, and collaborative, empowered and innovative.

The "Our Greenwich" annual plan, developed through extensive consultation with residents, partners and staff, is structured around five key themes: communities, people, place, economy, and organisation.

Principle C: **Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The long-term nature and impact of many of the public sector's responsibilities mean that it should define and plan outcomes and that these should be sustainable. The Leadership Team should ensure that its decisions further the entity's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users, and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Full details of the Council's Plan, vision, missions and decision making process can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/

Principle D: **Determining the interventions necessary to optimise the achievement of the intended outcomes**

The public sector achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of interventions is a critically important strategic choice

Scrutiny & Interventions

The Council operates various Committees and Panels such as the Overview and Scrutiny Committee, and six scrutiny panels, which play a central role in supporting the Cabinet and Full Council by scrutinising performance management, value for money, holding the Executive to account, external bodies, tackling inequality, budget management, contract management and performance including social value, and the general performance of Council services.

Details of committee and panel work, including meeting minutes, are published on the Council's website https://www.royalgreenwich.gov.uk/

From time to time, the Council commissions external reviews of specific risk areas to inform the development of more efficient and effective service delivery, ensuring continuous review and optimisation of interventions and resource inputs.

that the Leadership Team of public sector entities have to make to ensure they achieve their intended outcomes. Public sector entities need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

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

Public sector entities need appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. The Leadership Team must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that an entity's management has the operational capacity for the entity as a whole. Because both individuals and the environment in which an entity operates will change over time, there will be a

Training & Development
The Council maintains appropriate structures and leadership, supported by procedures that ensure operational capacity and the right skills, qualifications and mindset across the organisation. These arrangements are underpinned by the Council's Workforce Strategy, which sets out how workforce capacity and capability are planned and developed to support the Council's priorities. Our Greenwich Workforce Strategy 2025-2029 .

The Standards Committee promotes high standards of conduct by councillors, assists councillors to observe the Code of Conduct and in particular ensures access to training.

Pay banding and salary levels for senior posts are reserved matters for Full Council and the General Purposes Committee.

Officer employment procedures for Chief Officers — including the Head of Paid Service, Section 151 Officer (Chief Finance Officer) and Monitoring Officer — are clearly set out in the Constitution.

Performance Development Conversations (PDCs) facilitate constructive discussions on performance and development, enabling employees to reach their full potential through clear objectives linked to corporate and directorate plans, while supporting career progression and broader professional development.

continuous need to develop the entity's capacity as well as the skills and experience of the leadership of individual staff members. Leadership in public sector entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of their communities.

A comprehensive programme of training courses and workshops further supports staff development, health and wellbeing, reflecting the diversity of the community and the changing needs of the organisation.

Principle F: **Managing risks and performance through robust internal control and strong public financial management**

The Leadership Team of public sector entities need to ensure that the entities they oversee have implemented—and can sustain—an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. They consist of an ongoing process designed to identify and address significant risks involved in achieving an entity's outcomes. A strong system of financial management is essential for the implementation of public sector policies and the achievement of intended outcomes, as it will enforce

Managing Risks

The Council continues to sustain an effective performance management system that supports the efficient delivery of planned services. Risk management and internal controls form integral parts of this system through an ongoing process to identify and address significant risks to achieving outcomes.

The Risk Management Toolkit provides the corporate framework for risk identification, assessment and management. This is reinforced by an annual Internal Audit Plan, regularly reviewed and reported risk registers, and a standard corporate report template that explicitly captures key risks including potential impacts on the Council's Vision and missions, together with legal and financial implications.

The Audit and Risk Management Panel provides independent assurance on the adequacy of governance, risk management and control arrangements. Full details of the Panel's Terms of Reference and work undertaken in the year can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/

The Full Council is responsible for agreeing the council's policy framework and budget proposed by the Cabinet.

Strong public financial management is underpinned by the Medium-Term Financial Strategy, Capital Strategy, Treasury Management Strategy, Contract Procedures and scheme of delegation.

financial discipline, strategic allocation of resources, efficient service delivery, and accountability.

Principle G: **Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them, although the range and strength of different accountability relationships varies for different types of governing bodies. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the entity plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Transparency & Accountability
Transparency and reporting requirements are embedded within the Council's Constitution and actively monitored by the Legal and Democratic Services Department.

A standard reporting template is used across the Council to ensure consistent and comprehensive consideration of all decisions.

In addition to forthcoming decisions listed in a Forward Plan, reports, minutes of meetings and decisions taken are published promptly and made accessible to the public on the Council's website https://www.royalgreenwich.gov.uk/

The Internal Audit and Anti-Fraud function operates an annual audit plan (approved by the Audit and Risk Management Panel), delivers quarterly progress reports (including anti-fraud activities), and provides an annual Head of Audit opinion on the effectiveness of governance, risk management and control.

The Council complies with the Freedom of Information Act and Data Protection legislations and cooperates with external investigations and regulators, thereby delivering effective accountability through robust assurance mechanisms.

Appendix B: 2025/26 Review of Effectiveness

Sources of Assurance and Results

To fulfil the requirements of The Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom, the Council must conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal controls.

The annual review, which must be approached in a way that provides the required assurance in an efficient and effective manner, is an opportunity to take stock of governance, ensuring that the published AGS and associated improvement actions are based on robust evidence.

In conducting the annual review, the Council is required to:

- assess how effectively its arrangements meet the principles of good governance in practice.
- consider if and how its governance arrangements support the achievement of the authority's purpose and objectives
- consider whether the authority's governance arrangements, including all the core arrangements listed in the Council's arrangements in Appendix A, are operating effectively (and identify any areas for improvement where appropriate).

Sources of Assurance & Results (2025/26)	
Opinion from statutory officers – **Monitoring Officer**	Based on my statutory role, I can provide the following opinion on how the Council's governance arrangements, risk management and internal controls operated during 2025/26: • The Council has reviewed and updated its constitution at various intervals during the year to ensure that it is fit for purpose and meets changes needs of the Council. • Extensive training has been provided to officers in a number of areas including employment law to mitigate risk of challenge and in response to court/ Tribunal decisions. • The Corporate template for decision report has been reviewed and updated and training on the constitution and decision making processes provided to officers.

Sources of Assurance & Results (2025/26)	
Opinion from statutory officers – **s151 Officer**	The opinion of the s151 Officer: I am **Actively involved** in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered; and alignment with the organisation's financial strategy. **Financially** the Council operates planning through its Medium-Term Financial Strategy and Treasury Management & Capital 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. 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. **Governance**: The Council's Constitution sets out the framework within which the Council operates.
Assurances from senior managers – **Chief Officers**	Having considered the governance, risk management and controls operating across our Service Areas, we confirm that during 2025/26 we operated in accordance with the RBG Governance Arrangements detailed in **Appendix A**. We can provide evidence that controls are effective and, where areas for improvement have been identified, appropriate action plans are in place and being monitored. In our opinion, there are no significant gaps or matters that require escalation to the Chief Executive and Leader of the Council.

Sources of Assurance & Results (2025/26)	
	Any material issues arising after 31 March 2026 will be escalated promptly.
Independent oversight by the Audit & Risk Management (ARM) Panel	The Audit and Risk Management (ARM) Panel's purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements. The Panel has oversight of both internal and external audit, together with financial and governance reports, helping to ensure there are adequate arrangements in place for both internal challenge and public accountability. The ARM Panel's 2025/26 annual report demonstrates that the Panel has effectively discharged its oversight role during 2025/26, scrutinising a broad range of governance, risk, and control topics to safeguard the interests of the Council and the community in general. Full details of work undertaken by the ARM Panel, including minutes of its meetings and its 2025/26 annual report can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/
Performance monitoring	Progress against the Council's missions as detailed in "Our Greenwich", the Council's 4 year Plan, is published on the Council's website accessible via link https://www.royalgreenwich.gov.uk/ The Council also operates various overview and scrutiny panels that may review and scrutinise the performance of the Council in relation to its policy objectives, performance targets and/or particular service areas. Details of the panels' work, including reports and meeting minutes, are published on the Council's website https://www.royalgreenwich.gov.uk/
Assurances from other member committees	Full details of work undertaken by various other committees and panels, including minutes of meetings and annual reports can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/
Evidence of risk management and reporting	The Council maintains a robust risk management Toolkit, which is the corporate Framework that sets the tone for risk management across the council. The Toolkit

	supports the systematic identification, evaluation, mitigation and monitoring of risks across all levels of the organisation. It also enables: • integration of risk considerations into all formal decision reports, ensuring that potential impacts on the Council's vision, missions, legal obligations and financial position are explicitly addressed • regular review and updating of risk registers to reflect the evolving risk environment • clear ownership and accountability for risks including mitigation actions with progress monitored through established governance routes. Strategic risks, which pose the greatest potential threats to the achievement of the Council's priorities, are owned by the Greenwich Management Team (GMT) and reviewed and reported bi-annually to the Audit & Risk Management (ARM) Panel, Cabinet and Full Council ensuring appropriate scrutiny and oversight. Operational risks, on the other hand, are managed at directorate and service levels, in line with the Toolkit. The ARM Panel provides independent and high-level focus on the adequacy of governance, *risk management* and control arrangements. This is complemented by the work of the Council's internal audit function, which evaluates the design and operation of key controls and provides recommendations for continuous improvement. Minutes of meetings including copies of risk registers can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/
Findings of external assessments e.g., external audit, inspectorates, other regulators, peer reviews and any other commissioned reviews	In 2022, the Regulator of Social Housing (RSH) issued a regulatory notice against the Council following its self-referral. In recognition of the Council's significant progress in completing up-to-date assessments and implementing improvements to housing safety and compliance, the RSH formally lifted the notice on 25 February 2026.

Sources of Assurance & Results (2025/26)	
Opinion and assurances from the head of audit including self-assessments and progress tracking	During the year, a risk-based approach was adopted in accordance with the Internal Audit Charter and audit reviews were undertaken to provide assurance on the adequacy and effectiveness of the Council's governance, risk management, and internal control arrangements against the Principles of Good Governance prioritised for 2025/26. In the year, the majority of audit findings (85% of recommendations issued) related to two key themes: policies and procedures, and process design and execution. For each recommendation, appropriate improvement actions were agreed with management. 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. Based on completed audit reviews, it is the opinion of the Head of Audit that the Council's 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. 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. *Self-Assessments* The Global Internal Audit Standards (GIAS) and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government, both of which came into force on 1 April 2025, require the Head of Audit to undertake an annual internal quality assessment (IQA) of the function's conformance with the Standards and Code, and to report the results. The assessment results, summarised below, together with agreed action plans to address instances of non-conformance and seize opportunities for improvement were reported to the Audit & Risk Management Panel on 17 March 2026. The agreed actions are also detailed in **Appendix C** of the AGS. *Global Internal Audit Standards*

Sources of Assurance & Results (2025/26)	
	• Domain I - Purpose of Internal Auditing: *Partially Achieved* • Domain II - Ethics and Professionalism: *Partially Achieved* • Domain III - Governing the Internal Audit Function: *Generally Achieved* • Domain IV - Managing the Internal Audit Function: *Partially Achieved* • Domain V - Performing Internal Audit Services: *Not Achieved* *CIPFA Code of Practice for the Governance of Internal Audit* • Outcome A - Purpose and Mandate of internal audit: *Generally Achieved* • Outcome B - Scope and priorities of internal audit: *Generally Achieved* • Outcome C - Reporting Results: *Generally Achieved* • Outcome D - Interaction with risk management, compliance, finance and control functions: *Not Achieved* • Outcome E - Independence and authority of internal audit: *Generally Achieved* • Outcome F – Resources: *Partially Achieved* • Outcome G - Quality Assurance and Improvement Programme (QAIP): *Partially Achieved* *Counter-Fraud and Corruption Arrangements* To support good governance and demonstrate effective financial stewardship and strong public financial management, the Council has a responsibility to embed effective standards for countering fraud and corruption, as set out in the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014). Having considered all the principles in the Code (listed below), I am satisfied that, subject to the agreed actions reported to the Audit & Risk Management Panel on 17 March 2026 and detailed in **Appendix C**, the organisation has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud. • acknowledge the responsibility of the governing body for countering fraud and corruption • identify the fraud and corruption risks • develop an appropriate counter fraud and corruption strategy • provide resources to implement the strategy

Sources of Assurance & Results (2025/26)	
	• take action in response to fraud and corruption. Reports on the annual performance of the internal audit and anti-fraud functions, together with the Head of Internal Audit's annual report were presented to the Audit & Risk Management Panel and can be viewed on the Council's website via the link https://www.royalgreenwich.gov.uk/

Appendix C: Improvement Action Plan

1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)

1.1

GIAS Domain IV: Standard 10.3 - Technological Resources; Standard 11.2 – Effective Communication and Standard 11.3 – Communicating Results and Domain V - Performing Internal Audit Services

CoP: Outcome F – Resources

To ensure conformance with the GIAS Domain V - Performing Internal Audit Services (*assessed area of non-conformance in 2025/26*), the Council invested and implemented an internal audit IT system (AuditBoard), which fully aligns with GIAS mandatory requirements. The system enables systematic identification, analysis, and prioritisation of risks, supporting a bottom-up approach to audit planning; standardised engagement work programmes that clearly define audit objectives and scope; robust evaluation of findings and root-cause analysis to support valid, evidence-based engagement conclusions, which are mandatory to inform the Council's Annual Governance Statement (AGS); centralised storage of all audit documentation and supporting evidence, enabling the consistent capture of sufficient and reliable information.

In addition, the Audit Terms of Reference and Final Report templates, which are the primary vehicles for communicating engagement plans and outcomes, have been updated to ensure communications are accurate, objective, clear, concise, constructive, complete and timely in accordance with GIAS requirements.

- **Action:** Develop the 2026/27 internal audit plan and perform all audit engagements using the newly implemented AuditBoard IT system.

	Principle F - Managing risks and performance through robust internal control and strong public financial management 1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)
	Responsible Officer: *Head of Audit* Completion Target Date: *30 June 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
1.2	GIAS Domain IV: Standard 9.4 – Internal Audit Plan and Standard 9.5 – Coordination & Reliance CoP: Outcome D: Interaction with risk management, compliance, finance and control functions.

	Principle F - Managing risks and performance through robust internal control and strong public financial management 1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)
	• **Action:** Using the newly implemented AuditBoard IT system, conduct a comprehensive review and update of the audit universe to ensure it fully aligns with the Council's core objectives, strategic initiatives, and established risk management framework. Concurrently develop an assurance map that links significant risk categories to relevant sources of assurance, where applicable, to provide a holistic view of coverage and gaps. This will ensure conformance with the CIPFA Code of Practice Outcome D: Interaction with risk management, compliance, finance and control functions (*assessed area of non-conformance in 2025/26*). Responsible Officer: *Head of Audit* Completion Target Date: *30 June 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
1.3	GIAS Domain IV: Standard 12.2 – Performance Measurement CoP: Outcome G: Quality Assurance and Improvement Programme (QAIP) • **Action:** To further enhance transparency and demonstrate value-add, revise the internal audit function's key performance indicators (KPIs) to fully conform with the GIAS-compliant performance measurement guidance issued by the Institute of Internal Auditors (IIA). This will drive improved productivity across the internal audit function. Responsible Officer: *Head of Audit* Completion Target Date: *30 June 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*

1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)

1.4 GIAS Domain IV: Standard 9.3 - Methodologies and Standard 12.3 – Oversee and Improve Engagement Performance

CoP: Outcome G: Quality Assurance and Improvement Programme (QAIP)

- **Action:** Develop and roll out comprehensive internal audit methodologies (building on the implemented IT system and processes).

  The methodologies will provide a structured, disciplined framework to implement the approved internal audit charter and strategy; develop and deliver the internal audit plan; develop and maintain appropriate competencies across the team; further strengthen the professionalism, consistency, and effectiveness of internal audit engagements and communication including senior management and board reporting; and ensure ongoing conformance with the GIAS.

Responsible Officer: *Head of Audit*

Completion Target Date: *30 September 2026*

Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*

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

1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)

1.5	GIAS Domain II: Standard 3.1 - Competencies and Standard 3.2 – Continuing Professional Development CoP: Outcome F: Resources • **Action:** Adopting the Institute of Internal Auditors (IIA) GIAS compliant Internal Auditing Competency Framework™ (2025 edition), develop and implement a professional development plan that proactively identifies competency requirements, delivers targeted training, and ensures continuous professional development through ongoing learning and skill enhancement activities. Responsible Officer: *Head of Audit* Completion Target Date: *30 November 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
1.6	GIAS Domain III: Standard 8.4 – External Quality Assessment and Domain IV: Standard 12.1 – Internal Quality Assessments CoP: Outcome G: Quality Assurance and Improvement Programme (QAIP) • **Action:** Prepare a plan for conducting an external quality assessment (EQA due 2027/28) by a qualified, independent assessor or assessment team, specifying scope and frequency of assessments; criteria for the competencies and independence of the external assessor or assessment team, including qualifications, experience, and safeguards against conflicts of interest; rationale

	Principle F - Managing risks and performance through robust internal control and strong public financial management 1. Ensuring conformance with the Global Internal Audit Standards (GIAS) and CIPFA Code of Practice on the Governance of Internal Audit (CoP)
	for opting for a self-assessment with independent validation as an alternative to a full external quality assessment (as applicable), highlighting benefits such as cost-efficiency, timeliness, and internal capacity building, whilst upholding standards of objectivity. Responsible Officer: *Head of Audit* Completion Target Date: *31 January 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*

	Principle F - Managing risks and performance through robust internal control and strong public financial management 2. Ensuring conformance with the Code of Practice on Managing the Risk of Fraud and Corruption including requirements of the Economic Crime and Corporate Transparency Act 2023.
2.1	• **Action:** Collate and map all applicable fraud-related documents and procedures. This exercise to include the updating and/or drafting of but not limited to: ○ a council-wide fraud risk register in line with the Council's established risk management Toolkit ○ anti-fraud procedure ○ anti-bribery procedure ○ anti-money laundering procedure Responsible Officer: *Head of Audit* Completion Target Date: *31 August 2026*

	Principle F - Managing risks and performance through robust internal control and strong public financial management 2. Ensuring conformance with the Code of Practice on Managing the Risk of Fraud and Corruption including requirements of the Economic Crime and Corporate Transparency Act 2023.
	Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
2.2	• **Action:** Consolidate the above documents and procedures and draft a single, comprehensive overarching Anti-Fraud Framework that meets the requirements of the Economic Crime and Corporate Transparency Act 2023, which came into effect on 01 September 2025. Responsible Officer: *Head of Audit* Completion Target Date: *30 September 2026* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
2.3	• **Action:** Consult relevant Services and stakeholders; and secure formal approval of the above Anti-Fraud Framework from senior management and relevant Member committees and Panels Responsible Officer: *Head of Audit* Completion Target Date: *31 January 2027* Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*
2.4	• **Action:** Communicate approved Anti-Fraud Framework across the Council via briefings and the intranet; and integrate into fraud guidance materials and awareness/training sessions.

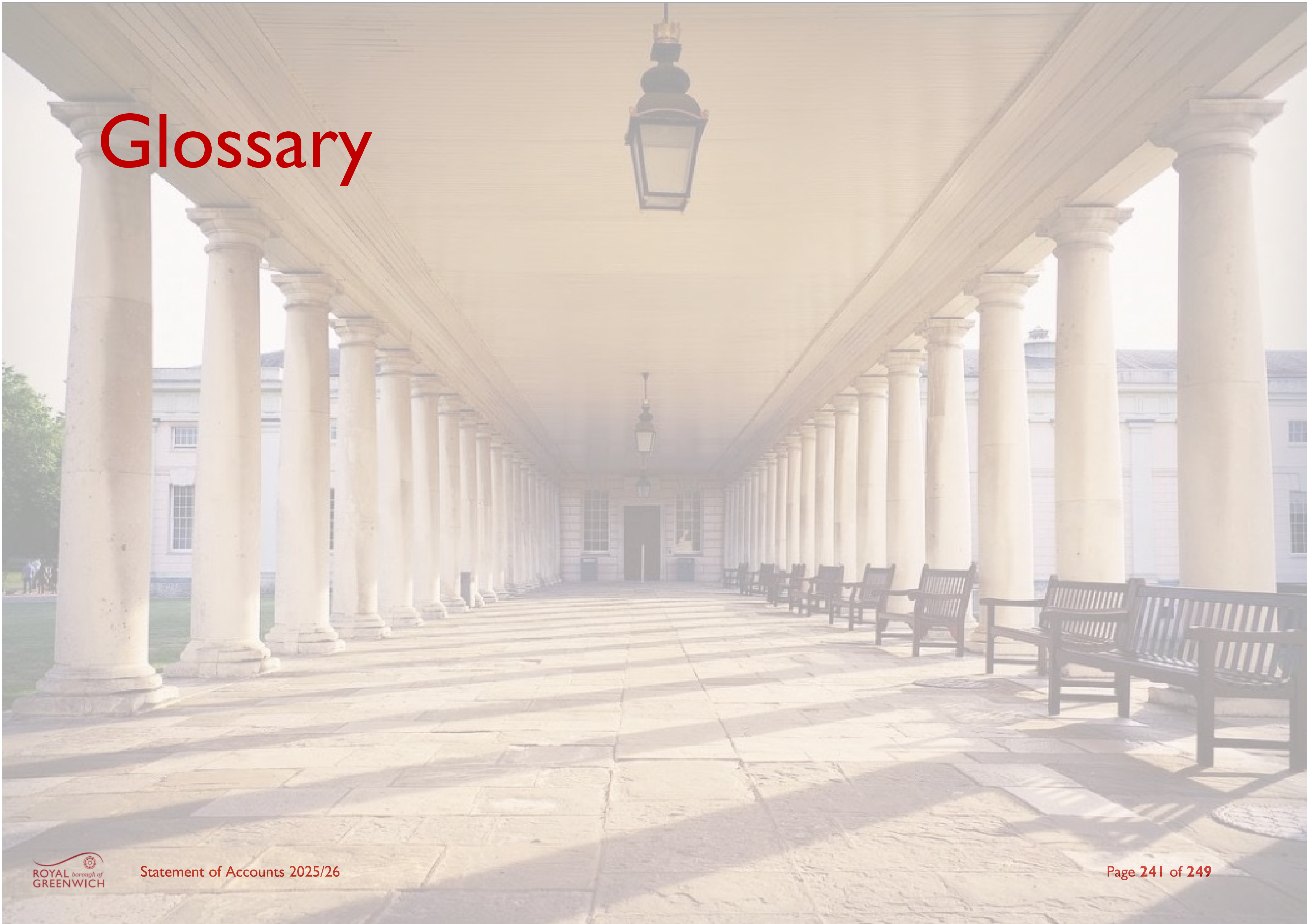
Principle F - Managing risks and performance through robust internal control and strong public financial management

2. Ensuring conformance with the Code of Practice on Managing the Risk of Fraud and Corruption including requirements of the Economic Crime and Corporate Transparency Act 2023.

Responsible Officer: *Head of Audit*

Completion Target Date: *31 March 2027*

Progress monitoring: *Quarterly performance reports to the Greenwich Management Team (GMT) and Audit & Risk Management Panel*



Glossary

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 2024/25.

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.