

Statement of Accounts 2025/26

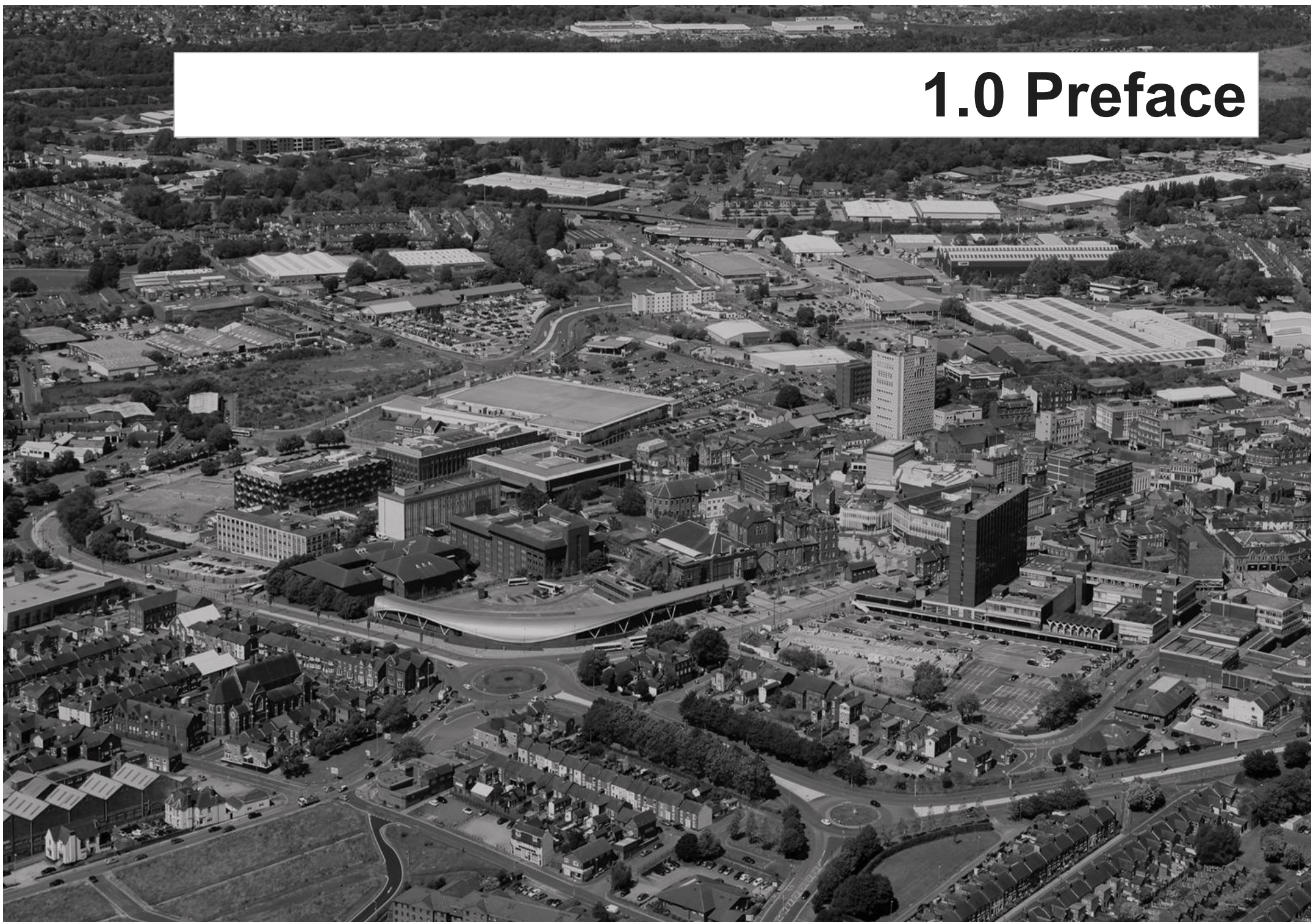


The Statement of Accounts for Stoke-on-Trent City Council for the year ended 31 March 2026 has been prepared and published in accordance with the Accounts and Audit Regulations 2015 and the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (“the Code”) issued by the Chartered Institute of Public Finance and Accountancy. The Code is based on International Financial Reporting Standards, as adapted for the UK public sector under the oversight of the Financial Reporting Advisory Board.

Contents

Note	Title	Page No
1.0	Preface	
	Narrative Statement	5
2.0	Statements to the Accounts	
	Independent Auditor's Report to the Members of Stoke-on-Trent City Council	24
	Statement of Responsibilities for the Statement of Accounts	25
3.0	Core Financial Statements	
	Comprehensive Income and Expenditure Statement	28
	Balance Sheet	30
	Movement in Reserves Statement	32
	Cash Flow Statement	34
4.0	Explanatory Notes	
	Index of Explanatory Notes to the Core Financial Statements	36
	Explanatory Notes to the Core Financial Statements	37
5.0	Housing Revenue Account	
	Housing Revenue Account Income and Expenditure	138
	Statement of Movement in the Housing Revenue Account	139
	Notes to the Housing Revenue Account Financial Statements	140
6.0	Collection Fund	
	Collection Fund Statement	149
	Notes to the Collection Fund	151
7.0	Group Accounts	
	Comprehensive Income and Expenditure Statement	158
	Balance Sheet	160
	Movement in Reserves Statement	162
	Cash Flow Statement	164
	Explanatory Notes to the Core Financial Statements	165
8.0	Other Statements	
	Statement of Accounting Policies	175
	Glossary of Financial Terms	196

1.0 Preface



1.1 Narrative Statement

1. Executive Summary

This Narrative Report provides a fair, balanced and understandable overview of Stoke-on-Trent City Council's financial and operational performance for the year ended 31 March 2026. It explains the Council's purpose, the environment in which it operates, its principal risks and uncertainties, how resources have been used during the year, and how the financial statements should be read in context.

The Council continued to operate in a highly challenging financial environment during 2025/26. Demand for statutory services, particularly Children and Families and Adult Social Care, remained high. These pressures were compounded by inflationary costs, workforce pressures and continuing uncertainty in local government funding.

The key messages for 2025/26 are as follows:

- The Council achieved a balanced provisional outturn after corporate mitigation and the application of Exceptional Financial Support. Before Exceptional Financial Support, the remaining gap was £16.8 million.
- General Fund services recorded net expenditure of £334.9 million against a budget of £321.7 million, an overspend of £13.3 million before funding, capital receipts, corporate mitigation and Exceptional Financial Support (SOA Note 3.1).
- The largest service pressures arose in Children and Families and Adult Social Care and All-Age Commissioning, partly offset by underspends in other directorates and corporate items.
- Financial sustainability remains fragile, with continued reliance on Exceptional Financial Support and delivery of the Medium-Term Financial Strategy remaining critical to long-term resilience.
- General Fund reserves remain modest in the context of the Council's risk profile. At 31 March 2026, General Fund reserves were £15.3 million, representing 4.8% of net expenditure (SOA Note 4.2.9).
- The Dedicated Schools Grant High Needs deficit remains a significant long-term risk, with the statutory override currently due to end in March 2028 (SOA Note 4.2.16). However, the government have recently announced plans to support up to 90% of this deficit through the High Needs Stability Grant subject to a suitable SEND Reform plan being developed.
- The pension position improved compared with prior years due to actuarial movements; however, any IAS 19 accounting surplus remains subject to the asset ceiling and does not create a usable resource for service spending (SOA Note 4.2.19).
- The Council remains a going concern, but this depends on continued delivery of savings, robust financial control and support within the local government funding framework. The assessment recognises the Council's current ability to meet its statutory responsibilities, while also acknowledging that financial resilience remains dependent on the successful delivery of recovery and transformation plans.

This report should be read alongside the Statement of Accounts, the Annual Governance Statement, Treasury Management reporting and the Council's corporate and financial strategies.

1.1 Narrative Statement (continued)

2. Organisational Overview and External Environment

Stoke-on-Trent City Council is a unitary authority serving approximately 270,425 residents across six towns. The Council operates under a Leader and Cabinet model and delivers a broad range of statutory and discretionary services, including social care, education-related services, housing, highways, waste, public health, regeneration and community wellbeing.

The Council's operating environment remained complex and challenging during 2025/26. Key features of that environment included:

- high levels of deprivation and health inequalities
- sustained demand growth in statutory care services
- inflationary pressures affecting both contract costs and direct service delivery
- workforce pressures and labour market constraints
- uncertainty in national local government funding reform and medium-term settlements
- continuing cost-of-living pressures affecting residents and, in turn, service demand and collection performance

These external factors directly influence the Council's financial resilience, service demand and ability to deliver its priorities.

3. Corporate Strategy, Priorities and Service Performance

The Council's corporate strategy, Our City, Our Wellbeing, sets out the authority's long-term vision and priorities for Stoke-on-Trent. During 2025/26, the Council continued to pursue the following strategic priorities:

- A Healthier City
- A Wealthier City
- A Safer City
- A Greener City
- A Cleaner City
- A Fairer City
- A Skilled City

The Council measures performance through a combination of service, financial and corporate indicators. During 2025/26, progress was made in a number of areas. At the same time, the Council continued to face significant challenges, particularly in demand-led services where the combination of rising need, complexity and market cost inflation continued to increase financial pressure.

Despite the significant financial pressures faced by the Council, service delivery has continued to be maintained across key areas during 2025/26. The Council has continued to focus on delivering its strategic priorities while strengthening financial control and responding to increased demand across statutory services.

1.1 Narrative Statement (continued)

During the year, the Council achieved a balanced provisional outturn position through a combination of strengthened financial management, delivery of savings, management action and the use of temporary financial support. Alongside this, operational performance remained strong in a number of areas. For example, the Council's Adult Social Care service underwent external inspection during 2025/26 and the outcome recognised areas of positive practice and ongoing improvement. This demonstrates the Council's continued focus on maintaining service quality and improving outcomes for residents despite the challenging financial environment.

In July 2023 Ofsted conducted a 3-day full inspection of adult and community learning and graded the service 'Good' in all 7 areas. The report recognised the enormous progress made by the service since the last report and the improvements made within the service (An Inadequate' judgement was made in 2019, and a 'Requires Improvement' judgement in September 2021). There has been evidenced consistent improvement over the last 4 years that have been reflective of our achievement, attendance and retention rates. Following on from the full inspection we have reviewed our Quality Improvement Plan (QIP) taking into consideration the areas in which Ofsted mentioned as areas for improvement.

In January 2024 Ofsted and CQC undertook a joint area inspection of SEND and Alternative Provision (AP). The outcome was outcome 2 which states that outcomes are inconsistent for children and young people in the city. Nevertheless, inspectors recognised the improvement work that had been undertaken as the right things to do but had not yet consistently demonstrated impact as they were relatively recent developments. In direct partnership with health colleagues the Council has responded to the actions through a refreshed improvement plan. Underneath the SEND Delivery Group there are five workstreams under each of the five SEND Strategy priorities. All of the areas identified for improvement through the inspection sit under a priority area. The workstreams are responsible for the action and activity, collating the evidence of progress and impact and reporting this into the SEND Delivery Group, which then reports into the SEND and Inclusion Partnership Board.

The Council continues to recognise that financial sustainability and service performance are closely linked. The focus remains on delivering sustainable service models, improving outcomes, and ensuring that transformation activity supports both financial resilience and effective delivery of services. The Council's largest overspends continue to arise where service demand is volatile and increasing. Increased numbers of children in care, higher placement costs and case complexity contributed to overspending in Children and Families, while demographic growth and complexity of need continued to place pressure on Adult Social Care and All-Age Commissioning. To address these challenges a continued programme of recurring savings, demand management, transformation and service redesign is required and ongoing.

In terms of economy, efficiency and effectiveness, the Council continued to take action to ensure that resources were used as effectively as possible. During 2025/26 this included in-year budget controls and spending restraint, review and challenge of non-essential expenditure, service transformation and redesign activity, and continued work to ensure that savings proposals are deliverable and recurring where possible. Management action remained focused on high-cost and high-risk demand-led services.

1.1 Narrative Statement (continued)

4. Financial Performance

4.1 Revenue Outturn

Net revenue expenditure for General Fund services in 2025/26 was £334.924 million compared with a budget of £321.656 million, resulting in an overspend of £13.268 million at service level (SOA Note 3.1).

The most significant service variances were as follows:

- Children and Families: overspend of £16.725 million, driven primarily by placements, complexity and demand growth.
- Adult Social Care and All-Age Commissioning: overspend of £14.623 million, reflecting demographic pressures, provider market costs and complexity of demand.
- Housing, Regeneration and Operations: underspend of £11.722 million.
- Non-Departmental: underspend of £5.460 million.
- Chief Executive: underspend of £0.662 million.
- Resources: underspend of £0.236 million.

After taking account of General Fund funding and capital receipts, the remaining gap was £23.591 million. Corporate mitigation of £6.791 million reduced this to £16.800 million, which was then balanced through Exceptional Financial Support (SOA Note 3.1).

These variances reflect structural demand pressures rather than one-off issues. The Council took a range of mitigating actions during the year, including expenditure controls, corporate management action and the use of temporary support measures. While these actions supported in-year budget management, they do not remove the need for a sustainable medium-term solution to the Council's structural financial pressures.

4.2 Exceptional Financial Support

The Council utilised £16.800 million of Exceptional Financial Support during 2025/26 (SOA Note 4.2.8).

Exceptional Financial Support enabled the Council to manage acute financial pressure and to set and maintain a lawful budget position while longer-term recovery and transformation actions continue. However, Exceptional Financial Support is not a recurring funding solution. It is temporary support and cannot by itself resolve the Council's underlying structural budget challenge.

Reliance on Exceptional Financial Support gives rise to a number of important considerations:

- it increases dependence on one-off support rather than sustainable recurring resources
- it creates future cost and financing implications
- it increases the importance of delivering planned savings and transformation activity
- it increases the significance of capital receipts and other supporting assumptions in the financial strategy

The Council's medium-term approach is therefore focused on reducing reliance on Exceptional Financial Support over time through the delivery of recurring savings, service transformation, strengthened financial control and a sustainable financial strategy. This will require the Council to address the underlying structural budget pressures driving the need for temporary support, particularly in demand led services, rather than relying on one off measures to manage recurring budget pressures. Progress will be monitored through the Medium-Term Financial Strategy, with continued focus on the deliverability, timing and impact of savings and transformation plans.

1.1 Narrative Statement (continued)

4.3 Reserves and Balances

Total usable reserves at 31 March 2026 were £151.9 million, comprising General Fund reserves of £15.3 million, capital reserves of £87.3 million, school balances of £1.0 million and other earmarked reserves of £38.4 million (SOA Note 4.2.9). Within those totals, Housing Revenue Account balances were £33.747 million, comprising HRA revenue reserves of £10.070 million and HRA usable capital receipts of £23.677 million (SOA Note 5.3.2).

The level of reserves remains limited given the scale of financial risk, including demand volatility, Dedicated Schools Grant exposure and reliance on Exceptional Financial Support. Reserves are therefore considered adequate for their current purpose, but due to the relatively low levels of reserve held remain a significant risk should any major financial shocks emerge.

4.4 Capital Programme and Borrowing

Capital expenditure totalled £105.472 million and was funded by grants and contributions of £48.567 million, capital receipts of £9.096 million, borrowing of £27.696 million, Major Repairs Reserve of £15.374 million and direct revenue financing of £4.774 million (SOA Note 4.2.12).

The Council's Capital Financing Requirement increased to £925.389 million from £903.506 million (SOA Note 1.1h).

The deliverability of capital receipts remains a key assumption underpinning financial sustainability.

4.5 Treasury Management

Treasury Management activity during 2025/26 was undertaken in accordance with the Council's approved Treasury Management Strategy, the CIPFA Treasury Management Code and the Prudential Code.

At 31 March 2026, the Council held investments of £14.825 million and external borrowing of £791.099 million (SOA Note 4.2.14).

The Council's treasury priorities remained security of capital, liquidity to meet cash flow requirements and yield appropriate to the Council's risk appetite.

4.6 Dedicated Schools Grant

The Dedicated Schools Grant High Needs Block deficit at 31 March 2026 was £33.4 million (SOA Note 4.2.16). This remains a material and unresolved financial risk. Under the statutory override, the deficit is excluded from the General Fund until March 2028. However, unless national reform or additional government intervention is provided, the underlying deficit continues to represent a significant medium-term financial challenge.

The Council continues to work with partners to manage and reduce High Needs cost pressures, improve pathways and implement recovery actions. Nonetheless, the scale of the issue means there remains significant uncertainty beyond the expiry of the statutory override.

However, the Government has recently announced proposals to support up to 90% of this deficit through the High Needs Stability Grant subject to a suitable SEND Reform plan being developed. The City Council is currently in the process of developing this plan for submission.

1.1 Narrative Statement (continued)

4.7 Pensions – IAS 19 Position

The Council participates in the Local Government Pension Scheme. The IAS 19 pension position at 31 March 2026 reflects the latest actuarial assessment of pension assets and liabilities (SOA Note 4.2.19).

The pension position has improved compared with prior years as a result of actuarial movements. However, any IAS 19 surplus must be interpreted carefully:

- any IAS 19 surplus is subject to the asset ceiling test
- any recognised surplus is an accounting position, not a usable reserve
- it does not improve the Council's day-to-day spending power or remove the need to maintain financial resilience

The pension position remains sensitive to actuarial assumptions, particularly discount rates, inflation assumptions and asset performance. The Council therefore does not rely on this accounting movement as a solution to wider financial pressures.

4.8 Housing Revenue Account

The Housing Revenue Account remained financially stable during 2025/26 and continued to support investment in council housing stock and housing priorities.

At 31 March 2026, total Housing Revenue Account balances were £33.747 million (SOA Note 5.3.2). This total comprised HRA revenue reserves of £10.070 million and HRA usable capital receipts of £23.677 million. Within HRA revenue reserves, the main components were the HRA General Balance of £6.716 million, the 53rd Week Rent Provision of £1.407 million, Sheltered Tenants reserves of £0.239 million and earmarked reserves of £1.709 million. Major Repairs Reserve and other HRA capital reserves closed at nil.

The Council continues to monitor the long-term sustainability of the HRA business plan, including the use of reserves to support the revenue position and future investment needs.

WORD -NSThe Council has considered the requirement to prepare group accounts and has included group relationships where required by the Code. Group entities are not considered to materially alter the overall financial position of the Council (SOA Note 7.1).

5. Principal Risks and Uncertainties

The Council operates a corporate risk management framework designed to identify, monitor and mitigate significant strategic and operational risks. The principal financial and service risks at 31 March 2026 include the following:

- Financial sustainability: the Council continues to face a significant structural financial challenge, with reliance on temporary measures, recurring savings requirements and continued demand pressure.
- Service demand pressures: demand-led services, especially Children and Families and Adult Social Care and All-Age Commissioning, continue to experience volume and cost pressures that are difficult to predict and control fully.
- Dedicated Schools Grant deficit: the High Needs deficit remains a major long-term risk, particularly beyond March 2028 if no national solution is identified.

1.1 Narrative Statement (continued)

- Delivery of savings and transformation: the Council's financial plans depend on the delivery of recurring savings, transformation activity and service redesign. Slippage or non-delivery would increase financial pressure.
- Capital receipts and capital financing: the Council's strategy assumes delivery of capital receipts and continued affordability of borrowing.
- External environment: inflation, wider economic conditions, policy changes and future local government funding decisions remain significant sources of uncertainty.

The Council keeps these risks under review through its governance, budget monitoring and risk management arrangements.

6. Going Concern and Financial Resilience

The Statement of Accounts has been prepared on a going concern basis.

In reaching this conclusion, the Council has considered the approved budget and Medium-Term Financial Strategy, in-year financial monitoring and management action, reserves and cash flow forecasts, access to Exceptional Financial Support where approved, the Council's statutory powers and functions as a local authority, transformation and savings plans, and the wider local government funding environment.

The Council remains a going concern because it continues to operate within the legal and financial framework that applies to local authorities, and management has a reasonable expectation that the Council will continue in operational existence for the foreseeable future.

However, that conclusion must be understood in context. Financial resilience remains constrained and is dependent on continued mitigation, delivery of recurring savings, effective management of demand-led pressures and an appropriate level of support and flexibility within the local government finance system.

As part of this assessment, the Section 151 Officer has considered the factors that could otherwise increase the risk of severe financial distress, including the circumstances that might give rise to a Section 114 scenario. At the date of approval of the accounts, the Council remains able to prepare its accounts on a going concern basis, but the importance of sustained financial recovery should not be understated.

7. Future Outlook

The Council recognises the positive impact of recent changes to the local government funding framework, including the move towards a multi-year settlement and the Fair Funding Review, which provide greater certainty and seek to better reflect relative need and local circumstances.

However, while these changes are welcomed, they do not in themselves remove the Council's underlying financial challenges. Continued focus on transformation, financial management and delivery of the Medium Term Financial Strategy remains essential to strengthening long term financial sustainability.

1.1 Narrative Statement (continued)

The Council's Medium Term Financial Strategy identifies a continuing requirement to strengthen financial sustainability over the medium term.

The key features of the outlook are:

- continued budget pressure in demand-led services
- the requirement for further recurring savings and transformation
- the need to reduce reliance on Exceptional Financial Support over time
- uncertainty regarding the future treatment of the Dedicated Schools Grant deficit
- continued sensitivity to inflation, interest rates and national funding decisions

The Council's priorities for the medium term are therefore to deliver sustainable service models, improve financial resilience, strengthen budget discipline and forecasting, reduce dependence on one-off measures, manage demand-led cost growth and maintain a robust focus on governance, risk and delivery.

The outlook remains challenging. Progress has been made in stabilising the in-year position, but long-term sustainability will depend on successful local delivery and the future direction of national funding policy.

8. Governance and Accountability

The Council maintains governance arrangements designed to support lawful decision-making, effective stewardship of public money and clear accountability.

These arrangements include Member oversight through Cabinet, Council and the Audit Committee, the work of the Section 151 Officer and Monitoring Officer, internal audit and counter-fraud arrangements, corporate risk management, budget monitoring and financial reporting, and the Annual Governance Statement process.

Where significant governance issues arise, they are considered through the Council's governance framework and disclosed where appropriate in the Annual Governance Statement. This Narrative Report should be read alongside the Annual Governance Statement, which provides a fuller assessment of the effectiveness of the Council's governance arrangements during 2025/26.

9. Events After the Reporting Date

The Council has considered events occurring between 31 March 2026 and the date of approval of the Statement of Accounts. Any material adjusting or non-adjusting events identified during this period are reflected in the financial statements or disclosed in the relevant note to the accounts (SOA Note 8.1).

1.1 Narrative Statement (continued)

10. Basis of Preparation and How to Read This Report

This Narrative Report accompanies the Statement of Accounts for the year ended 31 March 2026. Its purpose is to help readers understand the Council's financial performance, use of resources, financial position and principal risks in a clear and accessible way.

The report should be read together with the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the notes to the accounts, the Annual Governance Statement and Treasury Management and prudential reporting presented to Members during the year.

Where figures in this Narrative Report are drawn from the Statement of Accounts, the relevant note or primary statement reference is shown.

Where figures are drawn from internal management reporting or service performance reporting, they are supported by working papers retained for audit inspection.

11. Conclusion

2025/26 has been another year of significant challenge for Stoke-on-Trent City Council. The Council has maintained service delivery in a very difficult environment and has achieved an in-year balanced position only through a combination of management action, mitigation and Exceptional Financial Support.

The year has demonstrated both the resilience of the organisation and the fragility of its financial position. Demand-led cost pressures, Dedicated Schools Grant exposure, limited reserves and reliance on temporary support continue to present material challenges.

The Council remains focused on strengthening long-term financial sustainability through disciplined financial management, transformation activity, risk management and delivery of the Medium-Term Financial Strategy. This work will remain critical in 2026/27 and beyond.

1.1 Narrative Statement (continued)

1.1I. Explanation of the Financial Statements

The Accounts and Audit (England) Regulations 2015 require the council to produce a Statement of Accounts for each financial year. These Statements are prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom, issued by the Chartered Institute of Public Finance and Accountancy (CIPFA).

The statements contain a number of different elements which are explained below.

1.1I(i) Comprehensive Income and Expenditure Statement - Authority

This statement reflects the sum of all income, expenditure, gains and losses incurred by the council in the last 12 months and explains how the balance sheet position has changed between the two financial years. This statement shows the council's financial position in accordance with accounting practice and includes unbudgeted notional charges for items such as depreciation, impairment, capital grants and capital charges. More details of the authority Comprehensive Income and Expenditure Statement are shown in Note 3.1.

2024/25			2025/26				
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
842,614	(542,661)	299,953	Net Cost of Services		948,981	(626,149)	322,832
		(2,464)	Other Operating Expenditure	4.2.6b			(2,087)
		31,895	Financing and Investment Income and Expenditure	4.2.6c			45,521
		(344,318)	Taxation and Non-Specific Grant Income	4.2.6d			(340,225)
		(14,934)	(Surplus)/Deficit on Provision of Services				26,041
		(63,934)	Other Comprehensive Income and Expenditure				(102,389)
		(78,868)	Total Comprehensive Income and Expenditure				(76,348)

1.1 Narrative Statement (continued)

Comprehensive Income and Expenditure Statement - Group

More details of the authority Comprehensive Income and Expenditure Statement are shown in Note 7.2.

2024/25				2025/26			
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Note	Gross Expenditure £000	Gross Income £000	Net Expenditure £000
835,918	(540,496)	295,422	Net Cost of Services		944,744	(622,493)	322,251
-	-	(1,960)	Other Operating Expenditure		-	-	(2,058)
-	-	30,606	Financing and Investment Income and Expenditure		-	-	41,916
-	-	(344,318)	Taxation and Non-Specific Grant Income		-	-	(340,225)
-	-	(20,250)	(Surplus)/Deficit on Provision of Services		-	-	21,884
-	-	(62,775)	Other Comprehensive Income and Expenditure		-	-	(102,389)
-	-	(83,025)	Total Comprehensive Income and Expenditure		-	-	(80,505)

1.1 Narrative Statement (continued)

1.1(ii) Balance Sheet

This shows the value of the council's asset and liabilities at the balance sheet date. These are matched by reserves which are split into two categories usable and unusable reserves. Unusable reserves are not available to use support services and are in the main used to hold unrealised gains and losses, where the actual gain or loss will only become available once another event has occurred.

More detail of the authority balance sheet and group balance sheet is shown in Note 3.2 and Note 7.3 respectively.

City Council 31 March 2025 £000	Group 31 March 2025 £000		City Council 31 March 2026 £000	Group 31 March 2026 £000
		Note		
1,752,118	1,754,780	Long Term Assets	1,767,349	1,775,297
136,504	142,723	Current Assets	123,917	121,919
(192,035)	(191,988)	Current Liabilities	(185,812)	(180,518)
(868,559)	(868,559)	Long Term Liabilities	(801,078)	(801,078)
828,028	836,956	Net Assets	904,375	915,619
828,028	836,956	Total Reserves	904,375	915,619

1.1 Narrative Statement (continued)

1.1(iv) Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as: operating, investing and financing activities.

- Operating activities are a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the Authority.
- Investing activities represent cash outflows that have been made for resources which are intended to contribute to the authority's future service delivery.
- Financing activities are useful in predicting claims on future cash flows by providers of capital to the authority.

More detail is shown in Note 3.4.

Authority 2024/25 £000	Group 2024/25 £000	Note	Authority 2025/26 £000	Group 2025/26 £000
14,934	20,250	Net surplus/(deficit) on the provision of services	(26,041)	(21,884)
11,740	11,992	Net Cash Flows from Operating Activities	3,032	6,273
(15,261)	(15,261)	Net Cash Flows from Investing Activities	(62,868)	(62,868)
6,891	6,891	Net Cash Flows from Financing Activities	54,681	54,681
3,370	3,622	Net (increase) or decrease in cash and cash equivalents	(5,155)	(1,914)
29,440	32,719	Cash and Cash Equivalents at the beginning of the reporting period	32,810	36,341
32,810	36,341	Cash and Cash Equivalents at the end of the reporting period	27,655	34,427

1.1 Narrative Statement (continued)

1.1(v) Housing Revenue Account

This shows the in-year economic cost of providing housing services in accordance with 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 on which rents are raised, is shown in the Movement on the Housing Revenue Statement.

More detail is shown in Note 5.1

2024/25 £000	2025/26 £000
(71,613) Total Expenditure	(70,308)
(14,039) Revaluation of assets	(4,757)
83,169 Total Income	87,867
(379) HRA services' share of Corporate and Democratic Core	(299)
(2,862) Net Cost for HRA Services	12,503
1,221 HRA share of the operating Income and Expenditure included in the CIES	(4,679)
(1,641) Surplus or (Deficit) for the year on HRA services	7,824

1.1 Narrative Statement (continued)

1.1(iii) Movement in Reserves Statement - Authority

This statement shows the movement in the year on the different reserves held by the authority, analysed into 'usable reserves' and unusable reserves. The '(surplus)/deficit on the provision of services' line shows the true economic cost of providing the authority's services, more details of which are shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance and Housing Revenue Account for Council Tax setting and dwellings rent setting purposes. The 'Net increase/decrease before transfers to earmarked reserves' line shows the statutory General Fund Balance and Housing Revenue Account Balance before any discretionary transfers to or from earmarked reserves undertaken by the council.

More detail is shown in note 3.3

Authority - Movement in Reserves Statement 2025/26	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2025	14,801	39,840	8,155	1,753	3,786	28,042	70,116	166,492	661,537	828,029
Increase/(Decrease) in Year	392	-	161	-	(3,785)	3,850	(13,116)	(12,498)	88,845	76,347
Transfers to(from) Earmarked Reserves	107	(107)	(1,600)	1,600	-	-	-	-	-	-
Balance at 31 March 2026	15,300	39,733	6,716	3,353	0	31,892	57,000	153,994	750,382	904,376

1.1 Narrative Statement (continued)

Movement in Reserves Statement - Group

More detail is shown in note 7.4

Group - Movement in Reserves Statement 2025/26	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Total Group Reserves £000
Balance at 31 March 2025	54,641	9,908	3,786	28,042	70,116	166,492	661,537	828,029	8,927	836,956
Increase/(Decrease) in Year	395	1,600	(3,785)	3,850	(13,116)	(11,056)	88,845	77,789	874	78,663
Balance at 31 March 2026	55,036	11,507	0	31,892	57,000	155,436	750,382	905,818	9,801	915,619

1.1 Narrative Statement (continued)

1.1I(vi) Collection Fund

The Local Government Finance Act 1988 required the establishment of a Collection Fund from 1st April 1990. The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates. Monies paid into this fund include council tax and business rates. Payments from the fund include the general fund demands of the City Council, demands from precepting authorities and transfer of the locally collected business rates to Central Government.

More detail is shown in Note 6.1.

Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000		Notes	Business Rates 2025/26 £000	Council Tax 2025/26 £000	Total 2025/26 £000
87,226	135,503	222,729	Income		93,784	143,778	237,562
3,240	(2,021)	1,219	Charges to the Collection Fund		(6,834)	606	(6,228)
90,466	133,482	223,948	Balance due for allocation		86,950	144,384	231,334
(90,264)	(135,794)	(226,058)	Precepts, Demands and Shares		(96,389)	(143,095)	(239,484)
202	(2,312)	(2,110)	Surplus/(Deficit) for the Year		(9,439)	1,289	(8,150)
(16,588)	5,145	(11,443)	Balance at the Beginning of the Year		(165)	(3,838)	(4,003)
16,221	(6,671)	9,550	Allocation of Previous Years Surplus/(Deficit)		(1,262)	2,707	1,445
(165)	(3,838)	(4,003)	Balance at the End of the Year		(10,866)	158	(10,708)

The impact of the pandemic on collection fund and recovery of the associated deficit was split over a three year period to 2023/24 . The remaining deficit results from the 2023 revaluations list which caused a large increase in appeals. The majority of these claims have now been settled, so the council is able to release some of the appeals provision and carry forward a small deficit.

1.1 Narrative Statement (continued)

1.1m. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptional hard work and dedication of staff across the council. I would like to express my gratitude to all colleagues who have assisted in the preparation of this document. I would also like to thank them for all their support and expertise during the financial year.

These accounts, the Annual Governance Statement and sources of financial information are available on the City Council's website at **stoke.gov.uk**. Comments on these accounts are welcomed and can be made through the website or the contact options shown below.

Nick Edmonds

Corporate Director Resources (Section 151 Officer)

Date:30 June 2026

Further information about the accounts is available from:

Stoke-on-Trent City Council

Financial Services Division

Civic Centre, Glebe Street

Stoke-on-Trent

ST4 1HH

Telephone:01782 238 510

E-mail: finance.systems@stoke.gov.uk

2.0 Statements to the Accounts



2.1 Independent Auditor's Report to the Members of Stoke-on-Trent City Council

2.2 Statement of Responsibilities for the Statement of Accounts

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;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to approve the Statement of Accounts.

The Section 151 Officer 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.

2.2 Statement of Responsibilities for the Statement of Accounts (continued)

Certificate of Section 151 Officer

I certify that this statement of accounts gives a true and fair view of the financial position as at 31 March 2026, financial performance and cash flow of the City Council for the year ended 31 March 2026.



Nick Edmonds
Corporate Director Resources (Section 151 Officer)
Date 30 June 2026

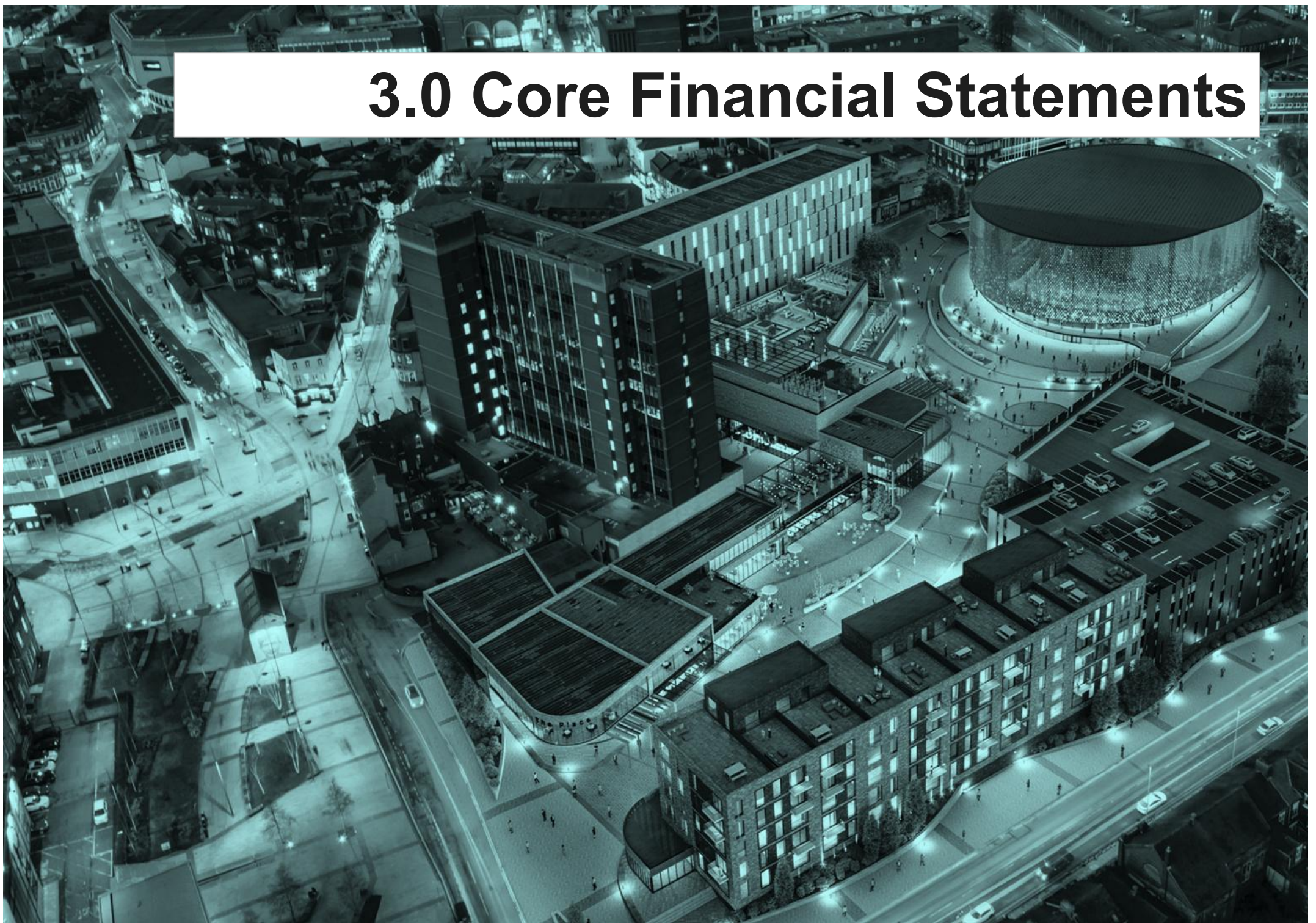
Approval of Statement of Accounts

Following the delegation of responsibility by the City Council to the Section 151 Officer, I confirm that the pre-audit accounts were signed on 30 June 2026



Nick Edmonds
Corporate Director Resources (Section 151 Officer)
Date 30 June 2026

3.0 Core Financial Statements



3.1 Comprehensive Income and Expenditure Statement

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
159,071	(39,137)	119,934	Children and Families	173,302	(47,125)	126,177
203,347	(127,203)	76,144	Adult Social Care and All-Age Commissioning, and, Public Health, Protection and Wellbeing	220,386	(136,062)	84,324
97,907	(50,791)	47,116	Housing, Regeneration and Operations	189,237	(105,137)	84,100
75,795	(40,770)	35,025	Resources	48,058	(22,320)	25,738
18,158 -	11,269	6,889	Chief Executive's	26,579	(11,620)	14,959
85,509	(82,684)	2,825	Housing Revenue Account	92,792	(105,378)	(12,586)
				5.1		
124,139	(107,059)	17,080	Schools	136,992	(122,165)	14,827
1,465 -	127	1,338	Civic and Corporate Expenses	2,111	(544)	1,567
71,488	(68,605)	2,883	Benefit Payments	67,255	(63,263)	3,992
4,762	(15,016)	(10,254)	Non Departmental Costs	(7,731)	(12,535)	(20,266)
973		973	- Redundancy/Actuarial Strain			-
842,614	(542,661)	299,953	Net Cost of Services	948,981	(626,149)	322,832
		(2,464)	Other Operating Expenditure			(2,087)
		31,895	Financing and Investment Income and Expenditure			45,521
		(344,318)	Taxation and Non-specific Grant Income			(340,225)
		(14,934)	(Surplus)/Deficit on Provision of Services			26,041

3.1 Comprehensive Income and Expenditure Statement (continued)

2024/25	Net Expenditure £000	<i>Continuing Service Areas</i>	Note	2025/26	Net Expenditure £000
	(14,934)	(Surplus)/Deficit on Provision of Services			26,041
	(56,893)	(Surplus)/deficit on revaluation of non-current assets	4.2.10b		(41,793)
	-	Impairment losses on non-current assets charged to revaluation reserves	4.2.10b		738
	-	(Surplus)/deficit from investments in equity instruments designated at fair value through other comprehensive income	4.2.10f		-
	(7,041)	Remeasurements on pension fund (assets) & liabilities	4.2.19c		(61,334)
	(63,934)	Other Comprehensive Income and Expenditure			(102,389)
	(78,868)	Total Comprehensive Income and Expenditure			(76,348)

3.2 Balance Sheet

31 March 2024 £000	31 March 2025 £000		Note	31 March 2026 £000
1,492,000	1,567,929	Property, Plant and Equipment	4.2.11a	1,579,503
-	788	Right of Use Assets	4.2.11j	744
66,497	67,285	Heritage Assets	4.2.11e(i)	67,039
40,188	41,736	Investment Property	4.2.11f	58,577
8,329	9,291	Intangible Assets	4.2.11e(ii)	4,578
15,728	15,728	Long Term Investments	4.2.14d(iv)	15,728
50,484	49,361	Long Term Debtors	4.2.21a	41,181
-	-	Net Pensions Asset	4.2.19e	-
1,673,226	1,752,118	Long Term Assets		1,767,349
-	-	Pension Contribution Debtor		-
-	-	Short Term Investments		-
-	-	Assets Held For Sale		362
664	645	Stocks		1,507
86,720	103,049	Short Term Debtors	4.2.21b	94,393
29,440	32,810	Cash and Cash Equivalents	4.2.14a	27,655
116,824	136,504	Current Assets		123,917
(121,731)	(46,406)	Short Term Borrowing	4.2.14b	(74,301)
(11,988)	(14,421)	Other Short Term Liabilities	4.2.14b	(5,466)
(97,525)	(119,229)	Short Term Creditors	4.2.21c	(98,507)
(2,178)	(9,950)	Grants Receipts in Advance	4.2.16c	(4,496)
(5,719)	(2,029)	Provisions	4.2.15	(3,043)
(239,141)	(192,035)	Current Liabilities		(185,812)
(6,290)	(5,473)	Provisions	4.2.15	(5,748)
(602,042)	(689,995)	Long Term Borrowing	4.2.14b	(716,799)
(63,228)	(51,242)	Other Long Term Liabilities	4.2.14b	(49,854)
(132,020)	(121,849)	Net Pensions Liabilities	4.2.19e	(28,677)
(803,580)	(868,559)	Long Term Liabilities		(801,078)
747,329	828,028	Net Assets		904,375

3.2 Balance Sheet (continued)

31 March 2024 £000	31 March 2025 £000		Note	31 March 2026 £000
14,801	14,800	General Fund Balance	3.3	15,300
53,814	39,840	Earmarked Reserves - General Fund	4.2.9a	39,733
25,144	28,042	Usable Capital Receipts Reserve	4.2.9c	31,892
8,155	8,155	Housing Revenue Account Balance	5.2	6,716
245	1,753	Earmarked Reserves - HRA	4.2.9b	3,353
18	3,786	Major Repairs Reserve	5.3.2a	0
50,850	70,116	Capital Grants Unapplied	4.2.9d	57,000
153,026	166,491	Usable Reserves		153,994
359,400	365,426	Capital Adjustment Account	4.2.10a	347,317
402,024	446,437	Revaluation Reserve	4.2.10b	465,149
(3,587)	(3,081)	Collection Fund Adjustment Account	6.1	(3,987)
(147,941)	(129,737)	Pensions Reserve (Deficit)	4.2.10c	(28,677)
(3,339)	(3,884)	Accumulated Absences Account	4.2.10e(i)	(4,474)
(2,421)	(2,257)	Financial Instruments Adjustment Account	4.2.10e(ii)	(2,257)
5,782	5,782	Financial Instruments Revaluation Reserve	4.2.10f	5,782
(21,202)	(22,430)	Dedicated Schools Grant Adjustment Account	4.2.10g	(33,607)
5,587	5,281	Deferred Capital Receipts Reserve	4.2.10d	5,136
594,303	661,537	Unusable Reserves		750,382
747,329	828,028	Total Reserves		904,375

Nick Edmonds S151 Officer 30 June 2026

3.3 Movement in Reserves Statement

2025/26	Note	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2025		14,801	39,840	8,155	1,753	3,786	28,042	70,116	166,492	661,537	828,029
Total Comprehensive Income and Expenditure	3.1	(33,865)	-	7,824	-	-	-	-	(26,041)	102,389	76,348
Other Adjustments		-				2	132		134	(135)	(1)
Adjustments between accounting basis and funding basis under regulations	4.2.8	34,257	-	(7,663)		(3,787)	3,718	(13,116)	13,409	(13,409)	-
Increase/ (Decrease) in Year		392	-	161	-	(3,785)	3,850	(13,116)	(12,498)	88,845	76,347
Transfers to/ (from) Earmarked Reserves	4.2.9	107	(107)	(1,600)	1,600				-		
Balance at 31 March 2026		15,300	39,733	6,716	3,353	0	31,892	57,000	153,994	750,382	904,376

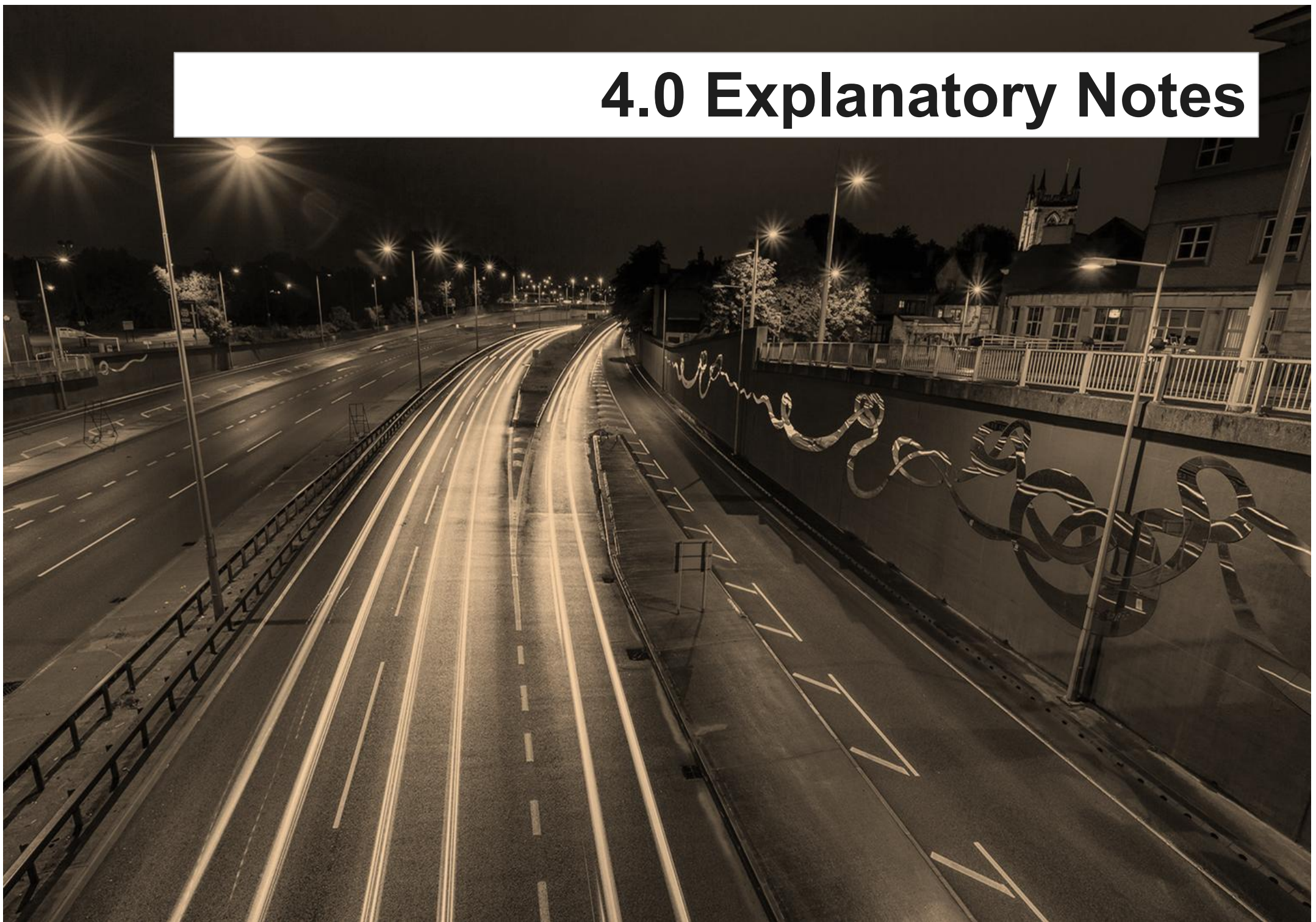
3.3 Movement in Reserves Statement (continued)

2024/25	Note	General Fund Balance £000	General Fund Earmarked Reserves £000	Housing Revenue Account £000	HRA Earmarked Reserves £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Total Unusable Reserves £000	Total Authority Reserves £000
Balance at 31 March 2024		14,800	53,814	8,155	245	19	25,144	50,850	153,026	594,305	747,331
Total Comprehensive Income and Expenditure	3.1	16,575	-	(1,641)	-	-	-	-	14,934	63,934	78,868
other adjustments		-					(5)	440	435	1,394	1,829
Adjustments between accounting basis and funding basis under regulations	4.2.8	(30,548)	-	2,828	-	3,767	2,903	19,147	(1,903)	1,903	-
Increase/ (Decrease) in Year		(13,973)	-	1,187	-	3,767	2,898	19,587	13,466	67,232	80,698
Transfers to/ (from) Earmarked Reserves	4.2.9	13,974	(13,974)	(1,187)	1,508	-	-	(321)	-	-	-
Balance at 31 March 2025		14,801	39,840	8,155	1,753	3,786	28,042	70,116	166,492	661,537	828,029

3.4 Cash Flow Statement

2024/25 £000		Note	2025/26 £000
14,934	Net surplus/(deficit) on the provision of services	3.1	(26,041)
71,529	Adjustments to net surplus or deficit on the provision of services for non-cash movements	4.2.24ai	83,403
(74,723)	Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities	4.2.24aii	(54,330)
11,740	Net Cash Flows from Operating Activities		3,032
(15,261)	Net Cash Flows from Investing Activities	4.2.24b	(62,868)
6,891	Net Cash Flows from Financing Activities	4.2.24c	54,681
3,370	Net Increase or decrease in Cash and Cash Equivalents		(5,155)
29,440	Cash and Cash Equivalents at the beginning of the reporting period		32,810
32,810	Cash and Cash Equivalents at the end of the reporting period		27,655

4.0 Explanatory Notes



4.1 Index of Explanatory Notes to the Core Financial Statements

Note	Title	Page No
1	Accounting standards that have been issued but not yet adopted	44
2	Critical judgements in applying accounting policies	45
3	Changes to accounting policy and prior period adjustments	47
4	Assumptions made about the future and other major sources of estimation uncertainty	48
5	Expenditure and funding analysis	50
6	Notes to Income and Expenditure	52
7	Exceptional items in the CIES	54
8	Adjustments between accounting basis and funding basis under regulations	55
9	Usable Reserves	61
10	Unusable Reserves	64
11	Assets	70
12	Capital	83
13	PFI & Similar Contracts	86
14	Financial Instruments	93
15	Provisions	109
16	Grants	110
17	Officers Remuneration	114
18	Termination Benefits and Exit Packages	116
19	Pensions	117
20	Pooled Budget and Other Arrangements	127
21	Debtors and Creditors	129
22	Related Party Transactions	130
23	Members Allowances and Expenses/External Audit Costs	133
24	Notes to the Cash Flow Statement	134
25	Contingent Assets and Liabilities	137
26	Events after the Balance Sheet Date	138
27	Going Concern	138
28	Public Inspection	139

4.2.1 Accounting Standards that have been issued but not yet 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 or amendment that has been issued but not yet adopted. This applies to the adoption of new or amended standards in a future edition of the Code

The following accounting standard changes and their impact on the Council are shown below.

Accounting Standard	Change
Amendments to IFRS 7 Financial Instruments: Disclosures and related amendments to IFRS 9 Financial Instruments	Amendments relating to gains or losses on equity investments designated at fair value through other comprehensive income and related disclosure enhancements. These amendments are effective for annual reporting periods beginning on or after 1 January 2026

The amendments are expected to be incorporated into a future edition of the CIPFA/LASAAC Code. The Council will assess the detailed impact when adopted in the Code. At this stage, any impact is expected to be primarily disclosure-related and is not anticipated to have a material effect on the Council's financial performance or financial position.

4.2.2 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in the Statement of Accounting Policies, the Council has had to make certain judgements about complex transactions and about those items where the accounting treatment depends on an assessment of the substance of the arrangement rather than its legal form. The most significant critical judgements made in preparing the 2025/26 Statement of Accounts are set out below.

Going concern.

The Statement of Accounts has been prepared on a going concern basis. In reaching this judgement, management has considered the statutory framework applying to local authorities, the approved budget and Medium-Term Financial Strategy, the outturn for 2025/26, cash flow forecasts, borrowing capacity, reserves, approved Exceptional Financial Support and the wider local government funding environment. The Council continues to operate within the legal and financial framework applying to local authorities and management has a reasonable expectation that the Council will continue in operational existence for the foreseeable future. However, management has also concluded that a material uncertainty exists in relation to the Council's financial resilience as a result of reliance on Exceptional Financial Support, limited flexible reserves, structural budget pressures, dependence on capital receipts and cash flow sensitivity to the timing of receipts and support. This material uncertainty is disclosed separately in the Going Concern note to the accounts.

Asset base and service potential.

In determining the carrying value and classification of property, plant and equipment, the Council has assessed whether assets continue to provide service potential and whether there are indicators of impairment, obsolescence, physical deterioration, closure or change in use. Assets that continue to be used in service delivery are retained within property, plant and equipment at the appropriate measurement basis under the Code. Assets that are no longer required for service delivery are assessed for reclassification to surplus assets, investment property or assets held for sale as appropriate.

Valuation approach for non-investment assets.

From 1 April 2025 the Council adopted the revised accounting policy for non-investment assets under which assets are maintained on a five-year full valuation cycle with annual indexation in intervening years, or a rolling 20% programme. Management has exercised judgement in determining asset classes, the structure of the valuation programme, the selection and application of appropriate indices in intervening years, and the circumstances in which a desktop valuation or direct valuer input is required to support materially correct carrying values. The valuer's 2025/26 indexation review concluded that no trigger events affecting the portfolio had been identified and that no material changes were known requiring out-of-cycle revaluations but also identified certain classes for which no suitable index is available and which therefore fall into the desktop valuation approach within the rolling programme. Management has also judged that a full valuation is not the default method of demonstrating the absence of material impairment, and instead uses evidence from the valuer, index movements, condition information and service intelligence to support carrying amounts at the balance sheet date.

4.2.2 Critical Judgements in Applying Accounting Policies (continued)

Leases and service concessions.

The Council has applied judgement in distinguishing leases within the scope of IFRS 16 from service contracts, in determining lease terms and in applying short-term and low-value exemptions. The Council has also reviewed service concession and similar contractual arrangements and has judged that where it controls or regulates the services provided and controls the significant residual interest in the infrastructure at the end of the arrangement, the relevant assets are recognised on the Balance Sheet together with the associated liability in accordance with the Code.

Schools.

The Council has assessed the control criteria applying to schools within the city. Maintained schools are reflected in the single-entity financial statements where the Council controls the relevant assets, liabilities, expenditure and income in accordance with the Code and statutory guidance. For academy schools, the Council has judged that control does not rest with the Council and the assets and liabilities are therefore not consolidated into the single-entity Balance Sheet, except where the Council retains legal ownership of land or other rights that continue to meet the recognition criteria.

Pensions and the asset ceiling.

In accounting for the Local Government Pension Scheme under IAS 19, the Council has exercised judgement in determining the extent to which any funded pension surplus can be recognised on the Balance Sheet. Having considered the actuarial advice and the asset ceiling analysis prepared for 31 March 2026, the Council has judged that it has no unconditional right to a refund from the Fund and that the economic benefit available as a reduction in future contributions is £nil under the methodology adopted for an employer open to new entrants. As a result, the funded surplus at 31 March 2026 is fully restricted by the asset ceiling and the net IAS 19 position recognised by the Council is limited to the unfunded pension obligations. The Council has also considered the actuarial treatment of current legal and regulatory matters, including GMP equalisation, McCloud/Sargeant and other relevant cases, and has relied on the actuary's reported approach in determining whether any additional allowance is required in the accounts.

Group accounts.

The Council has reviewed its interests in subsidiaries, associates and joint ventures and has judged that group entities do not materially alter the overall financial position of the Council, although group accounts continue to be prepared where required by the Code.

Exceptional Financial Support and statutory overrides.

Management has exercised judgement in determining the accounting presentation of Exceptional Financial Support, statutory mitigation arrangements and the Dedicated Schools Grant deficit in accordance with the relevant statutory framework. This includes judgement over reserve presentation, disclosures about financial resilience and the extent to which these statutory mechanisms change the accounting presentation rather than the underlying structural financial pressure.

4.2.3 Prior Period Adjustments

The 2025/26 Statement of Accounts has been prepared under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2025/26. The principal accounting policy change adopted by the Council in 2025/26 relates to the valuation of non-investment assets. From 1 April 2025, property, plant and equipment is maintained on a five-year full valuation cycle with annual indexation in intervening years, or a rolling 20% programme. The Council has updated its accounting policy wording, valuation programme and year-end review procedures accordingly.

This change affects the process used to support current value at the balance sheet date and the evidential basis for year-end carrying values. It does not of itself create a direct impact on cash balances or the statutory budget requirement; statutory adjustments continue to manage the impact of accounting entries on usable reserves.

No change in accounting policy is presented for intangible assets in 2025/26 because the Council had already adopted a policy under which intangible assets are measured at amortised historical cost and the revaluation model is not used. The 2025/26 Code position is therefore consistent with existing Council practice and does not give rise to a new transition adjustment in 2025/26.

The Council has also refreshed policy wording in relation to leases and service concession arrangements. These updates primarily clarify existing treatment, disclosures and balance sheet presentation rather than creating a new recognition basis in 2025/26.

There were no material prior period adjustments in 2025/26.

Prior period adjustments are only made where there has been a material error in previous years' financial statements or where retrospective restatement is required by a change in accounting policy. Changes in accounting estimates are accounted for prospectively and do not give rise to a prior period adjustment.

4.2.4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2026 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows.

Pensions asset / liability and asset ceiling.

The Council participates in the Staffordshire Pension Fund under the Local Government Pension Scheme. At 31 March 2026 the fair value of plan assets was £1,752.500 million and the present value of funded obligations was £1,134.995 million, giving an unadjusted funded surplus of £617.505 million. However, under the asset ceiling methodology adopted by the Council, no economic benefit is available as a refund and the economic benefit available as a reduction in future contributions is £nil. The funded surplus is therefore fully restricted by an asset ceiling adjustment of £617.505 million. After allowing for unfunded obligations of £28.677 million, the net IAS 19 liability recognised on the Balance Sheet at 31 March 2026 is £28.677 million (31 March 2025: £121.849 million). Estimation uncertainty depends on actuarial assumptions including the discount rate of 6.20% p.a., the pension increase / revaluation rate (CPI) of 3.00% p.a., the salary increase rate of 3.50% p.a., mortality and longevity assumptions, and the judgement applied in determining the asset ceiling. The weighted average duration of the funded obligations is 15 years. Based on the actuarial assumptions used, average future life expectancy at age 65 is 21.1 years for current male pensioners and 24.0 years for current female pensioners; and 21.8 years for future male pensioners and 25.4 years for future female pensioners. Sensitivity analysis provided by the actuary indicates that a 0.1% decrease in the real discount rate would increase the defined benefit obligation by approximately £17.443 million; a one-year increase in member life expectancy would increase the defined benefit obligation by approximately £46.547 million; a 0.1% increase in the salary increase rate would increase the defined benefit obligation by approximately £0.679 million; and a 0.1% increase in the pension increase / revaluation rate would increase the defined benefit obligation by approximately £16.752 million.

Property, plant and equipment valuations.

The Council revalues non-investment assets in accordance with its revised 2025/26 accounting policy. For assets not professionally revalued in year, indexation has been applied using external market evidence and valuer judgement to support materially correct carrying amounts at 31 March 2026. The valuer's review identified no trigger events affecting the portfolio as a whole and no known material changes requiring out-of-cycle revaluations. However, indexation is an approximation of market change rather than a valuation of a specific asset, and actual values may differ from indexed carrying amounts. The principal annual movements identified by the valuer were: DRC buildings +2.24%; DRC land / brownfield -4.65%; Industrial +3.63%; Office +0.97%; Retail -3.99%; Residential +1.71%; Greenfield residential land -2.40%; Commercial land 0.00%; Agricultural land 0.00%; and Amenity land 0.00%. Certain classes, including car parks, markets valued on a receipts and expenditure basis, children's nurseries, and specified non-specialised community assets including community centres, day centres, youth centres and pavilions, do not have a suitable index and therefore fall within the desktop valuation approach under the Council's rolling programme.

Arrears and expected credit loss allowance. The debtor impairment allowance depends on collection rates, age profile, debtor type, housing benefit recovery, post-year-end cash collection and other forward-looking evidence. If collection performance deteriorates beyond that assumed, additional charges may be required in the Comprehensive Income and Expenditure Statement.

4.2.4 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty (continued)

Business rates appeals provision.

The Council has made a provision for the estimated cost of outstanding appeals against non-domestic rateable values as at 31 March 2026. The provision is based on information provided by the Valuation Office Agency, analysis of historical appeal trends, local knowledge and assumptions regarding the likely timing and value of settlements.

The gross provision at 31 March 2026 was £5.930m, of which the Council's share is 49% (£2.906m).

The eventual cost of settling outstanding appeals remains uncertain and may differ from the amount provided. Any variation between estimated and actual outcomes will be accounted for in future years under the statutory arrangements for the Collection Fund. A change in the estimated cost of appeals would result in a corresponding movement in Collection Fund deficit charges within Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement. Any adverse movement would be recognised initially in the Collection Fund Adjustment Account and transferred to the General Fund in the following year. A 10% increase in appeal costs would reduce net income by £0.291m.

PFI and similar contracts / lease remeasurements.

The Authority is required to make assumptions in measuring liabilities arising from PFI and similar contracts and lease arrangements. These assumptions include future inflationary increases, lifecycle replacement costs, lease indexation, handback obligations, finance rates and the expected profile of future payments.

The liabilities recognised are therefore subject to estimation uncertainty. Changes in the assumptions used may result in material adjustments to the carrying value of these liabilities and to the charges recognised in the Comprehensive Income and Expenditure Statement in future years.

As at 31 March 2026, the Authority had committed to making unitary payments of £97,878k over the remaining lives of its PFI and similar contract schemes (see Note 4.2.13). These payments are subject to inflationary uplifts and may also be affected by changes in energy prices and other contractual variations arising after the reporting date. In the current economic climate, particularly in relation to energy prices, there is a risk that future unitary payments may exceed the amounts currently provided for.

A sensitivity analysis has been performed on the inflationary assumptions used in the calculation of future commitments for all PFI schemes. A 0.5% increase in inflationary factors would increase future commitments by £0.128m, while a 0.5% decrease in inflationary factors would reduce future commitments by £0.128m.

Provisions and contingent liabilities.

Insurance, legal and other provisions require judgement over whether an obligation exists, the probability of settlement and the best estimate of any outflow. The final cost and timing of settlement may differ from current estimates as claims develop or more information becomes available.

The wider financial resilience context is relevant to understanding estimation risk. The Council achieved a balanced outturn in 2025/26 only after the application of Exceptional Financial Support of £16.800 million. At 31 March 2026 the General Fund balance was £15.3 million and usable reserves were £151.9 million, although a substantial proportion of reserves is earmarked or otherwise restricted. The Dedicated Schools Grant High Needs deficit was £33.4 million. The Going Concern Narrative Report also notes base case liquidity metrics including a minimum cash balance of £10.274 million, peak borrowing of £867.297 million and liquidity headroom of £64.609 million. These matters do not alter the accounting estimates themselves, but they provide important context for users of the financial statements.

4.2.5 Expenditure and Funding Analysis (continued)

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the authority for the year has been used in providing services in comparison with those resources consumed. The impact on reserves can be seen at section 3.3.

2025/26	Children and Families £000	Adult Social Care , All Age Commissioning , Public Health, Protection and Wellbeing £000	Housing, Regeneration and Operations £000	Resources £000	Chief Executive's £000	Housing Revenue Account £000	Schools £000	Non Departmental Costs, Benefits Payments and Civic and Corporate £000	Other Income and Expenditure £000	Expenditure Chargeable to GF/HRA Balances £000	Accounting Adjustments £000	Net Expenditure in the CIES £000
Income												
Fees, charges and service income	(15,883)	(76,209)	(46,623)	(17,854)	(3,734)	(82,966)	(2,201)	(74,082)		(319,552)	(39,163)	(280,389)
Interest and investment income						(440)		(14,401)		(14,841)		(14,841)
Council tax and business rates									(193,201)	(193,201)		(193,201)
Govt' grants and contributions	(24,883)	(57,349)	(28,197)	(4,047)	(4,449)	(108)	(218,045)	(63,403)	(103,238)	(503,719)		(503,719)
Expenditure												
Employee benefits expenses	55,444	39,094	34,886	20,109	13,341	27,893	18,510	(1,754)		207,523	39,136	168,387
Other service expenses	115,777	187,662	80,669	27,302	8,689	62,817	211,311	131,025	(5,564)	819,688	20,973	798,715
Depn, amortisation and impairment	2,082	(6,372)	73,682	2,704	4,549	19,430	11,799	(39,320)		68,554	(47,544)	116,098
Interest payments							31	25,584		25,615		25,615
Precepts and levies								83		83		83
Payments to housing capital receipts pool										-		-
Gain or loss on disposal						(3,518)		618		(2,900)		(2,900)
Internal recharges	(6,359)	(2,504)	(30,317)	(6,287)	(3,438)	(23,149)	(9,929)	(5,824)		(87,807)		(87,807)
Expenditure chargeable to the GF and HRA balances	126,178	84,322	84,100	21,927	14,958	(41)	11,476	(41,474)	(302,003)	(557)	(26,598)	26,041
Accounting adjustments		-		3,811	1	(12,545)	3,351	26,768	5,212	26,598	4.2.8a	
(Surplus) or Deficit	126,178	84,322	84,100	25,738	14,959	(12,586)	14,827	(14,706)	(296,791)	26,041		3.1
Opening General Fund and HRA Balance at 31 March 2025										64,547		
Plus chargeable to General Fund and HRA balance in 2025/26										557		
										3.3		65,104

4.2.6 Notes to Income and Expenditure (continued)

b - Other Operating Expenditure

2024/25 £000 Detail	Notes	2025/26 £000
706 Levies and external contributions		828
(896) Loss/(gain) on disposal of non current assets		(2,886)
Payments to the Government housing capital receipts pool		-
(2,274) Other (income)/expenditure		(29)
(2,464) Total		(2,087)

c - Financing and Investment Income & Expenditure

2024/25 £000 Detail	Notes	2025/26 £000
30,929 Interest payable and similar charges	4.2.14c	39,687
6,196 Net interest on the net defined benefit liability	4.2.19c	5,128
(4,661) Interest and investment income	4.2.14c	(4,285)
5,023 Derecognition of school assets transferred to academies - non current assets		8,744
(2,973) Income and expenditure in relation to investment properties and changes in fair value	4.2.11f	(3,812)
(2,619) Other investment income	4.2.14c	59
31,895 Total		45,521

d - Taxation and Non-specific Grant Income

2024/25 £000 Detail	Notes	2025/26 £000
(103,720) Council tax income	6.1	(122,458)
(84,333) Non domestic rates		(79,196)
(89,668) Non-specific government grants	4.2.16b	(103,238)
(66,597) Capital grants and contributions	4.2.16b	(35,333)
(344,318) Total		(340,225)

4.2.7 Exceptional Items in the CIES

There are no exceptional items to report in the CIES

4.2.8 Adjustments between Accounting basis and funding basis under regulations

2025/26		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving	Notes	£000	£000	£000	£000	£000	£000
Capital Adjustment Account							
<i>Reversal of items debited or credited to the CIES</i>							
Depreciation of Non-Current Assets	4.2.11h	(30,362)	(14,521)	-	-	-	44,883
Impairment of Investments							-
Impairment of Non-Current Assets	4.2.11h	(746)	-	-	-	-	746
Revaluation losses on Property, Plant and Equipment		(32,573)	(4,757)	-	-	-	37,330
Movement in market value of Investment Property	4.2.11f	-	-	-	-	-	-
Amortisation of Intangible Assets	4.2.11h	(3,017)	(54)	-	-	-	3,071
Revenue Expenditure Funded from Capital Under Statute		(13,003)	-	-	-	-	13,003
Expected credit loss allowance (capital)	4.2.15	-	-	-	-	-	-
<hr/>							
Carrying Amount of Non-Current Assets:							
- written off on disposal to the CIES		(12,572)	(12,166)	-	-	-	24,738
- finance leases written off on disposal to the CIES		-	-	-	-	-	-
- written off on derecognition to the CIES		65	-	-	-	-	(65)
Capital grants and contributions applied		21,359	845	-	-	-	(22,204)
Revenue Expenditure Funded from Capital Under Statute - Funding		6,257	-	-	-	-	(6,257)
Service concession deferred income write back		716	-	-	-	-	(716)
<i>Insertion of items not debited or credited to the CIES</i>							
MRP for Capital financing	4.2.12c	23,560	-	-	-	-	(23,560)
County council principal loan repayment	4.2.24d	1,829	-	-	-	-	(1,829)
HRA repayment of debt		-	2,988	-	-	-	(2,988)
Capital expenditure charged against Revenue		57	4,774	-	-	-	(4,831)
Capitalisation Direction Exceptional Financial Support(EFS)		(16,800)	-	-	-	-	16,800
Impairment of Investments		(6,817)	-	-	-	-	6,817

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2025/26 Adjustments Primarily Involving	Notes	General Fund £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Reserve £000	Movement in Unusable Reserve £000
Capital Grants Unapplied							
Capital grants credited to the CIES which are unapplied	4.2.9c	6,902	-	-	-	(6,902)	-
Transfer to/from revenue reserve		-	-	-	-	-	-
Transfer of grants applied to Capital Adjustment Account	4.2.9c	-	-	-	-	20,018	(20,018)
Financial Instruments Adjustment Account	4.2.10e(ii)	-	-	-	-	-	-
Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the	4.2.19d	(21,052)	(2,101)	-	-	-	23,153
Employer's contributions and direct payments made in year to the pension fund		57,173	5,707	-	-	-	(62,880)
Collection Fund Adjustment Account - difference between amounts credited to the CIES and amounts to be recognised under statutory provisions relating to:							
- Council Tax	6.1	(907)	-	-	-	-	907
- Business Rates	6.1		-	-	-	-	-

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2025/26		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving	Notes	£000	£000	£000	£000	£000	£000
Accumulated Absences Account		(761)	171	-	-	-	590
Dedicated Schools Grant Adjustment Account	4.2.10g	(11,177)	-	-	-	-	11,177
Deferred Capital Receipts Reserve							
Transfer of deferred capital grants credited to the CIES	4.2.10d	-	-	-	-	-	-
Capital Receipts Reserve							
flexible use of capital receipts		(5,534)	(493)	6,027			-
Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES	4.2.9c	3,145	15,684	(18,829)	-	-	-
Transfer of nominal sale proceeds credited as part of gain/loss in disposal to the CIES		-	-	-	-	-	-
Contribution from Capital Receipts Reserve to:							
- disposal costs	4.2.9c			1	-		(1)
- Government Capital Receipts Pool	4.2.9c	-	-	-	-		-
Repayment from long term debtors	4.2.9c	-	-	(13)	-		13
Use of capital receipts for transformation	4.2.9c	-	-	-	-		-
Use of capital receipts to finance capital expenditure	4.2.9c	-	-	9,096	-	-	(9,096)
Major Repairs Reserve							
Contribution for depreciation	5.3.2a	-	14,574	-	(14,574)		-
Voluntary contribution			(2,988)		2,988		-
Use of major repairs allowance to finance capital expenditure	5.3.2a	-	-	-	15,373	-	(15,373)
Total		(34,257)	7,663	(3,718)	3,787	13,116	13,409

4.2.8 Adjustments between Accounting basis and funding basis under regulations(continued)

2024/25		General	Housing	Capital	Major	Capital	Movement
Adjustments Primarily Involving	Notes	Fund	Revenue	Receipts	Repairs	Grants	in Unusable
		£000	Account	Reserve	Reserve	Reserve	Reserve
			£000	£000	£000	£000	£000
Capital Adjustment Account							
<i>Reversal of items debited or credited to the CIES</i>							
Depreciation of Non-Current Assets	4.2.11h	(29,041)	(15,141)	-	-	-	44,182
Impairment of Non-Current Assets	4.2.11h	(3)	(3,765)	-	-	-	3,768
Revaluation losses on Property, Plant and Equipment		3,460	(14,039)	-	-	-	10,579
Movement in market value of Investment Property	4.2.11f			-	-	-	-
Amortisation of Intangible Assets	4.2.11h	(3,427)		-	-	-	3,427
Revenue Expenditure Funded from Capital Under Statute		(14,717)	(54)	-	-	-	14,771
Expected credit loss allowance (capital)	4.2.15		-	-	-	-	-
Carrying Amount of Non-Current Assets:							
- written off on disposal to the CIES		(6,630)	(5,618)	-	-	-	12,248
- finance leases written off on disposal to the CIES			-	-	-	-	-
- written off on derecognition to the CIES			-	-	-	-	-
Capital grants and contributions applied		29,805	3,387	-	-	-	(33,192)
Revenue Expenditure Funded from Capital Under Statute - Fundin		9,659	-	-	-	-	(9,659)
<i>Service concession deferred income write back</i>		716	-				
Insertion of items not debited or credited to the CIES							-
MRP for Capital financing	4.2.12c	31,905	-				(31,905)
County council principal loan repayment	4.2.24d	1,829	-				(1,829)
HRA repayment of debt		-	-				-
Capital expenditure charged against Revenue		133	4,856				(4,989)
Capitalisation Direction Exceptional Financial Support(EFS)		(21,371)					21,371
Impairment of Investments		45					(45)

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2024/25 Adjustments Primarily Involving	Notes	General Fund £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Reserve £000	Movement in Unusable Reserve £000
Capital Grants Unapplied							
Capital grants credited to the CIES which are unapplied	4.2.9c	22,890	1,898	-	-	(24,788)	-
Transfer to/from revenue reserve		-	-	-	-	-	-
Transfer of grants applied to Capital Adjustment Account	4.2.9d	-	-	-	-	5,641	(5,641)
Financial Instruments Adjustment Account	4.2.10e(ii)	159	-	-	-	-	(159)
Pensions Reserve							
Reversal of items relating to retirement benefits debited or credited to the	4.2.19d	(26,220)	(1,896)	-	-	-	28,116
Employer's contributions and direct payments made in year to the pension fund		36,621	2,649	-	-	-	(39,270)
Collection Fund Adjustment Account - difference between amounts credited to the CIES and amounts to be recognised under statutory provisions relating to:							
- Council Tax	6.1	(4,581)	-	-	-	-	4,581
- Business Rates	6.1	-	-	-	-	-	-

4.2.8 Adjustments between Accounting basis and funding basis under regulations (continued)

2024/25		General Fund	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Reserve	Movement in Unusable Reserve
Adjustments Primarily Involving	Notes	£000	£000	£000	£000	£000	£000
Accumulated Absences Account		(499)	(46)	-	-	-	545
Dedicated Schools Grant Adjustment Account	4.2.10g	(1,228)	-	-	-	-	1,228
Deferred Capital Receipts Reserve							
Transfer of deferred capital grants credited to the CIES	4.2.10d	-	-	-	-	-	-
Capital Receipts Reserve							
flexible use of capital receipts			(958)	958			-
Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES	4.2.9c	1,043	7,084	(8,127)	-	-	-
Transfer of nominal sale proceeds credited as part of gain/loss in c		-	-	-	-	-	-
Contribution from Capital Receipts Reserve to:							
- disposal costs	4.2.9c			-	-		-
- Government Capital Receipts Pool	4.2.9c	-		-	-		-
Repayment from long term debtors	4.2.9c	-	-	(306)	-		306
Use of capital receipts for transformation	4.2.9c			-	-		-
Use of capital receipts to finance capital expenditure	4.2.9c	-	-	4,572	-	-	-
Major Repairs Reserve							
Contribution for depreciation	5.3.2a	-	15,141	-	(15,141)		-
Voluntary contribution			3,674		(3,674)		-
Use of major repairs allowance to finance capital expenditure	5.3.2a	-	-	-	15,047	-	-
Total		30,548	(2,828)	(2,903)	(3,767)	(19,147)	(1,903)

4.2.9 Usable Reserves

a - Earmarked Reserves - General Fund

This note sets out the amounts set aside from the General Fund balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2025/26

Balance at 1 April 2024 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2025 £000	General Fund	Notes	Balance at 1 April 2025 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2026 £000
65	-	(48)	17	Support one off commitments		17	(17)	-	-
1,909	426	(1,282)	1,053	Other Departmental Reserves		1,053	(339)	833	1,547
3,385	-	-	3,385	Insurances		3,385	-	250	3,635
652	-	(102)	550	Partnerships		550	-	141	691
-	-	-	-	COVID-19		-	(1,405)	806	(599)
2,112	1,326	(438)	3,000	Other Grants		3,000	(1,319)	-	1,681
2,452	144	(1,277)	1,319	Better Care Fund c/fwd		1,319	(298)	2,843	3,864
4,995	424	(1,280)	4,139	Development Agreements		4,139	(11)	-	4,128
218	7	(50)	175	Other Reserves and Donations		175	(114)	167	228
1,257	-	(198)	1,059	School balances		1,059	(2,434)	-	(1,375)
15,940	100	(4,835)	11,205	Private Finance Initiative		11,205	-	-	11,205
8,828	-	(8,828)	-	DSG	4.2.16d	-	-	43	43
3,654	-	(211)	3,443	Public Health		3,443	(3,023)	2,368	2,788
5,347	3,189	-	8,536	Strategic Risk Reserve		8,536	-	1,216	9,752
3,000	-	(1,041)	1,959	Investment in Transformation		1,959	-	-	1,959
53,814	5,616	(19,590)	39,840	Total General Fund Earmarked Reserves	3.3	39,840	(8,960)	8,853	39,733

4.2.9 Usable Reserves (continued)

b - Earmarked Reserves - HRA

This note sets out the amounts set aside from the Housing Revenue Account (HRA) balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet HRA expenditure in 2025/26.

Balance at 1 April 2024 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2025 £000	HRA	Notes	Balance at 1 April 2025 £000	Transfers from £000	Transfers to £000	Balance at 31 March 2026 £000
-	(4,535)	4,856	321	HRA Earmarked Reserve		321	-	1,388	1,709
94	(3)	55	146	HRA Sheltered Tenants		146	(5)	97	238
151	(796)	1,931	1,286	HRA Rent Reserve		1,286	-	120	1,406
245	(5,334)	6,842	1,753	Total HRA Earmarked Reserves		1,753	(5)	1,605	3,353

4.2.9 Usable Reserves (continued)

c - Usable 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.

31 March 2025 £000		Notes	31 March 2026 £000
8,127	Amounts receivable in year	4.2.8	18,816
302	Amounts receivable from long term debtors	4.2.8	13
(1)	Disposal costs	4.2.8	(1)
	Capital receipts pooling payment to DCLG	4.2.8	
	Capital receipts adj no longer refundable		
(958)	Amounts transferred flexible use for transformation projects	4.2.8	(6,027)
	- Amounts Transferred from Deferred Capital Receipts	4.2.10d	145
(4,572)	Amounts applied to finance new capital investment		(9,096)
2,898	Total increase/(decrease) in reserve during year		3,850
25,144	Balance brought forward at 1 April		28,042
28,042	Balance carried forward at 31 March		31,892

d - Capital Grants Unapplied Account

The Capital Grants Unapplied Account (Reserve) holds the grants and contributions received in advance of the capital projects to which it relates. The grant is not assumed to have any conditions attached to it that would trigger its repayment to the original provider. The terms of the grant may restrict how the grant is applied for example, to a particular scheme and/or the financial year which this can take place.

31 March 2025 £000		Notes	31 March 2026 £000
24,906	Capital grants received in year which have not been applied	4.2.8	6,902
(5,641)	Applied during the year transferred to capital adjustment account		(20,018)
	Transfer (to)/from revenue reserves		
19,265	Total increase/(decrease) in reserve during year		- 13,116
50,851	Balance brought forward at 1 April		70,116
70,116	Balance carried forward at 31 March	55 3.3	57,000

4.2.10 Unusable Reserves

a - Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-

31 March 2025 £000	Notes	31 March 2026 £000
359,400	Balance at 1st April	365,426
-	Opening Balance Adjustment	-
359,400	Revised Balance at 1st April	365,426
(47,950)	Charges for depreciation and impairment of non current assets	(45,629)
(10,579)	Revaluation movement on property, plant and equipment & non current assets held for sale	(37,330)
(3,427)	Amortisation of intangible assets	(3,071)
(14,771)	Revenue expenditure funded from capital under statute	(13,003)
(7,171)	Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal	(15,930)
(5,076)	Amounts of non-current assets written off on derecognition or sale as part of gain/loss on disposal	(8,744)
-	Movement in market value of investment properties	
(3,266)	Remeasurement of PFI opening for IFRS16 written off to CAA	
-	Long Term Loan Repayments	
(21,371)	Capitalisation Direction EFS	(16,800)
45	Expected Credit Allowance	(6,817)
12,480	Adjusting amounts written out of Revaluation Reserve	22,343
(101,086)	Net Written out amount of the cost of non-current assets consumed in the year	(124,981)
	Capital Financing applied in the year:	
4,572	Use of capital receipts reserve to finance new capital	9,096
15,047	Use of major repairs reserve to finance new capital	15,373
42,851	Capital grants and contributions credited to the CIES applied to capital financing	28,461
5,203	Applications of grants to capital financing from capital grants unapplied account	20,018
33,734	Statutory provisions for the financing of capital investment charged against the General Fund	25,389
716	Service Concession deferred income write back	716
133	Capital expenditure charged against the General Fund	57
4,856	Capital expenditure charged against the HRA	4,774
-	Voluntary Repayment of Debt	2,988
107,112		106,872

4.2.10 Unusable Reserves (continued)

b - Revaluation Reserve

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

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

31 March 2025 £000	Notes	31 March 2026 £000
402,024	Balance at 1st April	446,437
(882)	Opening balance Adjustment	
401,142	Revised Balance at 1st April	446,437
69,459	Upwards revaluation of assets	56,527
(12,566)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(15,472)
56,893	Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	41,055
(6,721)	Difference between fair value depreciation and historical cost depreciation	(9,725)
(4,877)	Accumulated gains on assets sold or scrapped	(12,618)
(11,598)	Amount written off to the Capital Adjustment Account	(22,343)
-	Other Adjustments	
446,437	Balance at 31 March	465,149

4.2.10 Unusable Reserves (continued)

c - 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 CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. Statutory arrangements require benefits earned to be financed as the Authority makes employer's contributions to pension funds or eventually pays pensions for which it is directly responsible. The credit balance of £28.7 million on the Pensions Reserve shows an improved position after showing a substantial shortfall in previous years. This represents an improved position on the difference between expected investment returns and the cost of providing benefits to scheme members which have been earned to date, whilst taking into account the contributions made by the Council.

31 March 2025 £000	Notes	31 March 2026 £000
(147,941) Balance at 1st April		(129,737)
7,041 Remeasurements of the net defined benefit liability/asset	4.2.19c	61,334
(28,107) Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	4.2.19c	(23,154)
39,270 Employers' pension contributions and direct payments to pensioners payable in the year	4.2.8a	62,880
(129,737) Balance at 31 March		(28,677)

4.2.10 Unusable Reserves (continued)

d - Deferred Capital Receipts Reserve

The Deferred Capital Receipt Reserve holds gains recognised but for which the cash settlement has yet to take place. Under statutory arrangements, the Authority does not treat these gains as useable capital receipts until the cash settlement is due. When the deferred cash settlement becomes due, amounts are transferred to the Useable Capital Receipts Reserve.

31 March 2025 £000	Notes	31 March 2026 £000
5,587	Balance at 1st April	5,281
-	- Opening balance adjustment	-
-	- New deferred receipts	-
	<i>Transfers to useable capital receipts reserve upon receipt of cash/assets</i>	
(306)	Repayment of long term debtors	(145)
-	- Deferred sale proceeds on non-current assets	-
5,281	Balance at 31 March	5,136
	<i>Of which:</i>	
4,352	Kickstart loans	4,207
722	Cluster loans	722
6	Empty Homes	6
201	Home Improvements	201
5,281	Balance at 31 March	5,136

4.2.10 Unusable Reserves (continued)

e(i) - Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences for staff, 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.

31 March 2025 £000	Notes	31 March 2026 £000
(3,339) Balance at 1st April		(3,884)
3,339 Settlement or cancellation of accrual made at the end of the previous year		3,884
(3,884) Amounts accrued at the end of the current year		(4,474)
(3,884) Balance at 31 March		(4,474)

e(ii) - 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 benefitting from gains per statutory provisions.

The difference between effective interest credited or charged to the CIES per accounting requirements and the actual interest received or paid per statutory requirements is managed as a transfer to/from the FIAA.

The Authority uses the Account to manage discount received on the early redemption of a number of loans. Discounts are credited to the CIES when they are incurred, but reversed out of the HRA to the FIAA in the Movement in Reserves Statement.

31 March 2025 £000	Notes	31 March 2026 £000
(2,421) Balance at 1st April		(2,257)
159 Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements		-
5 Movement in Fair Value		
(2,257) Balance at 31 March		(2,257)

4.2.10 Unusable Reserves (continued)

f - Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its investments that are measured at fair value through other comprehensive income. The balance is reduced when investments with accumulated gains are revalued downwards or impaired, or disposed of and the gains realised.

31 March 2025 £000	Notes	31 March 2026 £000
5,782	Balance at 1st April	5,782
	Upwards revaluation of long term investments	-
	Downward revaluation of long term investments	-
5,782	Balance at 31 March	5,782

g - Dedicated Schools Grant Adjustment Account

On the 6 November 2020, the secretary of state for Ministry of Housing, Communities and Local Government laid before Parliament a statutory instrument to amend The Local Authorities (Capital Finance and Accounting) Regulations (the 2003 Regulations). The provisions came into effect from 29 November 2020.

The instrument amends the 2003 Regulations by establishing new accounting practices in relation to the treatment of local authorities' schools budget deficits such that where a local authority has a deficit on its schools budget for the financial year falling within the period between 1 April 2020 and 31 March 2026, it must not charge the amount of that deficit to a revenue account. The local authority must record any such deficit in a separate account established solely for the purpose of recognising deficits relating to its schools budget. This statutory override will expire in 2027/28.

31 March 2025 £000	Notes	31 March 2026 £000
(21,202)	Reporting of Schools Budget Deficit to new Adjustment Account at 1 April 2025	(22,430)
(1,228)	DSG Surplus/(Deficit) for the year	(11,177)
(22,430)	Balance at 31 March	(33,607)

4.2.11 Assets

a - Property, Plant & Equipment

Movement on Balance 2025/26 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	755,547	344,442	68,870	386,262	39,897	38,339	82,334	1,715,691
Additions	27,266	5,237	6,367	27,457	317	4,594	15,463	86,701
IFRS16 Remeasurements								-
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	14,253	7,930	-	-	-	46	14	22,243
Surplus/Deficit on the Provision of Services	(7,483)	9,217			-	(4,032)		(2,298)
Derecognition through disposal and transfer (non- schools)	(36)	(8,894)	(2,160)	(1)	-	(4,487)	(44)	(15,622)
Derecognition through disposal and transfer (schools)		735	(402)	(1)	-	-	-	332
Reclassifications within PPE	65	-	1,665	134	268	2,264	(55,984)	(51,588)
Reclassifications to IP								-
Assets reclassified (to)/from Held for Sale	(12,312)	-			-	-	(65)	(12,377)
other adjustments(roundings)	-	-	-	-	-	-	-	-
Balance at 31 March	777,300	358,667	74,340	413,851	40,482	36,724	41,718	1,743,082

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2025/26	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	(1,849)	(3,010)	(46,501)	(94,084)	(1,488)	(781)	(49)	(147,762)
Depreciation charge in year	(13,583)	(9,939)	(5,601)	(15,359)	-	(90)	-	(44,572)
Depreciation written out to the:								-
Revaluation Reserve	10,430	8,554	-	-	-	14	2	19,000
Surplus/Deficit on the Provision of Services	2,892	3,972	-	-	-	80		6,944
Impairment losses/(reversals) recognised in the:								-
Revaluation Reserve	(10)	(149)	-	-	-	-		(159)
Surplus/Deficit on the Provision of Services	-	(31)	-	-	-	(663)	(44)	(738)
Derecognition through disposal and transfer (non- schools)	41	186	2,123	1	-	-	44	2,395
Derecognition through disposal and transfer (schools)			365	1	-	675		1,041
Reclassifications within PPE	226	1	-	-	1	(4)	47	271
Assets reclassified (to)/from Held for Sale	-	-	-	-	-	-	-	-
Balance at 31 March	(1,852)	(416)	(49,614)	(109,441)	(1,487)	(769)	-	(163,579)
Net Book Value								
At 31 March 2026	775,447	358,251	24,726	304,410	38,995	35,955	41,718	1,579,503
At 31 March 2025	753,698	341,432	22,369	292,178	38,409	37,558	82,285	1,567,929

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	701,655	348,843	65,674	358,980	39,607	33,761	73,946	1,622,466
Additions	23,235	3,922	5,015	28,478	290	779	27,535	89,254
IFRS16 Remeasurements			-	(262)				(262)
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	32,598	4,534	-	-	-	448	-	37,580
Surplus/Deficit on the Provision of Services	(17,308)	(395)	-	-	-	831	-	(16,872)
Derecognition through disposal and transfer (non- schools)	(7)	(5,021)	(1,819)	(945)	-	(2,725)	-	(10,517)
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	15,374	(7,107)	-	11	-	5,173	(19,147)	(5,696)
Reclassifications to IP	-	-	-	-	-	222	-	222
Assets reclassified (to)/from Held for Sale	-	(139)	-	-	-	(150)	-	(289)
other adjustments(roundings)	-	(195)	-	-	-	-	-	(195)
Balance at 31 March	755,547	344,442	68,870	386,262	39,897	38,339	82,334	1,715,691

4.2.11 Assets (continued)

a - Property, Plant & Equipment

Movement on Balance 2024/25	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,410	(1,696)	(42,199)	(81,325)	(1,488)	(1,483)	(49)	(126,830)
Depreciation charge in year	(14,269)	(9,846)	(6,050)	(13,683)	-	(50)	-	(43,898)
Depreciation written out to the:								-
Revaluation Reserve	10,927	7,204	-	-	-	50	-	18,181
Surplus/Deficit on the Provision of Services	3,193	1,070	-	-	-	114	-	4,377
Impairment losses/(reversals) recognised in the:								-
Revaluation Reserve	-	-	-	-	-	(25)	-	(25)
Surplus/Deficit on the Provision of Services	(3,235)	(2)	(2)	-	-	(530)	-	(3,769)
Derecognition through disposal and transfer (non- schools)	7	165	1,750	924	-	1,227	-	4,073
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	118	92	-	-	-	(90)	-	120
Assets reclassified (to)/from Held for Sale	-	3	-	-	-	6	-	9
Balance at 31 March	(1,849)	(3,010)	(46,501)	(94,084)	(1,488)	(781)	(49)	(147,762)
Net Book Value								
At 31 March 2025	753,698	341,432	22,369	292,178	38,409	37,558	82,285	1,567,929
At 31 March 2024	703,065	347,147	23,475	277,655	38,119	32,278	73,897	1,495,636

4.2.11 Assets (continued)

b - Other Land & Buildings by Sub Class

Net Book Value as at 31/03/2025		Net Book Value as at 31/03/2026
£000	Sub Class	£000
25,281	Administrative Buildings	24,291
3,451	Bus Station	3,342
12,053	Civic Amentity Sites	17,402
9,255	Car Parks	12,398
2,189	Cemeteries & Crematorium	2,403
6,175	Children's Centres	6,118
18,701	Community	19,013
866	Coroners & Mortuary	868
8,014	Depots	7,969
31,114	Economic Development	36,377
5,799	Garages	5,951
17,523	Libraries & Museums	15,924
1,149	Local Centres	1,185
1,208	Markets	1,340
1,315	Miscellaneous	1,346
6,614	Other Educational Facilities	6,645
79	Public Conveniences	78
62,897	Recreation Facilities	62,488
41,836	Schools	32,473
3,941	Shops	4,905
52,191	Social Care Facilities	64,721
28,829	Theatre	30,088
531	Travellers Site	516
421	Youth Services	411
341,432	Total	358,251

4.2.11 Assets (continued)

c - Surplus Assets

Surplus assets are properties that do not directly support the provisions of services. Within this category are a mixture of assets that are earmarked for strategic regeneration or are held for indeterminable use.

Net Book Value as at 31/03/2025		Net Book Value as at 31/03/2026
£000	Sub Class	£000
3,155	Strategic regeneration sites	4,321
2,820	Cleared land not currently qualifying as held for sale	2,523
31,569	Vacant premises	29,090
12	Other surplus assets	21
37,555	Total	35,955

4.2.11 Assets (continued)

d(i) - Revaluation of Property Plant & Equipment

The Authority carries out a revaluation programme that ensures all items of Property, Plant and Equipment are revalued at least every 5 years. Where any assets incur a significant level of capital enhancement or where the construction of an asset is completed within the reporting period, these assets are revalued. The effective revaluation date is 31 March.

All formal valuations for the reporting period to 31 March 2026 were completed by external valuers in accordance with the professional standards of the Royal Institute of Chartered Surveyors (RICS) with due regard to IFRS requirements for asset classification and measurement bases.

Operational housing property subject to secure tenancy is valued on the basis of Existing Use Value for Social Housing (EUV-SH) as defined by the RICS Appraisal and Valuation Standards.

To date EUV-SH has been based on the vacant possession value of the properties, adjusted to reflect the continuing occupation by a secure tenant (Vacant Possession adjustment factor) (The Beacon approach). EUV-SH thus reflects a valuation for a property if it were sold with sitting tenants paying rents at less than market value and tenants' rights including RTB. For 2025/26 there has been no change to this factor.

Buildings and Land used in the delivery of services are carried at current value in relation to their Existing Use Value based on the services provided to the Council. Properties for which there is no market-based evidence of fair value because of the specialist nature of the asset and the asset is rarely sold, have had their current value estimated on a depreciated replacement cost basis.

For individual buildings that are revalued to current value that is greater than £1m, the building valuation is analysed into significant components and each component's remaining useful life is measured to ensure that the carrying value of the asset reflects the economic consumption of the asset's use and depreciated separately.

Surplus assets are properties that are surplus to service needs but do not fully meet the IFRS criteria for Investments or Held for Sale assets. Surplus Assets are carried at a fair value under IFRS 13 defined as 'the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date'.

Items of Vehicles, Plant, Furniture and Equipment with short useful lives and/or low values are valued at depreciated historic cost as a proxy for current value.

The council revalues its assets with sufficient regularity to ensure the value at the balance sheet date is materially correct. Where there is evidence of such movements, further valuations will be undertaken. The council bases its valuation on assumptions of asset conditions, useful lives, residual values and market conditions. These judgements are underpinned by the best available information and are made by qualified valuers but are still based on estimates. A 1.0% fluctuation in council dwellings and other land and buildings values would amount to a £15.7m movement in Property, Plant and Equipment balance shown on the balance sheet.

4.2.11 Assets (continued)

d(ii) - Revaluation of Property Plant & Equipment

The table below shows the last valuations date year and the assets net carrying value against each year. The purpose is to ensure that assets are valued within a reasonable time scale to reflect a reasonable fair value at the balance sheet.

	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Surplus Assets £000	Total £000
Carried at Historical Value		1,344	24,726	366	26,436
Valued at Fair Value as at:					
31/03/2026	775,447	331,277		8,099	1,114,823
31/03/2025		25,630		23,654	49,284
31/03/2024				3,836	3,836
31/03/2023					-
31/03/2022					-
Totals	775,447	358,251	24,726	35,955	1,194,379

4.2.11 Assets (continued)

e(i) - Heritage Assets

The City Council's Heritage Assets are at various locations throughout the City but principally at the four main museums.

	Buildings £000	Collections £000	Statuary and Horological £000	Spitfire Aircraft £000	Total £000
At 1 April 2024	3,426	61,451	852	768	66,497
Additions	55	-	-	-	55
Depreciation charge	(95)	-	-	-	(95)
Upward revaluation	833	-	-	-	833
Downward revaluation	(6)	-	-	-	(6)
At 1 April 2025	4,214	61,451	852	768	67,285
Additions	25	-	28	-	53
Depreciation charge	(121)	-	-	-	(121)
Downward to I&E	(149)	-	-	-	(149)
Upward revaluation	96	-	-	-	96
Downward revaluation	(125)	-	-	-	(125)
At 31 March 2026	3,940	61,451	880	768	67,039

Shared Assets

The Staffordshire Hoard is owned and cared for jointly by Stoke-on-Trent City Council and Birmingham City Council on behalf of the nation. The Hoard was acquired by both Councils for the value of £3.285m, 50% of the value is now included in Heritage Assets on the balance sheet of the City Council at a value of £1.642m.

e(ii) - Intangible Assets

The city council's intangible assets are made up of software and other intellectual properties

	Mar-25 £000	Mar-26 £000
Cost		
Balance at 1 April	21,795	26,174
Additions/ Enhancements	4,389	1,865
Disposals	(10)	(57)
Write offs/ Impairments	-	-
Transfers in/(out)	-	(3,502)
Balance at 31 March	26,174	24,480
Depreciation		
Balance at 1 April	13,466	16,883
Depreciation charge in year	3,427	3,071
Disposals	(10)	(57)
Write offs/ Impairments	-	5
Transfers in/(out)	-	-
Balance at 31 March	16,883	19,902
Net Book Value 31 March	9,291	4,578

4.2.11 Assets (continued)

f - Investment Properties

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

2024/25	2025/26
£000	£000
5,252 Rental income from investment property	5,868
(2,279) Direct operating expenses arising from investment property	(2,056)
2,973 Net gain/(loss)	3,812

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

2024/25	2025/26
£000	£000
40,188 Balance at 1 April	41,736
6 Additions	4,652
- Disposals	
1,764 Net gains/losses from fair value adjustments	(41,825)
(222) Transfers to/from property, plant and equipment	54,014
41,736 Balance at 31 March	58,577

4.2.11 Assets (continued)

g - Fair value measurement

The Council measures Investment Properties and Surplus Assets at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council uses external valuers to provide a valuation of its assets in line with the highest and best use definition within the accounting standard. The highest and best use of the asset or liability being valued is considered from the perspective of a market participant.

Inputs to the valuation techniques in respect of the Council's fair value measurement of its assets and liabilities are categorised within the fair value hierarchy as follows:

- Level 1 - Quoted price (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.
- Level 3 - Unobservable inputs for the asset or liability.

Fair Value Hierarchy

All the Council's Investment Properties and Surplus Assets have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Valuation Techniques Use to Determine Level 2 Fair Values for Investment Property and Surplus Assets

The fair value of Land, Office, Industrial and Retail assets have been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the levels of observable inputs are significant leading to the properties being categorised at Level 2 in the Fair Value Hierarchy.

4.2.11 Assets (continued)

h - Impairment and Depreciation

The Authority recognised depreciation and amortisation charges totalling £47.954m representing an estimate of the value of fixed assets consumed during the financial year for the provision of services.

The Authority also recognised impairment losses resulting in a total charge of £0.746m to to property, plant and equipment and £6.817 to Other non current assets

Summary of Depreciation and Impairment charged to Comprehensive Income and Expenditure.

The amounts below represents the impairments and depreciation charge to services in the net cost of services.

	Amortisation £000	Depreciation £000	Impairment £000
Property, plant and equipment	-	44,762	738
Right of Use Assets	3,071	-	5
Intangible assets	-	-	-
Non current assets held for sale	-	-	-
Other Non Current Assets	-	-	-
Investment properties	-	121	-
Heritage assets	-	-	3
Total depreciation and impairment charged to services	3,071	44,883	746

4.2.11 Assets (continued)

i - Maintained Schools

The Council has eight maintained schools at the balance sheet date. During the financial year two schools (Ball Green and Burntwood primary) converted to an academy.

The treatment of land and buildings is based on the legal framework underlying each type of school. The Council controls the management and running of community and voluntary controlled schools. The land and buildings of voluntary aided and foundation schools are owned by the trustees of the schools or the foundation body. However, as all schools are part of the PFI contract, the buildings are all retained on the Council's Balance Sheet. Land assets relating to Foundation schools are written out once the legal agreement has been entered into.

Capital expenditure on community and voluntary controlled schools is added to the balances for those schools as reported in Property, Plant and Equipment.

Capital expenditure on voluntary aided schools is charged to the CIES within Children and Family services as "REFCUS".

Dedicated Schools Grant (DSG) is credited to Schools and Children & Family services within the CIES, based on amounts due from the Department for Education for 2025/26 Individual schools' balance as 31st March 2026 are included in the Balance Sheet of the Council under the heading Earmarked Reserves - General Fund.

	Community	Voluntary Controlled	Voluntary Aided	Foundation
Number of schools subject to PFI contracts	5	1	1	-
Value of land and buildings at 31st March 2026	£22.3m	£3.2m	£5.2m	-

PFI Schemes

The Council's Private Finance Initiative (PFI) arrangements relating to maintained schools came to an end during 2025/26. As at 31 March 2026, there are no maintained schools subject to PFI contracts.

Prior to contract expiry, the school buildings were recognised on the Council's Balance Sheet as the Council was the contracting party to the PFI arrangements. Following the expiry of the contracts, the associated PFI liabilities have been fully discharged and are no longer recognised on the Balance Sheet.

4.2.11 Assets (continued)

j - Right of Use Assets

Leases

Authority as a lessee

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

j(i) Right-of-use assets

This table shows the change in the value of right-of-use assets held under leases by the authority:

Column1	Land and Buildings £000	Vehicles, Plant and Equipment £000	TOTAL £000
Balance at 1 April 2025	19	769	788
Additions	2	146	148
Revaluations	(2)	-	(2)
Depreciation	(9)	(181)	(190)
Disposals	-	-	-
Balance at 31 March 2026	10	734	744

j(ii) Outstanding lease liability.

This table shows the Outstanding lease Liability in respect of Right of Use Assets:

	£000
Value as at 31 March 2025	721
Remeasurement on transition to IFRS 16 1 April 2024	-
Revised value at 1 April 2025	721
New loans raised	-
Interest added (Finance Cost)	-
Repayment of interest and liability	-
Lease liability remeasurement	-
Value as at 31 March 2026	721

	£000
Short Term	220
Long Term	427

4.2.11 Assets (continued)

j(iii) 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):

	31 March 2025	31 March 2026
	£000	£000
Less than one year	204	-
One to two years	199	-
Two to five years	392	-
More than five years	-	-
Total undiscounted liabilities	795	-

j(iv) Transactions under leases

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

	2024/25	2025/26
	£000	£000
Comprehensive income and expenditure statement		
Interest expense on lease liabilities	33	55
Expense relating to short-term leases expiring within 12 months	136	16
Expense relating to exempt leases of low-value items	460	189
Variable lease payments not included in the measure of lease liabilities	-	-
Income from subletting right-of-use assets	-	-
Gains or losses arising from sale and leaseback transactions	-	-
Cash flow statement	629	260
Minimum lease payments	290	255

4.2.12 Capital

a - Capital Expenditure and Capital Financing

The total amount of capital expenditure incurred in the year is shown in the table across (including the value of assets acquired under finance leases and PFI/PPP 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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

31 March 2025 £000	Notes	31 March 2026 £000
877,529	Opening Capital Financing Requirement	903,506
	Capital Investment	
89,254	Property, Plant & Equipment	86,701
55	Heritage Assets	53
6	Investment Properties	4,652
4,389	Intangible Assets	1,865
-	Assets Held for Sale	32
21,371	Capitalisation Direction (EFS)	16,800
14,771	Revenue Expenditure Funded from Capital under Statute	13,003
698	IFRS16 (PFI) and Right of Use Assets	241
	Sources of Finance	-
(4,572)	Capital receipts reserve applied to finance capital expenditure	(9,096)
(42,851)	Government grants and contributions received in year and applied	(28,461)
(5,203)	Government grants and contributions applied from reserves	(19,994)
(15,047)	Use of Major Repairs Reserve	(15,374)
(133)	Direct Revenue Contributions - General Fund	(4,774)
(4,856)	Contribution from HRA Reserve	(4,774)
(31,905)	Minimum Revenue Provision	(23,560)
-	HRA Repayment of debt (principal & leasing)	(2,988)
903,506	Closing Capital Financing Requirement	922,607

4.2.12 Capital (continued)

b - Movement in Capital Financing Requirement

31 March 2025 £000	Notes	31 March 2026 £000
56,257	Increase in underlying need to borrow (unsupported by government financial assistance)	44,496
(31,905)	Decrease in underlying need to borrow (MRP and voluntary debt repayment)	(23,560)
-	Decrease in underlying need to borrow (HRA voluntary debt repayment)	-
698	Assets acquired under Finance Leases and Right of Use Assets	241
926	Assets acquired under PFI/PPP contracts	708
-	Principal repayments of long term debt used for financing	-
25,976	Increase/(decrease) in Capital Financing Requirement	21,885

c - Minimum Revenue Provision

MRP which relates to pre 2008 debt liability will be charged at the rate of 2% straight line (previously 4% reducing balance). Post 2008 MRP reflected within the debt liability at the end of the financial year will be subject to MRP based on Asset Life charged over a period which is reasonably commensurate with the estimated useful life of the asset (or group of assets) as determined by professional judgement. Where the underlying borrowing is by way of a finance lease or service concession arrangement (PFI Scheme), additional revenue provision may be set aside on the capital repayment plan of this agreement.

The minimum revenue provision and voluntary repayment of debt provision for 2025/26.

31 March 2025 £000	Notes	31 March 2026 £000
16,045	Other Services	17,487
279	Finance Leases	-
-	Right of Use Assets	-
9,893	Private Finance Initiative	1,768
2,666	- Schools	2,696
-	- Street Lighting	220
681	- Handford Waste	1,307
2,341	- Extra Care	82
-	- Bentilee District Centre	-
31,905	Total	23,560

4.2.12 Capital (continued)

d - Capital Commitments At 31 March 2026, the significant contracts for the construction or enhancement of Property, Plant and Equipment in 2025/26 and future years budgeted to cost £21.4m. Similar commitments at 31 March 2025 were £72.7m.

Capital Scheme	Contract Commitment Value £000	Unpaid Amounts £000
Edensor Residential development	3.7	3.7
Tunstall Re-development	3.5	2.8
Booth Street Development	12.2	12.2
ERP System	2	1
Total	21.4	19.7

4.2.13 PFI & Similar Contract

The Authority makes an agreed payment each year, which is adjusted year by year for inflation, variations to the contract and any compensation for failure to meet agreed performance targets. Payments made to the contractor are described as Unitary Payments, they have been calculated to compensate the contractor for the following:

- Fair value of service provided to the authority
- Capital expenditure incurred
- Interest payable on capital expenditure yet to be reimbursed
- Contingent rent
- Payments estimated to fund capital lifecycle replacements

Schools Estate PFI Scheme - 2025/26 was the Final year of a 25 year PFI contract with Transform Schools (Stoke) Limited (TSSL) for rebuilding, maintaining, upgrading and providing services to its schools. Services provided under the contract include utilities, window cleaning, legislative safety testing, buildings maintenance and pest control. The scheme is provided under the Private Finance Initiative and benefits from government PFI grants. The contract terminated in October 2025

Legal ownership of the assets involved in the scheme is retained by the City Council or Academy Trusts throughout the contract period and these assets will be returned to the City Council or Academy trusts at nil cost at the end of the contract period.

Following the end of the PFI contract, no contingent liabilities have been identified at this stage. However, given the nature of PFI arrangements and the possibility of future claims or obligations arising from past contractual events, there remains a potential that contingent liabilities could arise at a later date. We are aiming to use some of the remaining project funds to pay certain creditors of the (now insolvent) PFI provider for works that have been completed satisfactorily and where the contractor has done the work in good faith, however these are not direct liabilities of the council.

Other remaining funds will be used to complete any outstanding works that were not undertaken before the contract expired on 25th October 2025.

Street Lighting PFI Scheme - 2025/26 was the 22nd year of a 25 year PFI contract with Tay Valley Lighting (TVL) for prioritised replacement, operation and maintenance of all the City's street lights, illuminated signs and bollards, giving illumination of designated public areas to contractually specified performance standards. Changes in energy supply costs passed on to the City Council via the contract are subject to separate provisions for market testing. Following agreement between the council and the PFI contractor to undertake an LED unit replacement programme and light control system, the energy consumption is expected to reduce, generating financial savings and a reduction in carbon emission. The contract will terminate on 31 August 2028.

Legal ownership of the assets involved in the scheme is retained by the City Council throughout the contract period and these assets will be returned to the City Council at nil cost at the end of the contract period. The City Council may terminate the contract at any time, with not less than six and not more than twelve months notice to TVL, subject to payment of compensation. Expiry planning is well underway and the council has been working closely with the National Infrastructure and Strategic Transformation Authority (NISTA) throughout.

4.2.13 PFI & Similar Contract (continued)

Bentilee District Centre PFI Scheme - 2025/26 was the 20th year of a 25 year PFI contract with Bentilee HUB (Project Company) Limited (BHUB) for the provision and maintenance of a multi-service district centre on the Devonshire Square site in Bentilee. Clinical and community services accessed by the public at the district centre include GP, library, youth and advice services, as well as retail units.

Legal ownership of all assets involved in the scheme are retained by the City Council throughout the contract period and all scheme assets will be passed to the City Council at nil cost at the end of the contract period. The City Council may terminate the contract following the provision of six-months' notice to BHUB, subject to payment of compensation.

Planning for expiry is well underway and the council continues to work with stakeholders and NISTA to manage this process. The future use of the asset will be determined by the council in conjunction with health partners.

Extra Care Housing PFI - 2025/26 was the 12th year of a 25 year contract with Sapphire Extra Care Limited (SEC) to carry out and provide extra care housing. Extra care housing combines housing and care support for older people who have access to high quality accommodation with their own front door, with the security of a 24-hour care provider on site to provide reliable and responsive support as needed. The landlord is entitled to charge and retain rents from tenants. SEC shall ensure that the landlord does not charge rents in excess of the agreed rent.

The sites are based as Westcliffe, Abbey Hulton and Blurton. Legal ownership of the apartment blocks is held by SEC. At the end of the contract period the City Council have an option to purchase all the apartment blocks at market value. Termination in advance of the contract expiry date is available to the City Council, subject to payment of compensation.

The contract will terminate on 9 July 2039.

PFI and Similar Contracts

As at 31 March 2026 the Authority has committed to making unitary payments of £97,878 k over the remaining lives of the PFI and similar contracts schemes (see note 4.2.13). The contract payments are subject to inflationary increases, based on factors such as energy prices and various other contract variations that may arise after this date. In the current economic climate particularly with respect to energy prices, the value of future unitary payments may be higher than currently anticipated. If inflationary factors were to increase by 0.5% on all PFI schemes, an additional £0.128m would need to be set aside to meet future commitments, if inflationary factors were to decrease by 0.5% on all PFI schemes, future commitments would be £0.128m lower.

4.2.13 PFI & Similar Contract (continued)

a - Assets resulting from PFI arrangements

In accordance with the accounting requirements, all PFI assets are shown on the Council's Balance Sheet. The following table shows the value of assets recognised under PFI arrangements and analyses the movement in the value of the assets during the year.

As at 31 March 2026, 81 of the schools have converted to academy status. It is deemed that such schools bear a significant part of the risks and rewards of ownership of the school assets and therefore such assets have been derecognised from the Council's Balance Sheet.

Only street lighting is affected by IFRS16 remeasurement transition as it is held at historical cost, other assets are at current value which is unchanged by IFRS 16

	Schools £000	Street Lighting £000	Bentilee District Centre £000	Extra Care Housing £000	Total £000
Value as at 31 March 2025 brought forward	77,396	34,758	8,143	34,903	155,200
Remeasurement on transition to IFRS 16	-	-	-	-	-
Revised value at 31 March 2025	77,396	34,758	8,143	34,903	155,200
Additions	-	708	-	-	708
Additions through PFI	-	-	-	-	-
Revaluations	-	-	1	(8,532)	(8,531)
Derecognitions and Reclassifications	-	-	-	-	-
Depreciation/Impairment	-	(1)	(319)	(848)	(1,168)
Lease liability remeasurement	-	138	(43)	-	95
Value as at 31 March 2026	77,396	35,603	7,782	25,523	146,304

4.2.13 PFI & Similar Contract (continued)

b - Liabilities resulting from PFI arrangements

The following table shows the value of liabilities resulting from PFI arrangements and analyses the movement in the year. The interest shown in the table (£2.669m) has been expensed to the CIES in 2025/26.

The amount included on the Balance Sheet as other long term liabilities does not include any future capital replacement cost as such liabilities are only recognised as the capital replacement expenditure is incurred.

The element of the outstanding liability that is due the paid within the next 12 months is shown within "Short Term Creditors"; the remainder forms part of the balance of "Other Long Term Liabilities".

	Schools £000	Street Lighting £000	Bentilee District Centre £000	Extra Care Housing £000	Total £000
Value as at 31 March 2025	1,768	7,495	2,083	31,990	43,336
Remeasurement on transition to IFRS 16	-	-	-	-	-
Revised value at 31 March 2025	1,768	7,495	2,083	31,990	43,336
New loans raised	-	-	-	-	-
Interest added (Finance Cost)	49	696	274	1,650	2,669
Repayment of interest and liability	(1,817)	(2,684)	(356)	(2,956)	(7,813)
Lease liability remeasurement	-	138	(43)	-	95
Value as at 31 March 2026	0	5,645	1,958	30,684	38,287
of which		Short Term		4.2.14b	4,134
		Long Term		4.2.14b	34,153
					38,287

4.2.13 PFI & Similar Contract (continued)

c - Future Unitary Payments

Total payments remaining to be paid under each PFI service concession contract as 31st March 2026 (including estimated inflation, contract variations and estimated future capital replacement costs are analysed below in 5 year bandings).

Summary Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	4,025	2,325	4,361	2,332	13,042
2 - 5 years	12,368	6,349	14,246	5,024	37,987
6 - 10 years	11,611	4,251	9,603	3,556	29,022
11 - 15 years	10,283	934	5,505	1,105	17,826
16 - 20 years	-	-	-	-	-
	38,287	13,859	33,715	12,017	97,878

The predicted future PFI payments include assumptions around contractual indexation the Council will be prepared to pay. The effects of these assumptions will be monitored closely over the remaining life of the contract and mitigated through reduced energy consumption, contract negotiations and/or increased revenue contributions.

Schools Estate PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	-	-	-	-	-
2 - 5 years	-	-	-	-	-
	-	-	-	-	-

The schools contract expired in October 2025.

4.2.13 PFI & Similar Contract (continued)

c - Future Unitary Payments

Extra Care PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	1,868	1,568	1,701	308	5,445
2 - 5 years	7,446	5,213	6,761	2,359	21,780
6 - 10 years	11,086	4,218	8,463	3,458	27,225
11 - 15 years	10,283	934	5,505	1,105	17,826
16 - 20 years	-	-	-	-	-
	30,684	11,933	22,430	7,230	72,276

Bentilee District Centre PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000	
Within 1 year	-	109	269	1,380	937	2,477
2 - 5 years	1,542	875	5,502	1,036	8,954	
6 - 10 years	525	33	1,141	98	1,797	
	1,958	1,176	8,023	2,070	13,228	

Street Lighting PFI Scheme Future Unitary Payments	Repayment of Liability £000	Interest £000	Service Charge £000	Lifecycle Costs £000	Total £000
Within 1 year	2,265	488	1,280	1,087	5,120
2 - 5 years	3,380	261	1,982	1,630	7,254
6 - 10 years	-	-	-	-	-
	5,645	750	3,262	2,717	12,374

4.2.13 PFI & Similar Contract (continued)

d - Income and Expenditure

Transactions under the schemes during 24/25	Schools 2024/25 £000	Schools 2025/26 £000	Extra Care Housing 2024/25 £000	Extra Care Housing 2025/26 £000	Bentilee District Centre 2024/25 £000	Bentilee District Centre 2025/26 £000	Street Lighting 2024/25 £000	Street Lighting 2025/26 £000
Fair value of services	16,344	1,817	1,741	2,319	1,490	2,640	4,624	3,392
Finance cost	728	49	1,738	1,650	376	274	732	696
Contingent rent	-	-	-	-	-	-	-	-
Revenue Unitary Charge	17,072	1,866	3,479	3,969	1,866	2,914	5,356	4,088
Recharge to academies	(14,716)	(8,631)	-	-	(1,070)	(790)	-	-
Other revenue expenditure	780	755	-	-	18	-	-	-
Depreciation	-	-	852	848	291	319	1	1
Total Expenditure	3,137	(6,010)	4,331	4,817	1,105	2,443	5,357	4,089
PFI special grant	(8,294)	-	(4,790)	(4,790)	(1,346)	(1,346)	(1,351)	(1,351)
Other contributions	(1,336)	(746)	(716)	(716)	(631)	(518)	(10)	-
(Surplus)/Deficit in Income and Expenditure	(6,493)	(6,756)	(1,175)	(689)	(872)	579	3,996	2,738
Movement in Reserves								
Depreciation	-	-	(852)	(848)	(291)	(319)	(1)	(1)
MRP	9,893	1,768	1,980	1,307	1,042	82	1,744	2,696
Transfer to/(from) Earmarked Reserves								
Transfer to PFI reserve	-	-	-	-	-	-	(521)	(85)
Transfer (from) reserve	-	-	-	-	-	-	-	-
Net Charge to General Fund	3,400	(4,988)	(47)	(230)	(121)	342	5,218	5,348

The School PFI expired in October 2025

4.2.14 Financial Instruments

A financial instrument is a contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Non-exchange transactions, such as those relating to taxes and government grants, do not give rise to financial instruments.

In 2025/26, the classification of cash and cash equivalents has been reviewed in line with IFRS 9.

Certain balances previously presented as financial assets at fair value through profit and loss have been reclassified to assets measured at amortised cost to reflect their underlying characteristics as short-term, low-risk instruments held to collect contractual cash flows.

Comparative figures for 2024/25 have been re-presented on a consistent basis. This is a presentational change only and does not impact the net assets or surplus/(deficit) for the year

a - Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset.

The financial assets disclosed in the Balance Sheet are analysed below across the following categories:

Long-Term Assets 2024/25 £000	Current Assets 2024/25 £000		Notes	Long-Term Assets 2025/26 £000	Current Assets 2025/26 £000
		Investments			
15,728	-	Fair value through other comprehensive income	4.2.14d(iv)	15,728	-
15,728	-	Total Investments	-	15,728	-
		Debtors			
11,791	-	Fair value through profit and loss	4.2.14d(iii)		
35,279	103,049	Amortised cost	4.2.14d(ii)	41,181	60,487
2,291	-	Classes of debtor not recognised as financial instruments		-	33,906
49,361	103,049	Total Debtors		41,181	94,393
		Cash and Cash Equivalents			
-	32,770	Fair value through profit and loss	4.2.14e	-	-
-	40	Amortised cost	4.2.14e	-	27,655
-	32,810	Total Cash and Cash Equivalents		-	27,655

4.2.14 Financial Instruments (continued)

b - Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable.

Long-Term Liabilities 2024/25 £000	Current Liabilities 2024/25 £000		Notes	Long-Term Liabilities 2025/26 £000	Current Liabilities 2025/26 £000
Borrowings					
689,995	46,406	Amortised cost		716,799	74,301
689,995	46,406	Total Borrowings		716,799	74,301
Other Liabilities at amortised cost					
796	1,829	Liability with Staffordshire County		-	796
31,231	12,105	PFI liabilities	4.2.13a	34,153	4,134
10,384	-	PFI liabilities - deferred credit		9,668	-
280	317	Finance lease liabilities	4.2.14j	280	317
551	170	Right of Use Asset Leases		427	220
321	-	Lease Premium		309	-
7,679	-	Retentions		5,017	-
51,242	14,421	Total Other Liabilities		49,854	5,466
Creditors					
-	116,813	Amortised cost	4.2.14d(i)	-	66,237
-	-	Classes of creditor not recognised as financial instruments		5,748	39,810
-	116,813	Total Creditors	4.2.21c	5,748	106,048

4.2.14 Financial Instruments (continued)

c - Gains and Losses on Financial Instruments

The gains and losses recognised in the CIES in relation to financial instruments are made up as follows:

		(restated) 31st March 2025			31st March 2026				
Liabilities Measured at amortised cost	Assets Measured at amortised cost	Fair Value Elected through OCI	Fair Value through Profit and Loss	Total	Liabilities Measured at amortised cost	Assets Measured at amortised cost	Fair Value Elected through OCI	Fair Value through Profit and Loss	Total
£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
-	-	-	-	-	-	(8,174)	-	-	(8,174)
(30,929)	-	-	-	(30,929)	(31,513)	-	-	-	(31,513)
(30,929)	-	-	-	(30,929)	(31,513)	(8,174)	-	-	(39,687)
-	-	-	-	-	-	-	-	-	-
-	6,408	5,108	-	11,516	-	4,268	(38)	-	4,230
-	6,408	5,108	-	11,516	-	4,268	(38)	-	4,230
-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
(30,929)	6,408	5,108	-	(19,413)	(31,513)	(3,906)	(38)	-	(35,457)

4.2.14 Financial Instruments (continued)

d - Fair Value of Assets and Liabilities

Fair value is the price that would be received to sell an asset or paid to transfer liability in an orderly transaction between market participants at the measurement date.

For most assets, including bonds, treasury bills and shares in money market funds and other pooled funds, the fair value is taken from the market price. Where applicable, the fair values of other instruments have been estimated using the following methods and assumptions:

- Certificates of deposit and forward loan contracts have been discounted at market interest rates for instruments of similar credit quality and remaining term to maturity;
- Shares in unlisted companies have been valued from the company's balance sheet net assets.

The fair values for financial assets classified as amortised cost have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2026, using the following methods and assumptions:

- Loans from the PWLB have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The value of "Lender's Option Borrower's Option" (LOBO) loans have been increased by the value of embedded options. Lender's options to propose an increase to the interest rate on the loan have been valued according to a proprietary model for Bermudan cancellable swaps. Borrower's contingent options to accept the increased rate or repay the loan have been valued at zero, on the assumption that lenders will only exercise their options when market rates have risen above the contractual loan rate.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity at 31 March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA-rated corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument

The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount.

Fair values are shown split by their level in the fair value hierarchy, as prescribed in IFRS 13:

Level 1 - fair value is only derived from quoted prices in active markets for identical assets or liabilities

Level 2 - fair values are calculated from inputs other than quoted prices that are observable for the asset or liability

Level 3 - fair values are determined using unobservable inputs

4.2.14 Financial Instruments (continued)

d (i) - Financial Liabilities carried at Amortised Cost

31 March 2025					31 March 2026				
Carrying Amount Long Term £000	Carrying Amount Short Term £000	Fair Value Long Term £000	Fair Value Short Term £000		Fair Value Level	Carrying Amount Long Term £000	Carrying Amount Short Term £000	Fair Value Long Term £000	Fair Value Short Term £000
669,995	39,900	548,550	39,900	PWLB - maturity	2	716,799	47,426	594,015	47,426
-	6,506	-	6,506	Interest accrued	2	-	6,875	-	6,875
20,000	-	22,354	-	LOBOs	2	-	20,000	-	21,963
-	-	-	-	Inter-authority loans	2	-	-	-	-
280	317	-	-	Finance leases	2	280	317	280	317
31,231	12,105	-	-	PFI schemes	2	34,153	4,134	34,153	4,134
796	1,829	618	1,759	Liability with Staffordshire County	2	-	796	-	796
-	116,813	-	116,813	Creditors ¹	2	-	66,237	-	66,237
722,302	177,470	571,522	164,978	Financial liabilities		751,232	145,784	628,448	147,747

The fair value of financial liabilities held at amortised cost is higher than their balance sheet carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is higher than the current rates available for similar loans as at the Balance Sheet date.

¹ The fair value of short-term financial liabilities including trade payables is assumed to approximate to the carrying amount

4.2.14 Financial Instruments (continued)

d (ii) - Financial Assets carried at Amortised Cost

31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000	Note	Fair Value Level	31 March 2026 Carrying Amount £000	31 March 2026 Fair Value £000
48,971	48,971	Long Term Debtors		41,181	41,181
69,033	69,033	Short Term Debtors ¹		60,487	60,487

Short-term debtors exclude amounts receivable of £33.906m Statutory debtors, Central Government, and prepayments. These have not arisen from contracts and are therefore not classed as financial instruments and do not fall within the scope of IFRS 9.

¹The fair value of short-term financial assets including trade receivables is assumed to be the carrying amount

d (iii) - Financial Assets Held at Fair Value through Profit and Loss

None Applicable

4.2.14 Financial Instruments (continued)

d (iv) - Financial Assets Held at Fair Value through Other Comprehensive Income

The Council has elected to account for the following investments in equity instruments at fair value through other comprehensive income because they are long-term strategic holdings and changes in their fair value are not considered to be part of the Council's annual financial performance.

The City Council's share holdings were valued using the adjusted net asset value in the company's latest balance sheet. Changing unobservable inputs in the measurement of the fair value of level 3 financial assets to reasonably possible alternative assumptions would not have a significant impact on profit for the year or total assets.

31 March 2025 £000		Fair Value Level	31 March 2026 £000
	Stoke EnergyCo Limited (Dormant)		
-	100% Shareholding - 1 ordinary share of £1	3	-
	Rhead Homes Ltd (Dormant)		
-	100% Shareholding - 1 ordinary share of £1	3	-
-	Sub-total (Group long term investments)		-
	Fortior Homes Limited		
13,535	100% Shareholding - 14,900,420 ordinary shares of £1	3	13,535
	Unitas Maintenance Solutions one ordinary share of £1	3	-
	100% shareholding - 1 ordinary share of £1	3	-
	Unitas Stoke-on-Trent Limited		
2,193	100% Shareholding - 1 ordinary share of £1	3	2,193
15,728	Total long term investments (SOTCC)		15,728

4.2.14 Financial Instruments (continued)

e - Cash and Cash Equivalents

The table reflects the level of cash and cash equivalents held at the balance sheet date

31 March 2025			31 March 2026		
Carrying Amount £000	Fair Value £000		Fair Value Level	Carrying Amount £000	Fair Value £000
		Notes			
22,990	22,990	Money market funds	1	12,175	12,175
22,990	22,990	Financial Assets Held at Fair Value through Profit and Loss		12,175	12,175
751	-	On call accounts		2,674	-
-	-	Term deposits		-	-
40	-	Cash held by the authority		35	-
9,029	-	Bank current accounts	4.2.14f	12,770	-
-	-	Accruals attached to term deposits		-	-
9,820	-	Financial Assets for which fair value is not disclosed		15,480	-
32,810	22,990	Total Cash and Cash Equivalents (SOTCC)		27,655	12,175
292	-	Cash & Cash Equivalents (Unitas)		3,024	-
2,543	-	Cash & Cash Equivalents (Fortior)		2,593	-
696	-	Cash & Cash Equivalents (Fortior Homes (Rental))		755	-
36,341	22,990	Total Cash and Cash Equivalents (Group)		34,027	12,175

4.2.14 Financial Instruments (continued)

f - Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and it intends to either settle on a net basis, or to realise the asset and settle the liability simultaneously. The table below shows those instruments that have been offset on the balance sheet

		31 March 2025			31 March 2026	
		Net position			Net position	
Gross Assets	(Liabilities) set off	on the balance sheet		Gross Assets	(Liabilities) set off	on the balance sheet
£000	£000	£000	Notes	£000	£000	£000
62,251	(53,223)	9,029	Bank accounts in credit	25,574	(12,768)	12,805
62,251	(53,223)	9,029	Total bank current accounts	25,574	(12,768)	12,805

The Council has an agency arrangement in place to hold funds on behalf of third parties. Details of the amounts held at 31 March 2026 are

31 March 2025		31 March 2026
£000	Notes	£000
11,568	Monies held on behalf of vulnerable adults	11,603

g - Nature and extent of risks arising from Financial Instruments

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

- Credit risk - the possibility that other parties might fail to pay amounts due to the authority - **4.2.14h**.
- Market risk - the possibility that the financial loss might arise for the Authority as a result of changes in such measures as interest rates and stock market movements - **4.2.14i**.
- the possibility that the Authority might not have funds available to meet its commitments to make payments - **4.2.14j**.

The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources available to fund services. Risk management is carried out by a central treasury team, under policies approved by the City Council in the annual Treasury Management Strategy Statement. The Council provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash.

4.2.14 Financial Instruments (continued)

h - Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well 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, as laid down by credit ratings services. Deposit risk is also managed by limiting the level of investments placed with counterparties, but subject to regular review.

The Council has made significant efforts to further protect the capital of the Authority and mitigate against this risk in line with its Treasury Management Strategy Statement, including:

- (a) the quarterly reporting of Treasury Management activity to the council's Audit and Standards Committee;
- (b) Use of the Debt Management Office (DMO), the Government's investment vehicle, and the most secure place to invest;
- (c) Investments are limited to £17m for the highest rated or government owned institution except in the case of the DMO which has no limit. The use of money market funds to a maximum level as advised by the council's treasury management advisors,
- (d) Utilising professional advice from external treasury advisers on the credit worthiness of counterparties;
- (e) Utilising all market and other 'soft' information which officers research through the financial press and independent advice;
- (f) Investing funds only in the UK durations below 12 months until it is safe to do otherwise (in accordance with the Council's Treasury Management Strategy).

The Authority's maximum possible exposure to credit risk in relation to funds held as investments by the Council at the Balance Sheet date is £14,849,000. As the deposits rest with several financial institutions the risk of any single institution failing to make interest payments or repay the principle sum will be specific to each individual institution. It is not expected for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at 31 March 2026 that this was likely to crystallise. The figure does not include balances held by Cheque Book Schools.

A minor and temporary breach of counterparty limits occurred during the reporting period due to an administrative error. This was identified and rectified promptly, with no resulting financial loss. Aside from this isolated incident, no counterparty credit limits, as set out in the Council's Treasury Management Strategy, were exceeded during the reporting period and the authority does not expect any losses from non-performance by its deposit counterparties

4.2.14 Financial Instruments (continued)

h - Credit Risk

Treasury Investments

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating and remaining time to maturity:

31 March 2025			31 March 2026		
Long-term	Short-term		Long-term	Short-term	
£000	£000		£000	£000	
-	16,505	AA-	-	4,000	
-	6,485	A+	-	8,175	
-	751	On-call Account	-	2,674	

Trade Receivables

The City Council operates a Corporate Debt Management Policy which endeavours to keep outstanding debt at a minimum. The policy provides the framework for a consistent and sensitive approach to collecting debt whilst at the same time ensuring the Council continues to maximise collection performance. Wherever possible the council will try to distinguish between those who cannot pay with those who will not pay.

The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included.

31 March 2025		31 March 2026
£000		£000
65,055	Past due < 3 months	40,769
9,784	Past due 4 - 12 months	12,960
12,164	Past due 12+ months	18,507
87,003	Gross receivables	72,236
(9,804)	Less: loss allowance	(11,750)
77,199	Net receivables	60,486

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loss allowances on trade receivables have been calculated by reference to the Council's experience of default. Receivables for credit risk in the following groupings:

31 March 2025			31 March 2026	
Gross receivable	Loss allowance		Gross receivable	Loss allowance
£000	£000		£000	£000
33,179	(3,118)	GF Sundry Debt	32,478	(4,013)
4,309	(1,115)	HRA Sundry Debt	2,722	(1,110)
4,516	(1,289)	Housing Rent Arrears	4,664	(2,353)
2,995	(1,932)	Summons & Distress Costs	3,320	(2,157)
38,977	(2,350)	Other Debtors	30,089	(2,117)
3,027	-	- Intercompany Debtors	(1,035)	-
87,003	(9,804)	Sub total (financial assets)	72,238	(11,750)
9,469	-	- VAT	6,196	-
23,197	(14,049)	Council Tax	25,441	(12,481)
5,402	(3,409)	Business Rates	5,863	(3,332)
2,411	(15)	Housing Benefit Overpayment	1,802	(24)
127,482	(27,277)		111,540	(27,587)

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loans and Loan Commitments

In furtherance of the Council's service objectives, it has lent money to Fortior Homes Ltd and GenR8 Smithfield Hotel Ltd. At 31 March 2025 £38.6m has been drawn down by Fortior Homes. The City Council also has a number of smaller loans at below market rate.

The amounts recognised on the balance sheet, and the Council's total expected credit loss allowance and credit risk for these instruments are shown in the table below.

31 March 2025		31 March 2026
Balance Sheet		Balance Sheet
£000		£000
Loans at Market Rates		
38,566	Fortior Homes Ltd	38,567
9,621	GenR8 Smithfield Hotel Ltd ¹	10,150
748	Cluster Loans	676
3	Mortgages	4
Loans below Market Rates		
2,101	Kickstart ¹	1,956
69	Home Improvement Loans ¹	69
2	Empty Homes Loans	2
Loan Commitment at Market Rates		
-	- Fortior Homes Ltd	-
51,110	Total	51,424
(3,379)	Expected Credit Loss Allowance	(11,702)

¹ Classified as Financial assets held at fair value through profit and loss

The Council manages the credit risk inherent in its loans for service purposes and loan commitments in line with its published investment strategy.

4.2.14 Financial Instruments (continued)

h - Credit Risk

Loans and Loan Commitments

For loans classified as held at amortised cost, loss allowances have been calculated with consideration of the probability that a default event will take place within the next 12 months. The risk of default will be monitored on an ongoing basis. Where there is evidence of a significant increase in credit risk, lifetime expected losses will be calculated.

A reconciliation of opening to closing loss allowances on loans for service purposes is as follows:

	12-month expected credit losses £000	Simplified approach for receivables £000	Total loss allowance £000
Opening allowance as at 1st April 2025	6,486	30,095	36,581
New loans made	-	-	-
Reversal of impairment	-	-	-
Movement in trade debtors impairment	7,806	(2,508)	5,298
Closing allowance as at 31st March 2026	14,292	27,587	41,879

i - Market Risk

The Authority does not generally invest in equity shares for the purposes of treasury management. The Council does have share holdings to the value of £15,728m, which have arisen through the creation of wholly owned subsidiaries and joint working arrangements. The authority is not in a position to limit its exposure to price movements by diversifying its portfolio and is consequently exposed to losses arising from movements in the price of the shares.

The £15,728m shares are all recognised as 'fair value through other comprehensive income and expenditure, meaning that all movements in price will impact on gains and losses in Other Comprehensive Income and Expenditure.

4.2.14 Financial Instruments (continued)

j - Liquidity Risk

The Authority has a comprehensive cash flow management process that seeks to ensure that cash is available as needed. Should unexpected movements happen, the Authority has ready access to short term funding. There is no significant risk that it will not be able to raise finance to meet its commitments under financial instruments. The City Council has safeguards in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future, to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The City Council limits how much it will borrow through its Treasury Management Strategy and Prudential Indicators. Which takes account of whether it is prudent to take new loans out and, where it is economic to do so, make early repayments.

Outstanding Debt Liabilities

The City Council has the following debt liabilities (excluding sundry creditors) on its balance sheet:

31 March 2025 £000	31 March 2025 £000	31 March 2025 £000	Interest Rates % Column1	Note	Interest Rates %	31 March 2026 £000	31 March 2026 £0002	31 March 2026 £0003
Source of Loan								
709,074			4.06	Public Works Loan Board	3.84	762,922	-	762,922
20,000			3.84	Market Loans	3.84	20,000		20,000
43,336				PFI		38,287		38,287
597			3.12	Finance Lease Liabilities	4.2.14j	597	-	597
-	6,506			Interest Accrual		-	8,177	8,177
2,625				Transferred Debt		796	-	796
775,632	6,506			Total		822,601	8,177	830,779
Principal	Interest	Total	Payable as follows:			Principal	Interest	Total
40,994	26,489	67,483	Less than one year			66,919	26,489	93,408
45,768	18,504	64,272	Between one and two years			49,367	18,504	67,871
164,686	64,363	229,049	Between two and five years			174,873	64,363	239,236
117,665	80,531	198,196	Between five and ten years			175,234	80,531	255,765
406,519	124,967	531,486	More than ten years			376,207	124,968	501,175
775,632	314,854	1,090,486	Total			842,601	314,854	1,157,455

4.2.14 Financial Instruments (continued)

j - Liquidity Risk

Finance Lease Liabilities

The City Council has 4 current finance leases ranging from 1 to 8 years. Interest payable (£0.022m) on the outstanding lease liability at 1 April 2026 (£0.598m) gave an associated interest rate of 3.32%

31 March 2025 £000	Interest Rates %	Source of Loan	Note	Interest Rates %	31 March 2026 £000
704		Opening Balance			704
-		New Finance Leases			-
(107)		Repayment of Principal			(107)
597	3.12%	Closing Balance		3.32%	597
		Payable as follows:			
110		Less than one year			110
351		Between one and two years			351
136		Between two and five years			136
-		Between five and ten years			-
-		More than ten years			-
597		Total			597

4.2.15 Provisions

	Liability Insurance Claim £000	Business Rates Appeals £000	Expected Credit Loss Allowance £000	Other Provisions £000	Total £000
Balance at 1 April 2025	5,336	1,777	89	300	7,502
Additional provisions made in 2025/26	1,028	1,128	-	9	2,165
Amounts used in 2025/26	(746)		-		(746)
Unused amounts reversed in 2025/26				(130)	(130)
Transferred to non-current assets	-	-	-	-	-
Balance at 31 March 2026	5,618	2,905	89	179	8,791
of which:					
- Short term liability					3,043
- Long term liability					5,748
					8,791

Liability Insurance Claims

These provisions are for settlement of claims for compensation for personal injury, loss or damage to property due to alleged negligence. All claims are dealt with on a legal liability basis and the provision for each claim is assessed by the Council's insurers or legal advisers based on the information available and experience of the type of claims involved and adjusted individually as further information becomes available until either a settlement is made and the claim is closed or the claim is successfully defended. Provisions include associated legal costs. The Council currently self-funds a £240,000 excess for each and every claim with a "stop loss" amount for each insurance year and the provisions are net of amounts payable by insurers.

Business Rates Appeals

The provision reflects an estimate of the potential loss of income to Stoke-on-Trent City Council which could arise in future years as a result of those appeals still outstanding at 31 March 2026

Expected Credit Loss Allowance

The City Council has a contractual commitment to make loans of up to £39.56m to Fortior Homes Ltd, at some point in the future. As at 31 March 2026, £38.50m had been drawn down. Under IFRS 9, a loss allowance is needed to reflect potential defaults if the borrower were to exercise their drawdown rights. The expected credit loss reflects the expectations that the loans will be drawn down in the next year.

4.2.16 Grants

a - Grant Income - Credited to Net Cost of Services

2024/25 Source £000	Service Area	Type of Funding/Grant	2025/26 £000	
100,602	DFE	Schools	DSG	108,011
47,477	DWP	Benefits	Benefit Payments - Rent Allowances	48,141
25,148	DHSC (OHID)	Public Health	Public Health Grant	26,655
15,398	MHCLG	Adult Social Care & All-Age Commissioning	Better Care Fund	18,996
20,722	DWP	Benefits	Benefit Payments - Rent Rebates	15,123
6,461	DFT	Housing, Regeneration & Operations	Affordable Fares Grant	8,109
5,827	MHCLG	Adult Social Care & All-Age Commissioning	Adult Social Care Market Sustainability	5,827
-	DEFRA	Housing, Regeneration & Operations	Extended Producer Responsibility (EPR)	5,111
4,790	MHCLG	Adult Social Care & All-Age Commissioning	PFI - Extra Care	4,790
5,373	DWP	Adult Social Care & All-Age Commissioning	Household Support Fund	4,735
4,267	DHSC (OHID)	Public Health	Drug & Alcohol Treatment/Reduction Grants	4,554
5,235	DLUHC	City Director	UK Shared Prosperity Fund	4,235
3,240	DFE	Children and Family Services/Schools	Pupil Premium	3,947
2,427	Home Office	Housing, Regeneration & Operations/Children and Family	Asylum Dispersal Grant	3,687
-	DHSC	Adult Social Care & All-Age Commissioning	Childrens Social Care Prevention Grant	2,805
1,685	MHCLG	Housing, Regeneration & Operations	Rough Sleeping Grant	2,588
1,560	DFE	Children and Family Services/Schools	Holiday Activities & Food Programme	1,870
1,113	MHCLG	Housing, Regeneration & Operations	Homelessness Prevention Grant	1,748
1,189	DFE	Children and Family Services/Schools	Family Hubs - Start for Life Grant	1,584
1,351	MHCLG	Housing, Regeneration & Operations	PFI - Street Lighting	1,351
1,346	MHCLG	Resources	PFI - Bentilee District Centre	1,346
-	DFE/HM Treasury	Children and Family Services/Schools	National Insurance Grants	1,022
1,015	SFA	Children and Family Services/Schools	Adult & Community Learning Grant	973
1,292	DFE	Children and Family Services/Schools	Step Up to Social Work	456
8,294	MHCLG	Resources	PFI - Schools	-
3,832	Homes England	Housing, Regeneration & Operations	Housing Infrastructure Fund - Burslem Town Centre	-
3,598	DOH	Adult Social Care & All-Age Commissioning	Hospital Discharge Fund	-
1,979	MHCLG	Children and Family Services	Troubled Families Grant	-
12,514	Various	Various	All Other	12,311
287,733	Total			289,975

4.2.16 Grants (continued)

b - Credited to Taxation and Non-specific Grant Income

Capital 2024/25 £000	Revenue Source 2024/25 £000	Grant Type	Capital 2025/26 £000	Revenue 2025/26 £000
	32,438 MHCLG	Social Care Support Grant		38,525
	28,848 MHCLG	Revenue Support Grant		29,489
	17,423 MHCLG	S31 Grant Multiplier Cap		17,421
	3,965 MHCLG	NNDR Extended Retail Discount		1,696
		NI Contributions Grant		2,516
		Recovery Grant		8,686
	3,915 MHCLG	Small Business Relief Grant		4,160
	1,222 MHCLG	Safety Net Returned Funding		0
	1,857 MHCLG	Various Others <£750K		745
1,267	MHCLG	Shared Prosperity Fund	397	
9	MHCLG	Community Recovery Fund	16	
40	MHCLG	Local Authority Housing Fund	812	
1,396	MHCLG	Social Housing Decarbonisation Fund	-	
286	MHCLG	High Street Accelerator	164	
2,217	MHCLG	Brownfields Land Release Fund		
4,273	MHCLG	Disabled Facilities Grant	4,573	
19,800	MHCLG	Levelling Up	2,906	
	MHCLG	Fly Tipping	40	
114	Department for Education	Devolved Formula Capital	62	
1,491	Department for Education	High Needs Provision	4,547	
263	Department for Education	Schools Condition Capital	321	
3,714	Department for Education	Basic Need	308	
124	Department for Education	Family Hubs	137	
3,114	Department for Transport	Local Transport Plan	1,679	
137	Department for Transport	Active Travel	364	
7,900	Department for Transport	Bus Service Improvement Plan		
1,321	Department for Transport	Pothole		
378	Department for Transport	Network North		
2,693	Department for Transport	LEVI		
	Department for Transport	Highways Maintenance	4,700	
	Department for Transport	Bus Grant	3,871	
	Department for Transport	Local Transport Grant	7,675	
	DEFRA	Simpler Recycling	572	
12,809	Department for Transport	Transforming Cities		
971	Private Sector Contributions	Other	1,374	
189	Public Sector Contributions	Other	647	
	Department for Education	Childcare Wraparound		
	Department for Transport	Traffic Light Signal Obsolescence		
2,091	Homes and Communities Agency (Homes England)	Other	168	
66,597	89,668 Total		35,333	103,238

4.2.16 Grants (continued)

c - Grants - Receipts in Advance

The Authority has received a number of grants, contributions and donations 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 to the giver. The balances at the year-end are below.

2024/25 Funder £000	2025/26 £000
Capital	
132 Department for Education (DfE)	62
1,665 Department for Transport	256
649 Housing Communities and Local Government (MHCLG)	1,430
DEFRA	1,093
512 Public Sector Contributions	428
344 Homes and Communities Agency(Homes England)	175
8 Arts Council	50
113 Historic England	33
163 Other	380
6,364 Revenue	589
9,950 Total	4,496

All grants, contributions and donations received that have conditions attached which have not been satisfied as at 31st March 2026 are held within current liabilities as they are expected to be recognised as income within the next 12 months.

4.2.16 Grants (continued)

d - Dedicated Schools Grant

The Council's expenditure on schools is funded primarily by grant monies provided by the Department for Education (DfE), the Dedicated Schools Grant (DSG). An element of the grant is recouped by the DfE to fund academy schools directly.

DSG is ring-fenced and can only be applied to meet expenditure properly included in the School Finance (England) Regulations 2012. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget (ISB), which is divided into a budget share for each maintained school.

Details of the deployment of DSG receivable for 2025/26 are as follows:

	Central Expenditure £000	ISB £000	Total £000
Final DSG for 2025/26 before academy and high needs recoupment			349,347
Reduction for reallocation to Academies			241,102
Total DSG after Academy and High Needs recoupment for 2025/26			108,245
Plus: Brought forward from 2024/25			-
Less: Carry-forward to 2026/27 agreed in advance			-
Agreed initial budget distribution in 2025/26	57,552	50,692	108,245
In year adjustments		(508)	(508)
Final budget distribution for 2025/26	57,552	50,184	107,737
Less: Actual central expenditure	(68,255)	-	(68,255)
Less: ISB deployed to Schools	-	(50,659)	(50,659)
Plus local authority contribution for 2025/26	-	-	-
Carry forward in year to 2026/27	(10,703)	(475)	(11,177)
Carry forward to 2026/27 agreed in advance			-
Carry forward to 2026/27 agreed in advance	(10,703)	(475)	(11,177)
			-
DSG Unusable Reserve at the end of 2024/25			(22,430)
Addition to DSG unusable reserve at the end 2025/26			(11,177)
Total of DSG unusable reserve at the end of 2025/26			(33,607)
			-
Net DSG position at the end of 2025/26			(33,607)

4.2.17 Officers Remuneration

Disclosure of Senior Officers Remuneration

The following table shows senior employees whose salary is greater than £50,000 per year

2024/25						2025/26					
Salary, Fees and Allowances (£)	Expense Allowances (£)	Compensation for Loss of Office (£)	Pension Contributions (£)	Total (£)	Post title and name	Salary, Fees and Allowances (£)	Expense Allowances (£)	Compensation for Loss of Office (£)	Pension Contributions (£)	Total (£)	
Senior employees whose salary is £150,000 pr more per year											
183,473	-	-	39,997	223,470	Chief Executive - Jon Rouse*	183,473	-	-	28,989	212,462	
Senior employees whose salary is between £50,000 and £150,000 per more per year											
8,732	-	-	2,682	11,414	Corporate Director - Children & Families	152,372	-	-	24,075	176,447	
146,473	66	-	31,931	178,470	Corporate Director - Housing, Regeneration and Operations*	157,219	100	-	10,350	167,669	
112,908	-	-	24,614	137,522		116,521	-	-	18,410	134,931	
156,258	-	-	34,064	190,322	Director of Investment, Delivery and Growth**	162,066	-	-	25,606	187,672	
147,647	-	-	32,187	179,834	Corporate Director- Public Health, Protection and Wellbeing	152,372	-	-	24,075	176,447	
156,258	-	-	34,064	190,322	Corporate Director - Adult Social Care, All Age Commissioning	162,066	-	-	25,606	187,672	

. During the year an additional lump sum Employers' contribution payment was made to reduce the pension fund liability. This secondary contribution is equivalent to 13.9% of salary.

* Chief Executive and Corporate Director of Housing, Regeneration and Operations Signed up for 50:50 employees pension contribution arrangement. This means that they are entitled to only half of the benefit from the employer contributions, the remainder of which goes into the pension fund for the benefit of all members.

In 2025/26, the Chief Executive opted not to take the nationally agreed pay award.

** Also covers role of Head of Legal and Monitoring officer

4.2.17 Officers Remuneration (continued)

Number of employees excluding senior employees receiving total remuneration above £50,000 including expense allowances chargeable to income tax and an estimated value of other benefits by excluding employer's pension.

2024/25					2025/26				
Teaching staff	Non-teaching staff	Total employees ¹	Left in year	Range	Teaching staff	Non-teaching staff	Total employees ¹	Left in year	
19	153	172	3	£50,000 - £54,999	30	198	228	4	
7	82	89	5	£55,000 - £59,999	9	132	141	2	
2	21	23	2	£60,000 - £64,999	3	29	32	-	
6	21	27	1	£65,000 - £69,999	2	18	20	2	
1	15	16		£70,000 - £74,999	2	14	16	-	
3	12	15	1	£75,000 - £79,999	3	28	31	-	
-	10	10	1	£80,000 - £84,999	2	15	17	2	
2	4	6	2	£85,000 - £89,999	-	3	3	1	
1		1	-	£90,000 - £94,999	1	4	5	1	
-	1	1	-	£95,000 - £99,999	1	4	5	1	
-	1	1	-	£100,000 - £104,999	-	4	4	1	
-	6	6	-	£105,000 - £109,999	-	1	1	-	
-	2	2	-	£110,000 - £114,999	-	3	3	1	
-		-	-	£115,000 - £119,999	-	7	7	-	
-		-	-	£120,000 - £124,999	-		-	-	
-	1	1	-	£125,000 - £129,999	-	1	1	1	
-		-	-	£130,000 - £134,999	-	1	1	1	
-	1	1	-	£135,000 - £139,999	-	1	1	1	
-	1	1	-	£140,000 - £144,999			-	-	
-	-	-	-	£145,000 - £149,999			-	-	
-	-	-	-	£150,000 - £154,999			-	-	
-	-	-	-	£155,000 - £159,999			-	-	
-	1	1	-	£160,000 - £164,999 ²		1	1		
-	-	-	-	£165,000 - £169,999			-	-	
-	-	-	-	£170,000 - £174,999			-	-	
-	-	-	-	£175,000 - £179,999			-	-	
-	-	-	-	£180,000 - £184,999			-	-	
-	-	-	-	£185,000 - £189,999			-	-	
-	1	1	1	£200,000 - £204,999			-	-	
41	333	374	16	Total	53	464	517	18	

1 Includes 4 (4 - 2024/25) employees in receipt of compensatory payments for redundancy which has moved their remuneration into the >£50k banding.

2 Includes HM Coroner

4.2.18 Termination Benefits and Exit Packages

The authority terminated the contracts of 19 employees in 2025/26. A total of £0.507 million in compensatory payments was incurred (including redundancy costs and post employment notice pay, where notice not worked) plus an additional £0.184 million re payments to the pension fund in respect of actuarial strain costs. One person has committed to leave in 2026/27 and a total of £12k has been included in a provision. £0.186m has been included as a reserve on the balance sheet for further costs expected in 2026/27.

2025/26 Range	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages Agreed	Compensation for Loss of Office	Actuarial Pension Strain	Total Cost of Exit Packages
£0 - £20,000	2	7	9	90	1	91
£20,001 - £40,000	-	5	5	127	-	127
£40,001 - £60,000	-	1	1	56	-	56
£60,001 - £80,000	-	2	2	107	38	145
£80,001 - £100,000	-	1	1	94	-	94
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	1	1	33	145	178
£200,001 - £250,000	-	-	-	-	-	-
Total	2	17	19	507	184	691
2024/25 Range	Number of Compulsory Redundancies	Number of Other Departures Agreed	Total Number of Exit Packages Agreed	Compensation for Loss of Office	Actuarial Pension Strain	Total Cost of Exit Packages
				£'000	£'000	£'000
£0 - £20,000	4	7	11	86	-	86
£20,001 - £40,000	-	4	4	94	32	126
£40,001 - £60,000	-	-	-	-	-	-
£60,001 - £80,000	-	1	1	13	66	79
£80,001 - £100,000	-	2	2	117	51	168
£100,001 - £150,000	-	3	3	214	198	412
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	1	1	59	181	240
Total	4	18	22	583	528	1,111

4.2.19 Pensions

The City Council offers certain retirement benefits to its employees as part of their terms and conditions of employment and participates in the following schemes:

a - Teachers Pension Scheme & NHS Pension Scheme Teachers employed by the City Council are members of the Teachers' Pension Scheme (TPS) administered by the Teachers Pensions Agency (TPA). Public Health staff are members of the NHS pension scheme. Both of these schemes provide members with defined benefits on retirement, and the City Council pays towards the cost by making contributions. Although both schemes are unfunded, they use a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. It is not possible for the Council to identify a share of the underlying liabilities in these two schemes attributable to its own employees.

For the purposes of these accounts, they are therefore accounted for as defined contribution plans. The City Council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the schemes. These benefits are accrued within the pension liability. In 2025/26 the City Council paid employer's contributions to the TPS of **£709,873.40** (2024/25 £2,447,981). Employer contributions in respect of the NHS scheme amounted to **£99,538** in 2025/26 (2024/25 £111,811). The employer contribution to the TPS was **28.68%** of pensionable pay for 2025/26 (2024/25 28.70%). Employer contributions to the NHS scheme was **14.38%** (2024/25 14.40%) of public health staff pay. Total pensionable pay for the year re the TPS, after Academy transfers, was **£2,475,151** (2024/25 £8,535,500) & **£692,196** (2024/25 £777,546) re the NHS scheme.

Employer's contributions for the year to 31 March 2027 will be approximately **£0.8m** re the TPS, before Academy Transfers which have not yet been formalised. Employer's contributions for the year to 31 March 2027 will be approximately **£0.1m** re the NHS scheme.

b - Local Government Pension Scheme The Local Government Pension Scheme, administered locally by Staffordshire County Council and called the Staffordshire Pension Fund, was a funded defined benefit final salary scheme until 31st March 2014 (at which point it became a 'career average'). The City Council and its employees pay contributions into a fund, which provides its members with defined benefits relating to pay and service. Although these benefits will not actually be payable until employees retire, the City Council has a commitment to make the payments (for those benefits) and to account for them at the time that employees earn their future entitlement. The contributions are based on rates that are determined by Hymans Robertson, the Pension Fund's professionally qualified actuaries, calculated at a level intended to balance the pensions liabilities with investment assets. The contributions are calculated on a triennial basis on full valuations of the fund. The last triennial valuation date for the fund was completed on 31st March 2025.

4.2.19 Pensions (continued)

The objectives of the scheme are to remove any deficit. The Pension Fund has agreed a strategy with the scheme's actuary to achieve this within the next 20 years. Funding levels are reviewed on an annual basis. The last funding valuation date for our Fund was 31 March 2025 and the full valuation exercise was completed by 31 March 2026. This year's accounting valuation is therefore year 1 and incorporates the latest triennial funding valuation results for the first time.

Total pensionable pay for the year, after Academy transfers, was **£134,252,315**. The Actuary estimates that the Employer's contributions for the year to 31 March 2027 re the LGPS will be approximately **£9.5m**. Discretionary retirement benefits awarded constitute an unfunded defined benefit arrangement under which liabilities are recognised when awards are made.

Effects of early retirements and unfunded benefits are considered in the Actuarial Assumptions and calculations. However, there are no investment assets built up to meet this type of pension liability and the funds have to be paid by the Council to meet the additional pension payments as they eventually fall due.

The Staffordshire Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Staffordshire County Council. The Pensions Committee, which consists of 9 elected members & 6 non-voting representatives (5 from the Consultative Forum and 1 representing retired scheme members), is responsible for: setting overall strategy; monitoring performance; administering the scheme and; approving policy. Policy is determined in accordance with the Pensions Fund Regulations.

The Pensions Panel (consisting of 5 elected members), which reports to the Pensions Committee, is responsible for appointing investment managers; monitoring performance and; recommending strategy to the Pensions Committee. In addition, following the new regulations which came into force in April 2015, there is now a Pensions Board consisting of 6 members (of which 3 will be representatives of the Scheme Membership, and 3 will be representatives of the Employers within the Scheme) which will scrutinise the decisions made by the Pensions Committee & the Pension Panel.

In line with the Government's directive for LGPS schemes to pool assets, the Staffordshire Pension fund is now part of a pool known as the LGPS Central Limited. This pool was approved by Central Government in November 2016. LGPS Central Ltd has 9 members, 8 of which have voting rights : Staffordshire Pension Fund; Cheshire Pension fund; Worcestershire County Council; Derbyshire County Council; Leicestershire County Council; Nottinghamshire County Council; Shropshire County Pension Fund & West Midlands Pension Fund. The 9th member, with no voting rights, is West Midlands ITA which is managed by the West Midlands Pension Fund. There are new Governance structures in place to accommodate this.

4.2.19 Pensions (continued)

The principal risks to the City Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated by the statutory requirement to charge to the General Fund and Housing Revenue Account the amounts required by statute that aim to reflect the Act.

In addition, any deficit remaining upon insolvency of any employers within the Staffordshire Pension Fund would fall to the other employers within the scheme. In order to minimise this eventuality, there is a risk assessment of all employers which is regularly monitored & kept up-to-date and action strategies in place for each eventuality. For example, an employer whose risk assessment indicates a less strong covenant will generally be required to pay higher contributions. varies estimate of contributions necessary to balance liabilities & investments.

Included in Other Comprehensive Income and Expenditure is an analysis of the remeasurements of the scheme identified as movements on the Pensions Reserve. Remeasurements are recognised immediately in the period in which they occur.

Any benefits promised under the formal terms of the scheme have been included in the pension scheme liabilities.

The assets of the scheme have been measured at their fair value, which complies with the Code regulations for IAS 19.

Scheme liabilities have been deducted.,

Definitions of the elements contained in the tables below are shown in the glossary at the end of these accounts.

The weighted average duration of the defined benefit obligation for LGPS Scheme Members is 18.0 years.

4.2.19 Pensions (continued)

c - Comprehensive Income and Expenditure Statement

The cost of post employment/retirement benefits reported in the net cost of services are recognised when they are earned by employees rather than when the benefits are actually paid as pensions. While charged to the net cost of services, this is not a proper charge to the general fund and is reversed out via the movement in reserves statement to the pensions reserve. The proper charge to the general fund is represented by the cash paid in the year to the superannuation fund representing employer contributions.

Comprehensive Income and Expenditure Statement	LGPS	LGPS	TPS	TPS	Total	Total
	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000
- current service cost	21,578	18,491	-	-	21,578	18,491
- past service costs incl curtailments	809	161	-	-	809	161
- settlements	(474)	(626)	-	-	(474)	(626)
Within Net Cost of Services:	21,913	18,026	-	-	21,913	18,026
- net interest expense	5,165	4,069	1,031	1,059	6,196	5,128
Within Financing and Investment Income and Expenditure	5,165	4,069	1,031	1,059	6,196	5,128
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	27,078	22,095	1,031	1,059	28,109	23,154
Remeasurement of the net defined benefit liability comprising:						
- return on plan assets (excluding the amount included in the net interest expense)	187,579	(69,033)	-	-	187,579	(69,033)
- changes in demographic assumptions	(2,046)	(17,355)	(38)	(180)	(2,084)	(17,535)
- changes in financial assumptions	(177,509)	(25,785)	(1,427)	(186)	(178,936)	(25,971)
- other experience	(12,892)	51,223	(708)	(18)	(13,600)	51,205
Within Other Comprehensive Income and Expenditure	(4,868)	(60,950)	(2,173)	(384)	(7,041)	(61,334)
Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement	22,210	(38,855)	(1,142)	675	21,068	(38,180)

4.2.19 Pensions (continued)

d - Movement in Reserves Statement

Movement in Reserves Statement	LGPS	LGPS	TPS	TPS	Total	Total
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000	£000	£000
- reversal of net charges against the General Fund Balance for the Provision of Services	(27,078)	(22,095)	(1,031)	(1,059)	(28,109)	(23,154)
- employers' contributions payable to the pension scheme	29,343	53,175	1,896	1,817	31,239	54,992
Movement in Pension Reserve	7,133	92,030	3,038	1,142	10,171	93,172

e - Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the balance sheet arising from the City Council's obligation in respect of its defined benefit plans is shown in the table below. As can be seen, the balance sheet has improved from last year. This is mainly a result of a higher discount rate applied, in line with regulations.

	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
	£000	£000	Restated £000	£000	£000	£000
Present value of liabilities: All Pension Schemes	(1,722,672)	(1,653,796)	(1,167,958)	(1,166,182)	(1,008,781)	(1,134,995)
Present value of liabilities: Discretionary Benefits	(48,823)	(44,790)	(36,495)	(35,206)	(30,603)	(28,677)
	(1,771,495)	(1,698,586)	(1,204,453)	(1,201,388)	(1,039,384)	(1,163,672)
Fair value of assets in the LGPS	1,277,383	1,419,498	1,050,243	1,069,368	917,535	1,134,995
Net pension asset/(liability) on the balance sheet	(494,112)	(279,088)	(154,210)	(132,020)	(121,849)	(28,677)
Pension Contribution in Advance	-	13,184	-	15,919	7,888	-
Net Pension Reserve	(494,112)	(292,272)	(154,210)	(147,939)	(129,737)	(28,677)

Figures shown include no Pension Contribution in Advance in 2025/26 (£7.9m – 2024/25; £15.9m – 2023/24), as no advance cash payment has been recognised at the year end.

In 2025/26, the Council has a net pension liability of £28.7m on the pension fund (2024/25: £129.7m). This position reflects present value of liabilities of £1,163.7m and fair value of scheme assets of £1,135.0m.

The reduction in the net liability compared to the prior year primarily reflects improved asset performance and/or actuarial movements over the period.

4.2.19 Pensions (continued)

f(i) - Pensions Assets and Liabilities Recognised in the Balance Sheet

This table shows a reconciliation of the present value of the scheme assets and liabilities and the reason why they have changed from the previous year. In other words, it summarises the effect of all of the factors responsible for the movement in the assets and liabilities over the last year.

Reconciliation of Present Value of Scheme Liabilities (Defined Benefit Obligation)	LGPS	LGPS	TPS	TPS	Total	Total
	2024/25	2025/26	2024/25	2025/26	2024/25	2025/26
	£000	£000	£000	£000	£000	£000
Opening balance at 1 April	(1,179,194)	(1,020,228)	(22,194)	(19,156)	(1,201,388)	(1,039,384)
Current service cost	(21,578)	(18,491)	-	-	(21,578)	(18,491)
Interest cost	(56,612)	(62,065)	(1,031)	(1,031)	(57,643)	(63,096)
Contributions by scheme participants	(7,859)	(9,435)	-	-	(7,859)	(9,435)
Remeasurement (gains) and losses :	-	-	-	-	-	-
- changes in demographic assumptions	2,046	17,355	38	180	2,084	17,535
- changes in financial assumptions	177,509	25,785	1,427	186	178,936	25,971
- changes in experience	12,892	(70,206)	708	18	13,600	(70,188)
Benefits paid	52,093	54,316	1,896	1,817	53,989	56,133
Past service costs (including curtailments)	(809)	(161)	-	-	(809)	(161)
Settlements	1,284	2,474	-	-	1,284	2,474
Effect of Business Combinations & Disposals	-	(65,030)	-	-	-	(65,030)
Closing balance at 31 March	(1,020,228)	(1,145,686)	(19,156)	(17,986)	(1,039,384)	(1,163,672)

4.2.19 Pensions (continued)

f(ii)- Pensions Assets and Liabilities Recognised in the Balance Sheet

Reconciliation of Present Value of Scheme (plan) Assets	LGPS	LGPS	TPS	TPS	Total	Total
	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000
Opening balance at 1 April	1,069,368	917,535	-	-	1,069,368	917,535
Interest income	51,447	57,968	-	-	51,447	57,968
Remeasurement gains and (losses) :						
- the return on plan assets, excluding the amount included in the net interest expense.	(187,579)	69,033	-	-	(187,579)	69,033
- other		18,983	-	-	-	18,983
Employer contributions	31,239	26,282	-	-	31,239	26,282
Contributions by scheme participants	7,859	9,435	-	-	7,859	9,435
Benefits paid	(53,989)	(56,133)	-	-	(53,989)	(56,133)
Settlements	(810)	(1,848)	-	-	(810)	(1,848)
Effect of Business Combinations & Disposals		93,740	-	-	-	93,740
Closing balance at 31 March	917,535	1,134,995	-	-	917,535	1,134,995
Net Pension Asset/(Liability)	(102,693)	(10,691)	(19,156)	(17,986)	(121,849)	(28,677)

g- Pensions Assets and Liabilities Asset Ceiling adjustment

IAS 19 Employee Benefits require that where a pension plan asset exists, it is measured at the lower of surpluses in defined benefit plan and asset ceiling. The asset ceiling is the present value of any economic benefit available in the form of future refunds from the plan or reduction in future contributions to the plan, it takes into account the adverse effect of any minimum funding requirement in accordance with IFRIC14. The following show the impact of applying the asset ceiling to the Pension Asset values.

Reconciliation of Asset Ceiling	2024/25 £000	2025/26 £000
Present value of liabilities: All Pension Schemes	(1,008,781)	(1,134,995)
Present value of liabilities: Discretionary Benefits	(30,603)	(28,677)
	(1,039,384)	(1,163,672)
Fair value of assets in the LGPS	1,526,678	1,752,500
Net pension asset/(liability) before Asset ceiling adjustment	487,294	588,828
Asset Ceiling Adjustment	(609,143)	(617,505)
Net pension asset/(liability) After Asset ceiling adjustment	(121,849)	(28,677)

4.2.19 Pensions (continued)

h - Local Government Pension Scheme Assets

The Schemes assets consist of the following categories, by proportion and value of the total assets held:

	Quoted prices in active markets 2024/25 £000	Quoted prices not in active markets 2024/25 £000	Total 2024/25 £000	Percentage of total assets 2024/25 %	Quoted prices in active markets 2025/26 £000	Quoted prices not in active markets 2025/26 £000	Total 2025/26 £000	Percentage of total assets 2025/26 %
Equity Securities:								
- consumer	21,991	-	21,991	1%	-	-	-	0%
- manufacturing	-	-	-	0%	-	-	-	0%
- energy & utilities	-	-	-	0%	-	-	-	0%
- financial institutions	21,168	-	21,168	1%	-	-	-	0%
- health & care	12,738	-	12,738	1%	-	-	-	0%
- information technology	12,972	-	12,972	1%	-	-	-	0%
- Other	-	-	-	0%	-	-	-	0%
Debt Securities								
- corporate bonds (investment grade)	115,184	-	115,184	8%	71,502	-	71,502	4%
Private equity	-	79,739	79,739	5%	-	98,835	98,835	6%
Real Estate: Uk Property	-	127,583	127,583	8%	-	155,831	155,831	9%
Investment Funds & Unit Trusts:								
- equities	751,492	-	751,492	49%	945,374	-	945,374	54%
- bonds	116,523	-	116,523	8%	158,777	-	158,777	9%
- hedge funds	-	-	-	0%	-	-	-	0%
- Infrastructure	-	90,965	90,965	6%	-	117,374	117,374	7%
- other	76,319	65,246	141,565	9%	93,630	78,114	171,744	10%
Cash & cash equivalents	34,758	-	34,758	2%	33,063	-	33,063	2%
Total assets	1,163,144	363,534	1,526,678	99%	1,302,346	450,154	1,752,500	100%
Effect of Asset Ceiling			(609,143)				(617,505)	
Total Assets after Asset ceiling			917,535				1,134,995	

4.2.19 Pensions (continued)

h - Local Government Pension Scheme Assets

As is required by the pensions and (where relevant) investment regulations, the suitability of various types of investment have been considered, as has the need to diversify investments to reduce the risk of being invested in too narrow a range.

The return on the Fund in market value terms for the year to 31 March 2026, estimated based on actual Fund returns as provided by the Actuary and index returns where necessary, is:

- Actual Return from 31 March 2025 to 28 February 2026 (13.8%) (4.7 previously)
- Estimated returns from 01 April 2025 to 31 March 2026 (8.4%) (2.1 previously)

i - Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method of valuation. An estimate of the pensions that will be payable in future years is dependent on assumptions about mortality rates, salary levels etc. The Pension scheme has been assessed by Hymans Robertson.

The principal assumptions used by the actuary have been:

Assumption	2024/25	2025/26
Pension increase / revaluation rate (CPI)	2.75%	3.00%
Salary increase rate	3.25%	3.50%
Discount rate	5.80%	6.20%

The principal demographic assumption is life expectancy. Based on actuarial assumptions, average future life expectancies at age 65 are as

Longevity at age 65	2024/25	2025/26
Current pensioners – men	20.4 years	21.1 years
Current pensioners – women	23.4 years	24.0 years
Future pensioners – men	21.1 years	21.8 years
Future pensioners – women	24.7 years	25.4 years

A commutation allowance is included for future retirements to elect to take 75% of the maximum additional tax-free cash, up to HMRC limits. All

As at the date of the most recent valuation, the duration of the Employer's funded obligations is 15 years

4.2.19 Pensions (continued)

j - Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivity analysis below has been prepared by the actuary to show the indicative effect of changes in key assumptions at 31 March 2026, with all other assumptions held constant. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period.

Change in assumptions at year ended 31 March 2026	%	£000
0.1% decrease in real discount Rate	1	17,443
1 year increase in member life expectancy	4	46,547
0.1% increase in the Salary Increase Rate	0	679
0.1% increase in the Pension Increase Rate	1	16,752

The principal demographic assumption is the longevity assumption, that is, member life expectancy. For sensitivity purposes, a one-year increase in life expectancy would be expected to increase the Employer's defined benefit obligation by around 3% to 5%, although the actual effect will depend on the age profile of members and the detailed shape of the revised mortality assumption.

Liabilities have been assessed on an actuarial basis using the projected unit credit method and are therefore sensitive to changes in the assumptions used by the actuary.

4.2.20 Pooled Budgets and Other Arrangements (continued)

a - Pooled Budgets

Stoke-on-Trent City Council has pooled budget arrangements with external bodies, as follows:

- Youth Offending Services Pooled Budget - For the provision of Youth Offending Services. Partners with the Youth Justice Board, the Police, the Probation Service and Stoke-on-Trent Integrated Care Board (ICB).

At 31st March, the net position arising on the pooled budget was as follows:

31 March 2025 £000	31 March 2026 £000
(220) Youth Offending Services Pooled Budget	(314)

Any (surplus)/deficit on the pooled budget for Mental Health Section 75 is managed through a carry forward agreement. The (surplus)/deficit on the Youth Offending Service Pooled Budgets are funded from reserves.

b - Better Care Fund

The Better Care Fund (BCF) programme spans both the NHS and local government. The programme has been created to improve the lives of some of the most vulnerable people in our society, placing them at the centre of their care and support, and providing them with 'wraparound' fully integrated health and social care to deliver a better quality of life.

In 2017/18 Stoke on Trent City Council and The Staffordshire and Stoke on Trent Integrated Care Board(ICB) entered into a Section 75 Framework Agreement of the National Health Service Act 2006 Pooled fund arrangement, known as Better Care Fund. Further agreements have since been entered into covering the financial years 2017/18 to 2025/26. The table below does not represent the full costs of support as the council and ICB also incur costs that are outside the pooling arrangement.

The agreed approach was that funding was identified to the BCF with the support services delivered by either the Council or ICB as appropriate. These arrangements are judged to lie solely with the respective public body and as such no joint control is exercised with the exception of the funding made available for the Integrated Community Equipment Service (ICES) which is a pooled budget as at the end of each financial year the ICES Board agrees on the use and sharing of any surplus or deficit, it is therefore judged to be a joint operation

4.2.20 Pooled Budgets and Other Arrangements (continued)

b - Better Care Fund

	Cost met by Authority £000	ICB Funded ASC delivered by NHS £000	ICB Contribution to Adults Social Care £000	Cost Incurred by ICB £000	Total £000
Enhanced Primary & Community Support	9,183	-	1,962	3,974	15,119
Ensuring Sustainability of Adult Social Care	16,482	45	10,739	45	27,311
Admission Avoidance/Discharge to Access	580	15,790	285	-	16,655
Total 2025/26	26,245	15,835	12,986	4,019	59,085
	c/f 25/26 £000	Pooled Funding Provided by Authority £000	Pooled Funding Provided by CCG £000	Cost met from the Pool £000	(Surplus)/deficit on the pool £000
Integrated Community Equipment Service	-	(978)	(978)	2,098	142

4.2.21 Debtors and Creditors

a - Long Term Debtors

31 March 2025		31 March 2026
£000	Note	£000
2,101	Kickstart	1,956
748	Cluster Loans	676
9,621	Smithfield Hotel Loan	-
69	Home Improvement Loans	69
2	Empty Homes Loans	2
1,461	Housing Benefit Overpayment	1,292
82	Other	82
14,084	Sub-total (Group Long Term Debtors)	4,077
35,277	Fortior Homes Loan	37,104
49,361	Total City Council Long Term Debtors	41,181

b - Short Term Debtors

31 March 2025		31 March 2026
£000	Note	£000
13,213	Central Government Bodies	27,463
22	Academies	3,185
2,449	Other Local Authorities	9,970
6,506	NHS Bodies	13,191
80,859	Other Entities and Individuals	40,584
103,049	Total	94,393

c - Short Term Creditors

31 March 2025		31 March 2026
£000	Note	£000
2,742	Central Government Bodies	9,911
847	Other Local Authorities	285
148	NHS Bodies	3,296
-	Academies	857
115,488	Other Entities and Individuals	84,159
119,225	Total	98,508

4.2.22 Related Party Transactions

The Council is required to disclose material transactions with related parties, including bodies or individuals that have the potential to control or influence the Council, or to be controlled or influenced by the Council. These disclosures enable users of the accounts to assess the extent to which the Council may have been constrained in its ability to operate independently or may have influenced another party's ability to transact freely with the Council.

Unless otherwise stated, transactions with related parties are conducted on normal commercial terms and conditions.

Details of the Council's shareholdings are disclosed in Note 4.2.14d.

Companies dissolved before 1 April 2025, or entities that ceased to be related parties before that date, and which had no transactions, balances, guarantees or continuing obligations during 2025/26, have not been separately disclosed in this note.

Entities Controlled or Significantly Influenced by the Authority

Fortior Homes Limited

Fortior Homes Limited is a wholly owned subsidiary of Stoke-on-Trent City Council, established to support housing development activity.

Transactions and Balances

During 2025/26, the Council raised invoices against Fortior Homes Limited of £199k, compared with £355k in 2024/25, in respect of management, support services and other costs incurred on behalf of the company.

At 31 March 2026, £199k was outstanding, compared with £nil at 31 March 2025, and is included within short-term debtors.

In addition, an intercompany balance of £49k, unchanged from £49k in 2024/25, was owed by Fortior Homes Limited to the Council and is also included within short-term debtors. This balance is additional to the £199k outstanding balance disclosed above.

The Council has provided loans to Fortior Homes Limited totalling £38.566m, unchanged from £38.566m in 2024/25. Interest recognised during the year amounted to £1.724m, compared with £1.729m in 2024/25.

Loans are provided on agreed terms and are repayable in accordance with established arrangements.

No asset disposals to Fortior Homes Limited took place during 2025/26 or 2024/25.

4.2.22 Related Party Transactions (continued)

Unitas Stoke-on-Trent Limited

Unitas Stoke-on-Trent Limited is a wholly owned subsidiary of Stoke-on-Trent City Council, established to provide housing maintenance services.

The company's operational activities ceased during 2024/25, with services previously provided by the company brought back in-house by the Council. The company formally ceased trading on 1 April 2025.

During 2025/26, transactions between the Council and Unitas Stoke-on-Trent Limited related to:

activities undertaken prior to cessation;

residual transactions arising from the cessation of trading;

settlement of outstanding balances;

final distribution arrangements; and

the orderly wind-down of the company.

At 31 March 2026, Unitas Stoke-on-Trent Limited remained in the process of being wound down and the cessation accounts had not yet been finalised. Balances reported therefore represent residual amounts pending final agreement and settlement.

Transactions and Balances

During 2025/26, the Council raised invoices against Unitas Stoke-on-Trent Limited of £6.900m, compared with £8.241m in 2024/25.

At 31 March 2026, £3.188m was outstanding, compared with £3.121m at 31 March 2025, and is included within short-term debtors.

There was no trading between Unitas Stoke-on-Trent Limited and the Council during 2025/26, compared with £60.363m in 2024/25, in respect of repairs and maintenance of housing stock and public buildings.

At 31 March 2026, amounts owed by the Council to Unitas Stoke-on-Trent Limited totalled £(Nil), included within short-term creditors.

During 2025/26, Unitas Stoke-on-Trent Limited accrued to make a final distribution of £2.448m to the Council as part of the company's wind-down process. This reduced the company's retained earnings to nil at 31 March 2026.

The Council also recognised an exceptional item of £652k in 2025/26 relating to the write-down of a balance associated with Unitas Stoke-on-Trent Limited. This reflects a reassessment of recoverability as part of the company's wind-down and final settlement process.

As this exceptional item is not disclosed separately elsewhere in the accounts, it has been disclosed here to provide transparency over the financial impact of the Unitas wind-down on the Council.

These transactions and balances represent residual positions arising from cessation and closure arrangements and do not represent ongoing trading activity.

No further profit distribution was made during 2025/26 other than the final distribution disclosed above. In 2024/25, profit distributions totalled £2.993m.

4.2.22 Related Party Transactions (continued)

Entities Controlled or Significantly Influenced by the Authority

Details of all shareholdings can be found in note 4.2.14d.

Stoke Energyco Limited is a wholly owned subsidiary of Stoke-on-Trent City Council established to support green energy initiatives.

The company is dormant and is registered as dormant with both Companies House and HMRC.

During 2025/26, there were:

no transactions with the Council; and

no outstanding balances at 31 March 2026.

UMS

During 2025/26 The council acquired 100% shareholding of Unitas Maintenance Solutions from Unitas for the sum of £1 , UMS ceased trading during 2025/26 there were no intercompany trading with the council

Members and Officers

Members of the Council have direct control over the Council's financial and operating policies. The total amount of members' allowances paid during 2025/26 is disclosed in Note 4.2.23.

During 2025/26, the following Members held director positions in Council-related companies:

Councillor Sarah Colclough — Fortior Homes / Fortior Homes (Rental) Limited;

Councillor Steve Watkins — Unitas Stoke-on-Trent Limited; UMS

Councillor Laura Carter — Unitas Stoke-on-Trent Limited.

Details of Members' interests are available in the Members' Register of Interests on the Council's website.

During 2025/26, no Council officers declared material related party interests.

4.2.23 Members Allowances and Expenses/External Audit Costs

a - Members Allowances and Expenses

2024/25 £000	Note	2025/26 £000
799	Allowances	779
24	Expenses	27
823	Total	806

b - External Audit Costs

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

2024/25 £000	Note	2025/26 £000
350	Fees Payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	223
72	Fees payable to external auditors for the certification of grant claims and returns for the year	102
-	Fees payable to external auditors for other assurance work	-
422	Total	325

4.2.24 Notes to the Cash Flow Statement

a - Operating Activities

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

2024/25 £000	Note	2025/26 £000
(44,182) Depreciation	4.2.11h	(44,883)
(14,347) Impairment & Downward Valuations	4.2.8a	(38,076)
(3,427) Amortisations	4.2.11h	(3,071)
(2,019) Increase/(decrease) in impairment for bad debts		(9,545)
(21,291) (Increase)/decrease in creditors		22,790
21,101 Increase/(Decrease) in debtors		(9,452)
(19) (Increase)/decrease in revaluation of stock (write offs)		863
11,161 Movement in pension liability		18,906
(12,248) Net carrying amount of non-current assets sold	4.2.8a	(24,738)
(6,258) Other non-cash items charges to the net Surplus or Deficit on the Provision of Services		3,803
(71,529)		(83,403)

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

2024/25 £000	Note	2025/26 £000
8,127 Proceeds for the sale of PPE, investment property & intangible assets		18,915
66,596 Any other items for which the cash effects are investing or financing activities		35,415
74,723		54,330

iii - Included in Net Cash Flows from operating activities

2024/25 £000	Note	2025/26 £000
(2,674) Interest received		(2,473)
22,029 Interest paid		31,439
- Dividends received		-

4.2.24 Notes to the Cash Flow Statement (continued)

b - Investing Activities

2024/25 £000		Note	2025/26 £000
95,123	Purchase of property, plant & equipment, investment property & intangible assets		109,065
-	- Purchase of short term and long term investments		-
(8,193)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets		(16,847)
260	Proceeds from short term and long term investments		40
(71,929)	Other receipts from investing activities		(29,390)
15,261	Net cash flows from investing activities		62,868

c - Financing Activities

2024/25 £000		Note	2025/26 £000
7,939	Cash payments for the reduction of the outstanding liabilities relating to finance leases and on-balance sheet PFI contracts	4.2.24d	5,306
(802)	Other payments from financing activities		-
(1,446)	Repayments of short and long-term borrowing	4.2.24d	41,152
(1,399)	Other receipts from financing activities		(6,139)
(11,183)	Cash receipts of long-term borrowing	4.2.24d	(95,000)
(6,891)	Net cash flows from financing activities		(54,681)

4.2.24 Notes to the Cash Flow Statement (continued)

d - Reconciliation of Liabilities arising from Financing Activities

1 April 2024 £000	Financing Cash Flows £000	Non Financing Cash Flows £000	31 March 2025 £000		Note	1 April 2025 £0002	Financing Cash Flows £000	Non Financing Cash Flows £000	31 March 2026 £000
602,042	130,000	(42,047)	689,995	Long-term borrowings		689,995	95,000	(68,197)	716,798
121,731	(118,817)	43,493	46,407	Short-term borrowings		46,407	(41,152)	69,046	74,301
704	(107)	-	597	Lease Liabilities	4.2.14j	597	(162)	162	597
56,358	(7,832)	(5,190)	43,336	PFI Liabilities	4.2.13b	43,336	(5,144)	95	38,287
4,453	(1,829)	-	2,624	Transferred Debt		2,624	(1,829)	-	795
785,288	1,415	(3,744)	782,959	Total Liabilities from Financing Activities		782,959	46,713	1,106	830,778

4.2.25 Contingent Assets and Liabilities

a - Land fill sites-The City Council would be responsible for any pollution arising from closed landfill sites in any restored areas where it holds the relevant licence. Whether any pollution will arise is unknown as is the cost that would arise from such an incident. Hence, no monies have been set aside for such events as the risk is considered to be contingent at this time.

b - Land Compensation Claims -Claims under Part 1 of the Land Compensation Act 1973 may be made in respect of any public works undertaken by the City Council, between 1 year after opening of the works and 6 years after opening. Claims are for any depreciation in the value of an interest in land or property which is attributable to the use of public works. It is not possible in advance of the opening of a highway scheme, to value the likely scale or number of such claims.

c-Community Energy Scheme class action -A group class action has been issued in the court against CES and Stoke City Council. It has been established that there are 212 claimants. The matter is proceeding through the court process, and a second CCM is listed for June 2026. The Council continues to defend the matter in accordance with advice we are receiving from experienced counsel.

d- Boatman Drive - In February 2018, during a routine highway inspection, damage was noted to the adopted highway on Boatman Drive, a residential estate road. Following surveys and investigations of the highway and the vicinity with a view to providing increased certainty on the cause of the movement and extensive expert legal and engineering advice the Council served proceedings against Severn Trent Water and landowner Redrow Homes Limited at the High Court. It is noted that the legal proceedings brought by the Council relate to the defect on the adopted highway only. Proceedings continue and a hearing in respect of this matter is listed for 2027. The Council continues to mitigate any risk by continuing to utilising the expert advice of experienced King 's Counsel.

e-RAAC-The Council has carried out a small number of RAAC (Reinforced Autoclaved Aerated Concrete) surveys and so far no RAAC has been identified. Issues have been noted in two buildings and they are subject to further investigation. Discussions continue with the Developer in relation to the issues. The Council is mitigating and risk by ensuring advice from experienced Kings Counsel continues to be followed and discussions with Developer continue.

f-Housing Disrepair -A number of claims for disrepair have been received from a law firm. The Council is currently at the disclosure state of relevant documentation and is intending to defend the proceedings.

4.2.25 Contingent Assets and Liabilities (Continued)

g - Building Schools for Future -Stoke-on-Trent City Council is in the process of pursuing a number of contractors relating to the rectification of latent defects under the Building Schools for the Future (BSF) programme, which originally ran from 2005-2010. The City Council were both the client and the contract administrator and therefore hold the obligation to manage the conclusion of the contract. The Council is working very closely with the DFE and the Council is currently pursuing the contractors in relation to several schools to ensure that an acceptable outcome is reached. If an acceptable outcome is not achieved there is no automatic liability owed by the Council to the schools. The Council has taken specialist external legal advice. Officers consider that the Council would have a high likelihood of success in defending any claim that may be brought against it. Therefore a provision has not been recognised.

h-Schools PFI Insolvency Claims - The PFI provider entered into insolvency in November 2025 and there exists residual exposure to a claim from the Insolvency Practitioner who may seek to recover project funds retained by the Council. The council is confident of its ability not only to defend the claim, but to fully rebut it .

4.2.26 Events after the Balance Sheet Date

The Statement of Accounts was authorised for issue by the Section 151 Officer on 25 June 2026.

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the event and an estimate of its financial effect, or a statement that such an estimate cannot be made.

No events have been identified after the balance sheet date that would require adjustment to, or disclosure in, the 2025/26 Statement of Accounts.

4.2.27 Going Concern

These draft unaudited Statement of Accounts have been prepared on a going concern basis in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 (“the Code”). Local authorities are required to prepare their financial statements on a going concern basis unless there is statutory prescription to the contrary or an intention to cease the provision of services. Stoke-on-Trent City Council has no such intention and continues to operate within the statutory framework applying to local authorities.

For the purposes of these draft unaudited accounts published on 30 June 2026, the Council has assessed going concern over a period of at least 12 months from the currently expected date of approval of the audited Statement of Accounts. The Council will refresh this assessment immediately prior to final approval of the audited accounts in order to reflect the actual date of approval and any relevant events identified in the intervening period.

In assessing going concern, the Council has considered its financial position at 31 March 2026, its General Fund balance and reserves, the approved budget and Medium-Term Financial Strategy, detailed cashflow forecasts, borrowing capacity, Exceptional Financial Support approvals, capital receipts assumptions, external assurance findings, and events identified up to the date of publication of these draft accounts.

At 31 March 2026, the Council held a General Fund balance of £15.3 million and usable reserves of £151.9 million. Although usable reserves remain material in aggregate, a significant proportion is earmarked or otherwise committed, and the Council’s genuinely flexible financial resilience remains limited relative to the scale of financial, demand and liquidity risk. The Council’s reserves are therefore considered sufficient to support preparation of the Statement of Accounts on a going concern basis, but are not sufficient to remove the material uncertainty arising from the wider pattern of structural budget pressures, delivery risks and liquidity sensitivity. Reserves remain adequate for their current purpose, but the relatively limited level of flexible reserves means that they represent a significant risk factor should further financial pressures or unexpected shocks arise. The Council achieved a balanced outturn position in 2025/26 only after the application of approved Exceptional Financial Support.

The Council’s Medium-Term Financial Strategy identifies continuing structural financial pressures, including a significant savings requirement in 2026/27 and projected budget gaps of £16.2 million in 2027/28 and £18.4 million in 2028/29 based on the position identified within the approved Medium-Term Financial Strategy. These projections represent the current forecast position before the impact of further management actions, transformation activity and other mitigating measures and remain subject to ongoing review and refinement through the Council’s budget planning and financial monitoring processes. The pressures reflect sustained demand growth in Children and Families and Adult Social Care and All-Age Commissioning, inflationary cost pressures, workforce pressures and wider market fragility. The Council’s financial sustainability therefore remains dependent on the delivery of recurring savings, strengthened financial control, service transformation, and a reduction over time in reliance on one-off measures.

The Council recognises the positive impact of recent changes to the local government funding framework, including the move towards a multi-year settlement and the Fair Funding Review, which provide greater certainty and seek to better reflect relative need and local circumstances. However, while these changes are welcomed, they do not in themselves remove the Council’s underlying financial challenges. The benefits of additional funding must be considered alongside the continued impact of historic funding reductions, sustained demand growth, inflationary pressures and cost pressures within statutory services. The Council will therefore continue to focus on delivery of its Medium-Term Financial Strategy and transformation plans to strengthen longer-term financial sustainability.

4.2.27 Going Concern-continue

The Council has also considered its liquidity position through detailed cashflow forecasting and stress testing. In the current base case used for the draft going concern assessment, the minimum cash balance is £10.274 million, the peak borrowing requirement is £867.297 million, and liquidity headroom is £64.609 million. Stress testing indicates that liquidity is particularly sensitive to the timing of capital receipts and Exceptional Financial Support drawdown, and that delays in these assumptions would increase peak borrowing and reduce headroom unless mitigated through timely treasury action.

A significant factor in the assessment is the Council's reliance on Exceptional Financial Support ("EFS") from the Ministry of Housing, Communities and Local Government (MHCLG). The Council has received EFS approvals of £20.450 million for 2023/24, £21.371 million for 2024/25 and £16.800 million for 2025/26, together with approved in-principle EFS of £10.500 million for 2026/27. EFS remains temporary and conditional and does not, in itself, provide a long-term solution to the Council's structural financial challenges.

Current assumptions also depend on the delivery of forecast capital receipts. The Council's working assumptions include forecast capital receipts of £9.447 million in 2026/27, with further receipts required in later years. The timing and value of those receipts remain subject to market conditions, legal and operational dependencies, and the Council's capacity to progress disposals.

Having considered all of the above, management concludes that it remains appropriate to prepare the draft unaudited Statement of Accounts on a going concern basis. However, the Council's financial resilience is subject to a material uncertainty arising from its reliance on Exceptional Financial Support, limited flexible reserves, structural budget pressures, dependence on the timely delivery of capital receipts, and the sensitivity of cashflow to adverse changes in assumptions or timings. This assessment will be refreshed immediately prior to final approval of the audited accounts.

4.2.28 Public Inspection

The period for the exercise of public rights will commence on 1 July 2026 and will conclude on 11 August 2026.

During this period, any person interested may inspect and copy the Statement of Accounts and all related books, deeds, contracts, bills, vouchers and receipts by arrangement.

Inspection is available between 10:00am and 4:00pm Monday to Friday (excluding bank holidays) by appointment only

LOCATION AND CONTACT DETAILS

Accounts: Stoke-on-Trent City Council

Address: Financial Services Division, Civic Centre, Glebe Street, Stoke-on-Trent, ST4 1HH

Email finance.systems@stoke.gov.uk to book an appointment to view the accounts.

Requests to inspect the accounts must be made via email to arrange an appointment.

Under Sections 26 and 27 of the Local Audit and Accountability Act 2014, during the inspection period, local government electors for the area may question the auditor about the accounts and make objections in respect of matters on which the auditor could take action.

Any question or objection must be made in writing to the external auditor at the address below between 1 July 2026 and on 11 August 2026.

EXTERNAL AUDITOR

Mark SurrIDGE

Forvis Mazars

2 Chamberlain Square

Birmingham

B3 3AX

5.0 Housing Revenue Account



5.2 Statement of Movement in the Housing Revenue Account

31 March 2025 £000	Note	31 March 2026 £000
8,154 Opening balance		8,154
(1,641) Surplus of (deficit) for the year on the HRA Income and Expenditure Statement	5.1	7,824
2,828 Adjustments between accounting basis and funding basis under statute	5.3.4d	(7,662)
1,187 Net increase or (decrease) before transfers to or from reserves		162
(1,187) Transfers (to) or from reserves	4.2.9b	(1,600)
0 Increase or (decrease) in year on the HRA		(1,438)
8,154 Closing balance		6,717

5.3.1 Notes to the HRA - PPE

a - Valuation of Housing Assets

The vacant possession of dwellings within the HRA as at 1 April 2025 was £1,757,664,617. The balance sheet value of dwellings with the HRA shows the economic cost to Government of providing council housing at less than open market rent

Movement on Balance 2025/26 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	755,546	8,688	4,777	16,880	135	1,913	5,683	793,623
Additions	27,266	34	104	9		187	2,379	29,979
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	14,253	85	-	-	-	(0)	-	14,337
Surplus/Deficit on the Provision of Services	(7,483)	(19)	-	-	-	(214)	-	(7,717)
Derecognition through disposal and transfer	(36)	-	-	-	-	(21)	-	(57)
Reclassifications within PPE	65	-	-	-	-	-	-	65
Assets reclassified (to)/from Held for Sale	(12,312)	-	-	-	-	-	-	(12,312)
Other Adjustment	-	-	-	-	-	-	-	-
Balance at 31 March	777,299	8,787	4,881	16,889	135	1,864	8,062	817,919

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

Movement on Balance			Vehicles Plant				Assets Under	
2025/26	Council Dwellings	Other Land & Buildings	Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Construction	Total
Cost or Valuation	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	(1,848)	(36)	(3,051)	(5,464)	-	(88)	(0)	(10,487)
Depreciation charge in year	(13,583)	(191)	(134)	(612)				(14,521)
Depreciation written out to the:								
Revaluation Reserve	10,430	185	-	-	-	-	-	10,614
Surplus/Deficit on the Provision of Services	2,892	6	-	-	-	-	-	2,899
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve	(10)		-	-	-	-	-	(10)
Surplus/Deficit on the Provision of Services			-	-	-	-	-	-
Derecognition through disposal and transfer	41		-	-	-	-	-	41
Reclassifications within PPE	226		-	-	-	-	-	226
Other Adjustments			-	-	-	-	-	-
Assets reclassified (to)/from Held for Sale			-	-	-	-	-	-
Balance at 31 March	(1,851)	(37)	(3,186)	(6,076)	-	(88)	(0)	(11,237)
Net Book Value								
At 31 March 2026	775,448	8,751	1,695	10,814	135	1,777	8,062	806,681
At 31 March 2025	753,698	8,652	1,725	11,416	135	1,825	5,683	783,136

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

The vacant possession of dwellings within the HRA as at 1 April 2024 was £1,666,228,990. The balance sheet value of dwellings with the HRA shows the economic cost to Government of providing council housing at less than open market rent

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	701,655	7,452	4,808	17,858	135	3,997	21,560	757,464
Additions	23,235	6	-	(32)	-	206	4,080	27,494
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	32,598	1,205	-	-	-	2	-	33,805
Surplus/Deficit on the Provision of Services	(17,308)	73	-	-	-	-	-	(17,234)
Derecognition through disposal and transfer	(7)		(32)	(945)	-	(1,227)	-	(2,211)
Reclassifications within PPE		(49)	-	-	-	(1,064)	(19,957)	(21,069)
Assets reclassified (to)/from Held for Sale	15,374	-	-	-	-	-	-	15,374
Other Adjustment			(4)					(4)
								-
Balance at 31 March	755,546	8,688	4,777	16,880	135	1,913	5,683	793,623

5.3.1 Notes to the HRA - PPE (continued)

a - Valuation of Housing Assets

	Council Dwellings	Other Land & Buildings	Vehicles Plant Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total
Movement on Balance 2024/25	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 1 April	1,411	(55)	(2,964)	(5,774)	-	(760)	-	(8,141)
Depreciation charge in year	(14,269)	(157)	(101)	(614)	-	-	-	(15,141)
Depreciation written out to the:								
Revaluation Reserve	10,927	172	-	-	-	-	-	11,099
Surplus/Deficit on the Provision of Services	3,193	2	-	-	-	-	-	3,195
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve	-	-	-	-	-	(25)	-	(25)
Surplus/Deficit on the Provision of Services	(3,235)	0	0	(0)	-	(530)	(0)	(3,765)
Derecognition through disposal and transfer	7	-	11	924	-	1,227	-	2,169
Reclassifications within PPE	-	2	-	-	-	-	-	2
Other Adjustments	-	-	2	-	-	-	-	2
Assets reclassified (to)/from Held for Sale	118	-	-	-	-	-	-	118
Balance at 31 March	(1,848)	(36)	(3,051)	(5,464)	-	(88)	(0)	(10,487)
Net Book Value								
At 31 March 2025	753,698	8,652	1,725	11,416	135	1,825	5,683	783,136
At 31 March 2024	703,066	7,398	1,845	12,084	135	3,237	21,560	749,323

5.3.2 Notes to the HRA - Capital

a - Major Repairs Reserve

2024/25 £000	Notes	2025/26 £000
19 Opening Balance		3,787
15,141 Depreciation on HRA assets	5.3.1	14,574
3,674 Voluntary contribution from Earmarked reserve		(2,988)
18,834 Voluntary debt repayment		15,373
(15,047) Reserve applied		(15,373)
3,787 Closing balance		-

b - HRA Capital Receipts Reserve

2024/25 £000	Notes	2025/26 £000
15,941 Opening Balance		17,541
opening Balance Adjustment		
Value of Receipts		
46 - Land		16
7,023 - Houses		15,517
- - Mortgage Repayments		-
15 - Repayments of discount		100
-Insurance		51
- - Notional receipts for end of lease		-
Use of receipts		
(0) - Capital receipts pooling payment to DCLG		
(1,457) - Usable receipts applied to finance HRA capital expenditure		(2,000)
(4,027) - Usable receipts applied to finance transformation		(7,548)
- Funding of disposal costs		-
17,541 Closing balance		23,677

5.3.3 Notes to the HRA - Usable Reserves

a - Summary of Capital Expenditure

2024/25 £000	Notes	2025/26 £000
Expenditure:		
27,762	Additions	30,129
54	REFCUS - Payment of Capital Grants	
27,816		30,129
Financed by:		
4,535	Borrowing	4,774
321	CERA	-
15,047	Revenue contribution from earmarked reserves	15,374
4,527	Major repairs reserves	9,054
3,387	Usable capital receipts reserve	927
	Grants and contributions	
27,816		30,129

b - Capital Asset Charges and Adjustments

Capital asset charges are made to the HRA, by way of Item 8 Credit and Debit charges as specific by central government, to reflect the cost of managing the HRA's share of the Authority's debt portfolio.

In addition to the depreciation and impairment charges detailed above, the following charges are made:

2024/25 £000	Notes	2025/26 £000
Item 8 Credit included within income		
340	Interest receivable	499
-	Discounts received	-
340		499
Item 8 Debit included within expenditure		
-	Debt management costs	-
(8,071)	Interest payable and similar charges	(9,098)
(8,071)		(9,098)

5.3.4 Notes to the HRA - Other

a - Explanation of the HRA Share of Contributions to/from Pension Reserve

Included within the HRA balance is £1.574m relating to the current service cost of HRA funded employees who participate in the Local Government Pension Scheme. The total defined benefit cost recognised (£1.018m) represents the value of pension benefits earned during the year by the relevant employees and is charged to the HRA Income and Expenditure account in place of the value of cash payments made by the Council to the pension fund. This accords with IAS 19 (Retirement Benefits) and ensures that the HRA Income and Expenditure account meets the requirement that benefit retirements should be accounted for when earned even if the actual giving of pension benefits may be in the future.

In addition, a proportionate share of the net pension interest cost and expected return on pension assets (£0.413m) is credited to the overall surplus or deficit on HRA services.

Information regarding the City Council's pension position as a contributing employer, for Balance Sheet and disclosure purposes, is supplied on an annual basis by Hymans Robertson for pension fund actuary. More detailed information regarding the overall position of the fund can be found within note 4.2.19.

b - Rent Arrears

2024/25 £000	Notes	2025/26 £000
Arrears at year end		
3,379	Current tenants	2,615
1,648	Former tenants	1,566
5,026	Total arrears at year end	4,181
(1,294)	Provision in respect of uncollectable debts	(2,353)
3,733	Net arrears at year end	1,828

c - Housing Stock

2024/25 £000	Notes	2025/26 £000
17,287	Number of dwellings at the beginning of the year	17,274
123	Purchases	15
(132)	Dwellings sold under Right to buy	(263)
-	- Awaiting demolition or unavailable for rent	-
(4)	Other	(1)
17,274	Number of dwellings at the end of the year	17,025
14,358	Houses/bungalows	14,124
2,916	Flats	2,901

5.3.4 Notes to the HRA - Other (continued)

d - Adjustments between accounting basis and funding basis under regulation

2024/25 £000	Notes	2025/26 £000
Adjustments primarily involving the:		
Capital Adjustment Account		
(15,141) Depreciation of non-current assets		(14,521)
(3,765) Impairment of non-current assets		-
(14,039) Revaluation losses on property, plant and equipment		(4,757)
- Amortisation of intangible assets		(54)
(54) Revenue expenditure funded from capital under statute		-
(5,618) Carrying amount of non-current assets written off on disposal to the CIES		(12,166)
3,387 Capital grants and contributions applied		845
1,898 Capital Grants deferred		
4,856 Capital expenditure charged against revenue		4,774
- HRA - Repayment of debt		2,988
Pensions Reserve		
(1,896) Reversal of items relating to retirement benefits debited or credited to the CIES		(2,101)
2,649 Employer's contributions and direct payments made in year to the pension fund		5,707
(46) Accumulated Absences Account		171
Capital Receipts Reserve		
7,084 Transfer of cash sale proceeds credited as part of gain/loss in disposal to the CIES		15,684
- Contribution from capital receipts reserve to disposal costs		(1)
(958) flexible use of capital receipts		(493)
Major Repairs Reserve		
15,141 Contribution for depreciation		14,574
3,674 Voluntary contribution		(2,988)
(2,828) Total		7,662

6.0 Collection Fund



6.1 Collection Fund Statement

Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000		Notes	Business Rates 2025/26 £000	Council Tax 2025/26 £000	Total 2025/26 £000	
			Income					
87,226		87,226	Business ratepayers	6.2.1	93,784		93,784	
	156,619	156,619	Council tax			165,698	165,698	
	(21,116)	(21,116)	Less council tax local support	6.2.2		(21,920)	(21,920)	
87,226	135,503	222,729			93,784	143,778	237,562	
			Charges to the Collection Fund					
(268)	-	(268)	Interests		(299)	-	(299)	
(310)	(647)	(957)	Write (offs)/backs of uncollectable amounts		(1,543)	(1,322)	(2,865)	
(609)	(1,374)	(1,983)	Impairment for uncollectable amounts		157	1,928	2,085	
793	-	793	Provision for appeals		(4,222)	-	(4,222)	
6,103	-	6,103	Use of previous years provision		1,919	-	1,919	
1,018	-	1,018	Disregard amounts (Transitional Protection Payments)		874	-	874	
(3,133)	-	(3,133)	Disregard amounts (Enterprise Zones)		(3,366)	-	(3,366)	
(354)	-	(354)	Costs of collection		(354)	-	(354)	
3,240	(2,021)	1,219			(6,834)	606	(6,228)	
90,466	133,482	223,948	Balance due for allocation		86,950	144,384	231,334	
			Precepts, Demands and Shares					
(45,132)		(45,132)	Central Government		(48,194)		(48,194)	
	(18,776)	(18,776)	The Office of the PCC Staffordshire			(19,799)	(19,799)	
(903)	(5,955)	(6,858)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority		(964)	(6,318)	(7,282)	
(44,229)	(111,063)	(155,292)	Stoke-on-Trent City Council		(47,231)	(116,978)	(164,209)	
(90,264)	(135,794)	(226,058)			(96,389)	(143,095)	(239,484)	
202	(2,312)	(2,110)			(9,439)	1,289	(8,150)	

6.1 Collection Fund Statement (continued)

Business Rates 2024/25 £000	Council Tax 2024/25 £000	Total 2024/25 £000	Notes	Business Rates 2025/26 £000	Council Tax 2025/26 £000	Total 2025/26 £000
Collection Fund Balance						
(16,588)	5,145	(11,443)	Balance at the beginning of the year	(165)	(3,838)	(4,003)
Previous year's estimated surplus/(deficit) paid in current year						
8,111	-	8,111	Central Government	(631)	-	(631)
	(922)	(922)	The Office of the PCC Staffordshire		374	374
162	(298)	(136)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	(13)	119	106
7,948	(5,451)	2,497	Stoke-on-Trent City Council	(618)	2,214	1,596
16,221	(6,671)	9,550		(1,262)	2,707	1,445
Allocation of Surplus/(Deficit) in Year						
101		101	Central Government	(4,720)		(4,720)
	(320)	(320)	The Office of the PCC Staffordshire		178	178
2	(101)	(99)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	(94)	57	(37)
99	(1,891)	(1,792)	Stoke-on-Trent City Council	(4,625)	1,054	(3,571)
202	(2,312)	(2,110)		(9,439)	1,289	(8,150)
(165)	(3,838)	(4,003)	Balance at the End of the Year	(10,866)	158	(10,708)
Allocation of collection fund balance to:						
(82)		(82)	Central Government	(5,433)		(5,433)
	(531)	(531)	The Office of the PCC Staffordshire		22	22
(2)	(168)	(170)	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	(109)	7	(102)
(81)	(3,139)	(3,220)	Stoke-on-Trent City Council*	(5,324)	129	(5,195)
(165)	(3,838)	(4,003)		(10,866)	158	(10,708)

Collection Fund Adjustment Account

2024/25 (£)	Note	2025/26 (£)
(3,220)	Stoke on Trent surplus/deficit Allocation balance	(5,195)
139	Business Rate Enterprise Zone Surplus /Deficit	1,208
(3,081)	150	(3,987)

6.2.1 Business Rates

The City Council collects business rates in its area based on non domestic rateable values multiplied by a uniform rate. From 1 April 2005 the Government introduced the small business rate relief scheme, those eligible pay a lesser rate.

From 1 April 2013, the City Council retained 49% of the total amount collected, less certain reliefs and deductions, paying 1% to Stoke-on-Trent and Staffordshire Fire and Rescue Authority and 50% to Government. In 2025/26 the City Council's share amounted to £47,231k plus a proportion of the year end deficit of £10,866k (SOTCC share of this is £5,324k) (see note 6.1). In addition £35,585k was received as non-domestic rates top up.

2024/25	Note	2025/26
54.6p Business rate multiplier		55.5p
49.9p Small business rate relief multiplier		49.9p
£ 244,738,507 Non-domestic rateable value at year-end		£ 243,023,463

2024/25 £000	Note	2025/26 £000
121,601 NDR gross charge		124,020
(1,018) Transitional relief		(874)
(19,940) Mandatory relief		(20,516)
(9,289) Discretionary relief		(4,691)
(4,128) Other		(4,155)
87,226	6.1	93,784
310 Amounts written (off)/on	6.1	1,543
87,536		95,327

Collection Fund Adjustment Account

2024/25 (£)	Note	2025/26 (£)
(3,220) Stoke on Trent surplus/deficit Allocation balance	6.1	(5,195)
139 Business Rate Enterprise Zone Surplus /Deficit	6.1	1,208
(3,081)	6.1	(3,987)

6.2.2 Council Tax

Council Tax income is derived from charges raised according to the value of the residential properties that have been classified into eight valuation bands for this purpose. The amounts credited to the collection fund are calculated as follows:

2024/25 £000		Note	2025/26 £000
177,257	Council tax gross charge		186,974
(5,439)	Exemptions		(5,825)
(15,091)	Discounts		(15,340)
(108)	Disabled allowances		(111)
156,619			165,698
(647)	Amounts written (off)/on		(1,322)
155,972			164,376
(21,116)	Council tax local support	6.1	(21,920)
134,856			142,456

The following authorities made a demand or precept on the Collection Fund

2024/25 (£)		Note	2025/26 (£)
111,063,410	Stoke-on-Trent City Council	6.1	116,977,509
18,775,602	The Office of the Police and Crime Commissioner Staffordshire	6.1	19,799,425
5,955,181	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	6.1	6,318,438
135,794,193		6.1	143,095,372

2024/25 (£)	Derivation of the Band D Council Tax	Note	2025/26 (£)
111,063	Council Tax Requirement	6.1	116,978
68,632	Tax Base		68,851
£ 1,618.25	City Council Band D		£ 1,699.00
£ 273.57	The Office of the Police and Crime Commissioner Staffordshire		£ 287.57
£ 86.77	Stoke-on-Trent and Staffordshire Fire and Rescue Authority		£ 91.77
£ 1,978.59	Combined Band D Council Tax		£ 2,078.34

6.2.2 Council Tax (continued)

The Council Tax Base is calculated by considering the number of dwellings in each band (after allowing for discounts) and expressing these in terms of Band D property equivalents. The bands are based on the open market capital values at 1 April 1991.

Valuation Band	Value Range	Number of Dwellings	Dwellings after discounts & exemptions	Ratio to Band D	Band D Equivalents
A (entitled to Disabled Reduction)		-	111	5/9	61.9
A	Up to £40,000	70,670	61,761	6/9	41,174.2
B	£40,001 - £52,000	25,671	23,090	7/9	17,958.9
C	£52,001 - £68,000	16,211	14,834	8/9	13,185.6
D	£68,001 - £88,000	5,209	4,559	1	4,559.1
E	£88,001 - £120,000	2,020	1,909	11/9	2,333.2
F	£120,001 - £160,000	551	529	13/9	763.8
G	£160,001 - £320,000	202	183	15/9	305.0
H	Over £320,000	41	24	18/9	47.6
					80,389.3
Local council tax support scheme: Estimated level of discounts to be awarded					(10,722.7)
Care Leavers					(120.3)
					69,546.3
Adjustments for collection rates					(695.5)
Council Tax Base for 2025/26					68,850.8

6.2.2 Council Tax (continued)

The overall Council Tax requirement of £116.978m then translates into individual Council Tax bills as shown below. The City Council also collects Council Tax on behalf of the Office of the Police and Crime Commissioner Staffordshire and the Stoke-on-Trent and Staffordshire Fire and Rescue.

The level at which Council Tax was set in 2025/26 was:

2024/25 £	Valuation Band	Stoke-on-Trent City Council	The Office of the Police and Crime Commissioner	Stoke-on-Trent and Staffordshire Fire and Rescue Authority	2025/26 £
1,319.06	A	1,132.67	191.71	61.18	1,385.56
1,538.90	B	1,321.44	223.67	71.38	1,616.49
1,758.75	C	1,510.22	255.62	81.57	1,847.41
1,978.59	D	1,699.00	287.57	91.77	2,078.34
2,418.28	E	2,076.56	351.47	112.16	2,540.19
2,857.96	F	2,454.11	415.38	132.56	3,002.05
3,297.65	G	2,831.67	479.28	152.95	3,463.90
3,957.18	H	3,398.00	575.14	183.54	4,156.68

7.0 Group Accounts



7.1 Group Accounts Introduction

The purpose of the Group Accounts is to provide a picture of Stoke-on-Trent City Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group accounts show the full extent of the Authority's wider assets and liabilities. While the Group Accounts are not primary statements, they provide transparency and enable comparison with other entities that have different corporate entities.

The City Council has interests in a number of companies that are classified as a subsidiary, all of which have been considered for consolidation. Two of these Fortior Homes Limited and Unitas Stoke-on-Trent Limited are considered to be material to the financial statements. Details of all subsidiary companies can be found in note 4.2.22.

The Group Accounts contain the core statements similar in presentation to the Council's single entity accounts but consolidating the figures of the Council with Fortior Homes Limited and Unitas Stoke-on-Trent Limited and UMS (Unitas Maintenance Solutions) a former subsidiary of Unita which was transferred to The council during 2025/26 . Copies of the individual audited accounts are available from Companies House. The subsidiaries have been consolidated into the Group Accounts on a line by line basis, incorporating their income and expenditure fully in the relevant service revenue accounts.

The subsidiaries have been consolidated into the Group Accounts on a line by line basis, incorporating their income and expenditure fully in the relevant service revenue accounts.

The overall impact of the companies on the financial performance, financial position and cash flows of the group is relatively low. Compared to the single entity Stoke-on-Trent City Council accounts the overall surplus on the CIES increased by £4.157m (£4.157 - 2024/25 increase), the net assets increase by £11.242m (£8.927m - 2024/25 increase) and the net cash flow increased by £6.772m (£3.531m - 2024/25 increase).

One of the Subsidiaries Unitas Stoke of Trent limited Ceased trading on 31st March 2025 and accounts are prepared on a winding up basis as opposed to going concern basis as in previous years.

As Unitas is a wholly owned subsidiary of the council , all net cash after dissolution of company will be transferred to the council.

The purpose of each of the core statements is explained in the relevant sections of the single entity accounts. No amendments have been necessary to the accounts of the group entities as a result of material differences arising from the variation in accounting policies.

The Group Accounts should be read in conjunction with Stoke City Council single entity accounts Only notes to the accounts that are materially different from the single entity accounts are produced for the group accounts.

7.1 Group Accounts Introduction (continued)

Fortior Homes Limited Support

The Directors of Fortior Homes Ltd have received confirmation from the parent entity that it will continue to support the company in meeting its liabilities as they fall due for a period of at least 12 months from the date of approval of these financial statements.

Having reviewed the company's forecasts and rental projections, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for at least 12 months from the date of approval of these financial statements and have therefore adopted the going concern basis in preparing the financial statements for 2025/26.

The company has a loan covenant with the Council and was compliant with these covenants at the reporting date and up to the date of approval of the financial statements.

The Council has confirmed that it does not intend to recall the loans and will continue to support the company in its activities for the duration of the loan agreement.

7.2 Comprehensive Income and Expenditure Statement - Group

2024/25				2025/26		
Gross Expenditure £000	Gross Income £000	Net Expenditure £000		Gross Expenditure £000	Gross Income £000	Net Expenditure £000
159,071	(39,137)	119,934	Children and Family Services	173,302	(47,125)	126,177
203,347	(127,203)	76,144	Social Care, Health Integration and Wellbeing	220,386	(136,062)	84,324
87,901	(42,502)	45,399	Housing, Development and Growth	183,713	(101,200)	82,513
75,795	(40,770)	35,025	Strategy and Resources	48,058	(22,320)	25,738
18,158 -	11,269	6,889	City Director	26,579	(11,620)	14,959
88,819	(88,808)	11	Housing Revenue Account	94,079	(105,659)	(11,580)
124,139	(107,059)	17,080	Schools	136,992	(122,165)	14,827
1,465 -	127	1,338	Civic and Corporate Expenses	2,111	(544)	1,567
71,488	(68,605)	2,883	Benefit Payments	67,255	(63,263)	3,992
5,735	(15,016)	(9,281)	Non Departmental Costs	(7,731)	(12,535)	(20,266)
			- - Redundancy/Actuarial Strain			-
835,918	(540,496)	295,422	Net Cost of Services	944,744	(622,493)	322,251
		(1,960)	Other Operating Expenditure			(2,058)
		30,606	Financing and Investment Income and Expenditure			41,916
		(344,318)	Taxation and Non-specific Grant Income	4.2.6d		(340,225)
		(20,250)	(Surplus)/Deficit on Provision of Services			21,884

7.2 Comprehensive Income and Expenditure Statement - Group (continued)

2024/25		2025/26	
	Net Expenditure £000		Net Expenditure £000
		<i>Continuing Service Areas</i>	
		Note	
-	20,250	(Surplus)/Deficit on Provision of Services	21,884
		(Surplus)/deficit on revaluation of non-current	
	(56,893)	assets	(41,793)
		Impairment losses on non-current assets	
		- charged to revaluation reserves	738
		(Surplus)/deficit from investments in equity	
		instruments designated at fair value through	
		- other comprehensive income	-
		Remeasurements on pension fund (assets) &	
	(5,882)	liabilities	(61,334)
		Other Comprehensive Income and	
	(62,775)	Expenditure	(102,389)
		Total Comprehensive Income and	
	(83,025)	Expenditure	(80,505)

7.3 Balance Sheet - Group

31 March 2025			31 March 2026
£000		Note	£000
1,567,929	Property, Plant and Equipment	7.6b	1,579,502
788	Right of Use Assets	4.2.11j	744
67,285	Heritage Assets	4.2.11e	67,039
98,692	Investment Property	7.6c	120,819
9,291	Intangible Assets	4.2.11e(ii)	4,578
-	Long Term Investments	4.2.14d	-
10,795	Long Term Debtors		2,615
	Net Pensions Assets		-
1,754,780	Long Term Assets		1,775,297
-	Pension Contribution Debtor	4.2.19e	-
-	Short Term Investments		-
-	Assets Held For Sale		362
1,543	Stocks		1,507
104,839	Short Term Debtors	7.6d	85,623
36,341	Cash and Cash Equivalents	7.5	34,427
142,723	Current Assets		121,919
(46,406)	Short Term Borrowing	4.2.14b	(74,301)
(14,421)	Other Short Term Liabilities	4.2.14b	(5,466)
(119,182)	Short Term Creditors	7.6e	(93,213)
(9,950)	Grants Receipts in Advance	4.2.16b	(4,496)
(2,029)	Provisions		(3,043)
(191,988)	Current Liabilities		(180,518)
(5,473)	Provisions		(5,748)
(689,995)	Long Term Borrowing	4.2.14b	(716,799)
(51,242)	Other Long Term Liabilities	4.2.14b	(49,854)
(121,849)	Net Pensions Liabilities	4.2.19e	(28,677)
(868,559)	Long Term Liabilities		(801,078)
836,956	Net Assets		915,619

7.3 Balance Sheet - Group (continued)

31 March 2025 £000	Note	31 March 2026 £000
14,800	General Fund Balance	15,300
39,840	Earmarked Reserves - General Fund	39,733
28,042	Usable Capital Receipts Reserve	31,892
8,155	Housing Revenue Account Balance	6,716
1,753	Earmarked Reserves - HRA	3,353
3,786	Major Repairs Reserve	0
70,116	Capital Grants Unapplied	57,000
166,492	Total Authority Usable Reserves	153,994
9,755	Subsidiary Profit & Loss	12,070
176,247	Total Group Usable Reserves	166,064
365,426	Capital Adjustment Account	347,317
446,437	Revaluation Reserve	465,149
(3,081)	Collection Fund Adjustment Account	(3,987)
(129,737)	Pensions Reserve (Deficit)	(28,677)
(3,884)	Accumulated Absences Account	(4,474)
(2,257)	Financial Instruments Adjustment Account	(2,257)
5,782	Financial Instruments Revaluation Reserve	5,782
(22,430)	Dedicated Schools Grant Adjustment Account	(33,607)
5,281	Deferred Capital Receipts Reserve	5,136
661,537	Total Authority Unusable Reserves	750,382
(828)	Share of Group Reserves	(826)
660,709	Total Group Unusable Reserves	749,556
836,956	Total Reserves	915,619

7.4 Movement in Reserves Statement - Group

2025/26	Note	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Group Share of Reserves £000	Total Group Reserves £000
Balance at 31 March 2025		54,639	9,909	3,785	28,042	70,116	166,490	661,537	828,027	9,755	(828)	836,954
Group Surplus/Deficit	7.2	(43,973)	5,435	-	-	-	(38,538)	-	(38,538)	16,654	-	(21,884)
Other Comprehensive Income and Expenditure	7.2	-	-	-	-	-	-	102,389	102,389	-	-	102,389
Adjustments between group accounts and authority accounts	7.6f	10,111	2,389	-	-	-	12,500	-	12,500	(14,339)	2	(1,837)
Net increase or decrease before transfers		(33,862)	17,733	3,785	28,042	70,116	(26,038)	102,389	76,351	2,315	2	78,668
Adjustments between accounting basis and funding basis under statutory provisions	4.2.8	34,257	(7,663)	(3,787)	3,850	(13,116)	13,541	(13,544)	(3)	-	-	(3)
Increase or decrease in year		395	10,070	(2)	31,892	57,000	(12,497)	88,845	76,348	2,315	2	78,665
Balance at 31 March 2026		55,034	19,979	3,783	59,934	127,116	153,993	750,382	904,375	12,070	(826)	915,619

7.4 Movement in Reserves Statement - Group (continued)

2024/25	Note	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Group Share of Reserves £000	Total Group Reserves £000
Balance at 31 March 2024		68,613	8,401	18	25,144	50,850	153,025	596,680	749,705	(1,362)	(830)	747,513
Group Surplus/Deficit	7.2	7,514	51,531	-	-	-	59,045	-	59,045	(38,795)	-	20,250
Other Comprehensive Income and Expenditure	7.2	-	-	-	-	-	-	63,934	63,934	(1,159)	-	62,775
Adjustments between group accounts and authority accounts	7.6f	9,061	(53,172)	-	-	-	(44,111)	-	(44,111)	51,071	(3,287)	3,673
Net increase or decrease before transfers		16,575	(1,641)	-	-	-	14,934	63,934	78,868	11,117	(3,287)	86,698
Adjustments between accounting basis and funding basis under statutory provisions	4.2.8	(30,549)	3,149	3,767	2,898	19,266	(1,469)	923	2,744	-	3,289	2,744
Increase or decrease in year		(13,974)	1,508	3,767	2,898	19,266	13,465	64,857	81,612	11,117	2	89,442
Balance at 31 March 2025		54,639	9,909	3,785	28,042	70,116	166,490	661,537	831,317	9,755	(828)	836,955

7.5 Cashflow Statement - Group

2024/25 £000	Note	2025/26 £000
20,250 Net surplus/(deficit) on the provision of services	7.2	(21,884)
66,969 Adjustments to net surplus or deficit on the provision of services for non-cash movements		83,403
(75,227) Adjustments for items included in the net surplus or deficit on the provision of services that are investing and financing activities		(55,246)
11,992 Net Cash Flows from Operating Activities		6,273
(15,261) Net Cash Flows from Investing Activities		(62,868)
6,891 Net Cash Flows from Financing Activities	4.2.24c	54,681
3,622 Net Increase or decrease in Cash and Cash Equivalents		(1,914)
32,719 Cash and Cash Equivalents at the beginning of the reporting period	7.3	36,341
36,341 Cash and Cash Equivalents at the end of the reporting period	7.3	34,427

7.6 Notes to the Group Accounts

a - Accounting Policies for the Group

In preparing the Group Accounts the council has aligned the accounting policies of the company with those of the council and made consolidation adjustments where necessary.

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. The results of entities have been consolidated on a line by line basis as subsidiaries. Consolidation has been based on:

- For 2025/26 - the draft accounts of Fortior Homes Limited Group and Unitas Stoke-on-Trent Limited for the period ended 31 March 2026.
- For 2024/25 - the final accounts of Fortior Homes Limited Group and Unitas Stoke-on-Trent Limited for the period ended 31 March 2025

Where group entities use different accounting policies to the Council, their accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line by line basis.

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance 2025/26 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	755,547	344,442	68,870	386,262	39,897	38,339	82,334	1,715,691
Additions IFRS16	27,266	5,237	6,367	27,457	317	4,594	15,463	86,701
Revaluation Increases/ (decreases) recognised in the:								
Revaluation Reserve	14,253	7,930				46	14	22,243
Surplus/Deficit on the Provision of Services	(7,483)	9,217				(4,032)		(2,298)
Derecognition through disposal and transfer (non- schools)	(36)	(8,894)	(2,160)	(1)		(4,487)	(44)	(15,622)
Derecognition through disposal and transfer (schools)		735	(402)	(1)				332
Reclassifications within PPE	65		1,665	134	268	2,264	(55,984)	(51,588)
Reclassifications (Other)								-
Reclassifications to IP								-
Other Adjustments								-
Assets reclassified (to)/from Held for Sale	(12,312)						(65)	(12,377)
Balance at 31 March	777,300	358,667	74,340	413,851	40,482	36,724	41,718	1,743,082

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance 2025/26 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	(1,849)	(3,010)	(46,501)	(94,084)	(1,488)	(781)	(49)	(147,762)
Depreciation charge in year	(13,583)	(9,939)	(5,600)	(15,359)		(90)		(44,571)
Depreciation written out to the:								
Revaluation Reserve	10,430	8,554				14	2	19,000
Surplus/Deficit on the Provision of Services	2,892	3,972				80		6,944
Impairment losses/(reversals) recognised in the:								
Revaluation Reserve	(10)	(149)						(159)
Surplus/Deficit on the Provision of Services		(31)				(663)	(44)	(738)
Derecognition through disposal and transfer (non- schools)	41	186	2,122	1			44	2,394
Derecognition through disposal and transfer (schools)			365	1		675		1,041
Reclassifications within PPE Assets reclassified (to)/from Held for Sale	226	1			1	(4)	47	271
								-
Balance at 31 March	(1,853)	(416)	(49,614)	(109,441)	(1,487)	(769)	-	(163,580)
Net Book Value								
At 31 March 2026	775,447	358,251	24,726	304,410	38,995	35,955	41,718	1,579,502
At 31 March 2025	753,698	341,432	22,369	292,178	38,409	37,558	82,285	1,567,929

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance			Vehicles Plant				Assets Under	
2024/25	Council	Other Land	Furniture &	Infrastructure	Community	Surplus	Construction	Total
Cost or Valuation	Dwellings	& Buildings	Equipment	Assets	Assets	Assets	£000	£000
	£000	£000	£000	£000	£000	£000		
Balance at 1 April	701,655	348,843	65,674	358,980	39,607	33,761	73,946	1,622,466
Additions	23,235	3,922	5,015	28,478	290	779	27,535	89,254
IFRS16	-	-	-	(262)	-	-	-	(262)
Revaluation Increases/ (decreases) recognised in the:								-
Revaluation Reserve	32,598	4,534	-	-	-	448	-	37,580
Surplus/Deficit on the Provision of Services	(17,308)	(395)	-	-	-	831	-	(16,872)
Derecognition through disposal and transfer (non- schools)	(7)	(5,021)	(1,819)	(945)	-	(2,725)	-	(10,517)
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	15,374	(7,107)	-	11	-	5,173	(19,147)	(5,696)
Reclassifications (Other)	-	-	-	-	-	-	-	-
Reclassifications to IP	-	-	-	-	-	222	-	222
Other Adjustments	-	(195)	-	-	-	-	-	(195)
Assets reclassified (to)/from Held for Sale	-	(139)	-	-	-	(150)	-	(289)
								-
								-
								-
								-
Balance at 31 March	755,547	344,442	68,870	386,262	39,897	38,339	82,334	1,715,691

7.6 Notes to the Group Accounts (continued)

b - Property, Plant & Equipment

Movement on Balance 2024/25 Cost or Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles Plant Furniture & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Balance at 1 April	1,410	(1,696)	(42,199)	(81,325)	(1,488)	(1,483)	(49)	(126,830)
Depreciation charge in year	(14,269)	(9,846)	(6,050)	(13,683)	-	(50)	-	(43,898)
Depreciation written out to the:								-
Revaluation Reserve	10,927	7,204	-	-	-	50	-	18,181
Surplus/Deficit on the Provision of Services	3,193	1,070	-	-	-	114	-	4,377
Impairment losses/(reversals) recognised in the:								-
Revaluation Reserve	-	-	-	-	-	(25)	-	(25)
Surplus/Deficit on the Provision of Services	(3,235)	(2)	(2)	-	-	(530)	-	(3,769)
Derecognition through disposal and transfer (non- schools)	7	165	1,750	924	-	1,227	-	4,073
Derecognition through disposal and transfer (schools)	-	-	-	-	-	-	-	-
Reclassifications within PPE	118	92	-	-	-	(90)	-	120
Assets reclassified (to)/from Held for Sale	-	3	-	-	-	6	-	9
Balance at 31 March	(1,849)	(3,010)	(46,501)	(94,084)	(1,488)	(781)	(49)	(147,762)
Net Book Value								
At 31 March 2025	753,698	341,432	22,369	292,178	38,409	37,558	82,285	1,567,929
At 31 March 2024	703,065	347,147	23,475	277,655	38,119	32,278	73,897	1,495,636

7.6 Notes to the Group Accounts (continued)

c - Group Investment Property

	City Council	Fortior Homes Ltd	Total Assets
Note	£000	£000	£000
At 31 March 2024	40,188	52,091	92,279
Additions	6	120	126
Upward revaluation	1,764	5,872	7,636
Downward revaluation	-	(26)	(26)
Disposals	-	(1,068)	(1,068)
Other Adjustments	-	(51)	(51)
Reclassification to/(from) investment property	(222)	-	(222)
At 31 March 2025	41,736	56,938	98,674
Additions	4,652	88	4,740
Upward revaluation	-	5,231	5,231
Downward revaluation	(41,869)	(15)	(41,884)
Disposals	-	-	-
Other Adjustments	-	-	-
Reclassification to/(from) investment property	54,058	-	54,058
At 31 March 2026	58,577	62,242	120,819

7.6 Notes to the Group Accounts (continued)

d - Short Term Debtors

31 March 2025 £000		Note	31 March 2026 £000
3,904	Central government bodies	4.2.21b	27,463
830	Academies	4.2.21b	3,185
13,059	Other local authorities	4.2.21b	9,970
2,149	NHS bodies	4.2.21b	13,191
66,778	Other entities and individuals		31,814
86,720			85,623

e - Short Term Creditors

31 March 2025 £000		Note	31 March 2026 £000
10,536	Central government bodies	4.2.21c	9,911
1,197	Other local authorities	4.2.21c	285
1,390	NHS bodies	4.2.21c	3,296
84,400	Other entities and individuals		79,721
97,523			93,213

7.6 Notes to the Group Accounts (continued)

f - Adjustments between Group Accounts and Authority Accounts in the Group Movement in Reserves Statement

2025/26	General Fund Balance £000	Housing Revenue Account £000	Major Repairs Reserve £000	Usable Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Authority Usable Reserves £000	Total Authority Unusable Reserves £000	Total Authority Reserves £000	Subsidiary Profit and Loss £000	Share of Group Reserves £000	Total Group Reserves £000
Sale of goods and services to subsidiaries	6,900					6,900	-	6,900	(6,900)	-	-
Purchases of goods and services from subsidiaries						-	-	-	-	-	-
Elimination of interest on loans	1,724					1,724	-	1,724	(1,724)	-	-
Surplus reallocation	21	2,389				2,410	-	2,410	(2,410)	-	-
Share valuation movement						-	-	-	-	-	-
Adj B/f subsidiary p&L						-	-	-	(1,841)	-	-
Reclassification reserves to unuseable						-	-	-		-	-
Other Adjustment	3										
Expected credit loss on long term loan	1,463					1,463		1,463	(1,463)		
Adjustments between group accounts and authority accounts	10,111	2,389	-	-	-	12,497	-	12,497	(14,338)	-	-

7.6 Notes to the Group Accounts (continued)

f - Adjustments between Group Accounts and Authority Accounts in the Group Movement in Reserves Statement

	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	Total Authority Usable Reserves	Total Authority Unusable Reserves	Total Authority Reserves	Subsidiary Profit and Loss	Share of Group Reserves	Total Group Reserves
2024/25	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Sale of goods and services to subsidiaries	8,241	-	-	-	-	8,241	-	8,241	(8,241)	-	-
Purchases of goods and services from subsidiaries	(4,459)	(55,904)	-	-	-	(60,363)	-	(60,363)	60,363	-	-
Elimination of interest on loans	1,729	-	-	-	-	1,729	-	1,729	(1,729)	-	-
Surplus reallocation	261	2,732	-	-	-	2,993	-	2,993	(2,993)	-	-
Share valuation movement	-	-	-	-	-	-	-	-	-	-	-
Adj B/f subsidiary p&L	-	-	-	-	-	-	-	-	3,672	-	3,672
	-	-	-	-	-	-	-	-	-	-	-
Adjustments between group accounts and authority accounts	5,772	(53,172)	-	-	-	(47,400)	-	(47,400)	51,072	-	3,672

8.0 Other Statements



8.1 Statement of Accounting Policies

Purpose

Accounting policies are the specific principles, conventions, rules and practices applied by a local authority in preparing and presenting its financial statements. They:

- set out the basis for accounting i.e. confirm (or otherwise) that the authority complies with the Accounting Code and relevant statutory reporting requirements
- highlight any changes in accounting policies or other information compared to previous years
- set out how any discretion on accounting policy choices permitted by the Accounting Code have been exercised
- identify new accounting policies which have been adopted, for example, on the implementation of a new reporting standard.

Accounting policies focus on recognition, measurement and presentation

The Statement of Accounts summarises the Council's transactions for the financial year as published and its position at the year-end of 31 March of that financial year. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2014, which require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2024/25 supported by International Financial Reporting Standards (IFRS).

The Cipfa code 2024/25 follows amendments to IAS 1 *Presentation of Financial Statements* to require disclosure of **material** accounting policy information not significant accounting policy information. Accounting policy information is material if, when considered together with other information included in an authority's financial statements, it can reasonably be expected to influence decisions that the users of local authority financial statements make on the basis of those financial statements

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. The Statement of Accounts has been prepared on a 'going concern' basis; that is that there is the assumption that the functions of the Council will continue in operational existence.

8.1 Statement of Accounting Policies (continued)

Accrued Revenue Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for 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..

Basis of Charges for Capital

All interest charges and expenses arising on loans raised to fund capital expenditure are recharged on an accruals basis to the Housing Revenue Account and the General Fund as appropriate.

Cash and Cash Equivalents

Cash is represented as cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Balance Sheet and 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 City Council's cash management strategy.

8.1 Statement of Accounting Policies (continued)

Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are debited with the following to record the service cost of using non-current assets during the year;

- depreciation
- revaluation and impairment losses
- amortisation of intangible assets

For General Fund the Council is not required to raise council tax to finance depreciation, revaluation and impairment losses or amortisation. These are replaced by a Minimum Revenue Provision charged to 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.

For the Housing Revenue Account, the Council is not required to charge a Minimum Revenue Provision but instead sets aside resources to finance the principal of any amount borrowed.

Contingent Liabilities

A contingent liability is a possible financial obligation that arises from past events which will only crystallise if certain events take place. The obligation cannot be measured sufficiently reliably and is disclosed as such.

Council Tax and Non-Domestic Rates

The collection of council tax and non-domestic rates is an agency arrangement for the council, as billing authority, other preceptors and central government. The income in respect of the council from council tax and non-domestic rates is included in the Comprehensive Income and Expenditure Statement for the year on an accruals basis. The cash collected belongs proportionately to the City Council, the preceptors and central government. The City Council recognises its share of any outstanding council tax and non-domestic rates arrears, receipts in advance adjusted by an impairment allowance and an allowance for appeals made by non-domestic rates payers in its balance sheet.

Regulations determine the amount of council tax and NDR that must be included in the authority's General Fund. The difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included in the Movement in Reserves statement.

8.1 Statement of Accounting Policies (continued)

Employee Benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees. The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period. This charge is reversed through the Movement in Reserves Statement to unusable reserves.

Termination Benefits

When the Council is demonstrably committed to the termination of the employment of an officer or group of officers or making an offer to encourage voluntary redundancy, these costs are charged on an accruals basis to the respective Service line in the Comprehensive Income and Expenditure Statement. Where those benefits involve the enhancement of pensions the amount payable is charged to the General Fund Balance.

Post-employment Benefits

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

- The Teachers' Pension Scheme, administered on behalf of the Department for Education (DfE),
- The National Health Service (NHS) Pension scheme,
- The Local Government Pension Scheme (LGPS).

Each scheme provides defined benefits to members (retirement lump sums and pensions), earned whilst employees are working for the Council. However, the centralised arrangements for the Teachers' and NHS schemes mean that liabilities for these benefits cannot be identified specifically to the Council. These schemes are therefore accounted for as if they were defined contribution schemes and no liability for future payments of benefits recognised in the Balance Sheet. The Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to the Teachers' Pension Scheme and the NHS Pension Scheme in the year.

8.1 Statement of Accounting Policies (continued)

Employee Benefits (continued)

The Local Government Pension Scheme is accounted for as a defined benefits scheme. The liabilities of the Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method, (i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates etc., and forecasts of projected earnings for current employees). The increase in the liability arising from pensionable service earned during the year is recognised within the net cost of services.

The assets of the Pension Fund attributable to the Council are included in the Balance Sheet at their fair value. The change in the net pension liability is analysed into its components:

- **Current Service Cost:**

The increase in liabilities as a result of years of service earned this year is allocated in the Comprehensive Income and Expenditure Statement to the service areas for which the employees worked.

- **Past service cost;**

Is the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-distributed Costs. The Council also recognise a gain or loss on settlement when the settlement occurs. The settlement is deemed to occur when the authority enters into a transaction which eliminates all further obligations for part or all of the benefits provided under the LGPS defined benefit plan.

- **Net interest on the net defined benefit liability:**

The expected increase in the present value of liabilities during the year as they move one year closer to being paid offset by the interest on assets which is the interest on assets held at the start of the year and cash flows occurring during the period. The result is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- **Remeasurements:**

These comprise the return on plan assets excluding amounts included in net interest and actuarial gains and losses. The latter is the changes in the net pension liability which arise because actuaries have updated their assumptions. These are charged to Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

- **Contributions paid to the Pension Fund:**

Cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

8.1 Statement of Accounting Policies (continued)

Employee Benefits (continued)

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

The figures that are used to account for the scheme are commissioned annually from the Staffordshire County Council Pension Fund actuary.

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff (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 Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period (31 March) and the date when the Statement of Accounts is authorised for issue. Two types of events can occur:

Adjusting Events

Those events that provide evidence that conditions existed at the end of the reporting period that would require accounting for – the Statement of Accounts is adjusted to reflect such events.

Non-adjusting Events

Those events that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but, where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and either their estimated financial effect or a statement that such an estimate cannot be made reliably.

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts however the S.151 officer will advise the auditor in writing of any material events.

8.1 Statement of Accounting Policies (continued)

Financial Instruments

Financial Instruments are defined as any contract that gives rise to a financial asset of one body and a financial liability of another. Many assets and liabilities are collectively financial instruments even where separately identified on the balance sheet.

Financial Assets

The City Council has a number of investments that are financial assets which are classified on the basis of the authority's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. The three main classes of financial assets are: .

- Amortised Cost
- Fair Value through Profit or Loss (FVPL), and
- Fair Value through Other Comprehensive Income (FVOCI)

Amortised Cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are subsequently carried at their amortised cost except for short-term receivables with no stated interest rate which are measured at invoiced cost. Annual credits to the Financing and Investment Income and Expenditure line in Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for that instrument.

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

Where the City Council loans to organisations at less than market rates (soft loans) that are not material they are disclosed in a note to the financial statements, but no entries have been made in the Comprehensive Income and Expenditure Statement. Where a loan is material and has been treated as a soft loan and carried at fair value in the accounts. Any loss is debited to the appropriate service in the Comprehensive Income and Expenditure Statement with 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. The basis for the percentage rate used is a combination of the base rate at the time the loan was granted and an allowance for the risk that the loan may not be repaid.

Any gains and losses that arise on the de-recognition of the asset, are credited / debited to the Comprehensive Income and Expenditure Statement.

Fair Value through Profit or Loss

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

Values are based on the following principles:

- instruments with quoted marked prices - the market price
- other instruments with fixed and determinable payments - discounted cash flow analysis
- equity shares with no quoted market prices – professional estimate

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

Fair Value through Other Comprehensive Income

The Council has elected to designate investments in equity instruments to FVOCI where they are not held for trading. Movements in fair value will be accumulated in the Financial Instruments Revaluation Reserve until the asset is derecognised, at which point the net gain or loss would be transferred to the General Fund.

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost, and where relevant FVOCI, either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place borrower could default on their obligations. Where the credit 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.

The Council will assess losses for the portfolio on a collective basis where a significant number of small loans are made at less than market rates to individuals and it does not have reasonable and supportable information available without undue cost or effort to support the measurement of lifetime expected losses on an individual basis.

Where the authority has a commitment to make loans at some point in the future, this commitment is not reflected in any accounting entries until the lender actually draws down some or all of the facility. A provision might be required to reflect potential defaults if the borrower were to exercise their drawdown rights.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument. These financial liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. For most of the borrowings that the City Council has, this means that the amount presented in the balance sheet is the outstanding principal repayable plus accrued interest. Interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year for that loan agreement.

8.1 Statement of Accounting Policies (continued)

Financial Instruments (continued)

The City Council may pay off or replace loans earlier than originally planned as part of its debt management strategy, dependent upon prevailing market conditions, risk and financial benefits that may accrue to the Council.

One of the mechanisms for managing long term loans is the restructuring of the debt portfolio. This may be carried out in order to achieve a more balanced debt profile, to change the volatility of existing debt, to amend cash flows or to reduce financing costs. Debt rescheduling may give rise to a payment to the lender (a premium) or a payment to the borrower (a discount).

Gains and losses on the re-purchase or early settlement of borrowing are credited / debited to Net Cost of Services in the Comprehensive Income and Expenditure Statement in the year of repurchase / settlement. However, where re-purchase 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 to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Government Grants and Contributions

Whether paid on account, by instalments or in arrears, government grants and third party contributions and donations are recognised as income at the date that the Council satisfies the conditions of entitlement to the grant / contribution, and there is reasonable assurance that the monies will be received. Where conditions are outstanding, the amounts are treated as either capital or revenue receipts in advance, forming part of short or long term creditors.

Service specific revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Grants to cover general expenditure (e.g. Revenue Support Grant) form part of Taxation and Non-Specific Grant Income at the foot of the Comprehensive Income and Expenditure Statement.

Heritage Assets

The City Council's heritage assets are situated at various locations throughout the city but principally at the four main museums.

- Potteries Museum and Art Gallery – containing nationally important ceramics, the Staffordshire Hoard; the largest and most valuable Anglo-Saxon treasure ever found and a WWII Spitfire.
- Gladstone Pottery Museum – the only complete Victorian pottery factory from the days when coal-burning ovens made the world's finest bone china.
- Etruria Industrial Museum - the last steam powered potters' mill in Britain.
- Ford Green Hall - a 17th century timber-framed farmhouse furnished with an outstanding collection of textiles, ceramics and furniture.

8.1 Statement of Accounting Policies (continued)

Heritage Assets (continued)

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the City Council's accounting policies on property, plant and equipment, as amended and include intangible heritage assets. A level of £10,000 has been established for assets to be valued. Any assets less than this level are valued in line with the average increase in assets above £10,000.

The City Council's collections of heritage assets are reported in the balance sheet at valuations where the cost of obtaining professional valuations has not been prohibitive.

Ceramics, Porcelain and Fine Arts

The ceramics and porcelain artefacts and fine art collection, which includes paintings (both oil and watercolour), prints, sculptures and sketches are deemed to have indeterminate useful lives and a high residual value therefore depreciation is not charged.

Acquisitions are initially recognised at cost and donations are recognised using a valuation provided by an external valuer.

Machinery, Equipment and other Artefacts from the Pottery Industry

The City Council considers that obtaining valuations for the vast majority of machinery, equipment and other artefacts and ephemera from the pottery industry exhibited would, due to the diverse nature of the assets held and the lack of comparable values, involve a disproportionate cost in comparison to the benefits to the users of the Council's financial statements and consequently the City Council does not specifically recognise this collection of heritage assets on the balance sheet. Where acquisitions take place, these are initially recognised at cost or where bequeathed or donated, at nil consideration.

Archaeology

The Council does not consider that reliable cost or valuation information can be obtained for the items held for the majority of its archaeological collection. This is because of the diverse nature of the assets held and lack of comparable market values. Consequently the City Council does not recognise these assets on the balance sheet

Property

The City Council considers the Gladstone Pottery Museum, Etruria Industrial Museum and Ford Green Hall buildings as heritage assets and are held on the balance sheet in accordance with the City Council's accounting policies on property, plant and equipment.

8.1 Statement of Accounting Policies (continued)

Heritage Assets (continued)

Heritage Assets – General

Where there is evidence of impairment the carrying amounts of heritage assets will be reviewed e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for, where applicable, in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

Intangible Assets

Expenditure on assets that do not have physical substance but are identifiable and controlled by the City Council e.g. software licenses, is capitalised when it brings economic or service benefits for more than one year. Intangible fixed assets are initially recognised at cost. Thereafter, where an active market exists for the asset they are carried at fair value, otherwise they are included in the balance sheet at historic cost less any accumulated amortisation and impairment.

Assets of a finite life are amortised on a straight line basis over the life. For assets of an infinite life they are assessed for impairment. The City Council does not amortise assets in the year of acquisition, but a full year's charge is made in the year of disposal.

8.1 Statement of Accounting Policies (continued)

Interests in Companies and Other Entities

The Council has registered subsidiary companies in respect of a Fortior Homes, Unitas Stoke-on-Trent, Stoke EnergyCo, STCC RP and Stoke on Trent Futures. Subsidiary companies are consolidated as part of the group accounts only when transactions are considered material. The Council has no material interests in companies and other entities that have the nature of associates and jointly controlled entities. In order to align group entities accounting policies to those used by the Council and ensure consistency of accounting treatment across the group, the following principles have been adopted:

- Consolidation of Subsidiaries - Subsidiaries have been consolidated using the acquisition accounting basis. This is a full, line by line consolidation of the financial transactions and balances of the Council and its subsidiaries. To avoid overstating the figures within the group financial statements, all transactions and balances between members of the group (the Council and its subsidiaries) have been eliminated.
- Alignment of accounting framework and policies - Where group organisations use different accounting policies to the Council, their accounts have been restated to align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.
- Unrealised profits from intra-group transactions - Any unrealised profit reflected in the carrying amount of property, plant and equipment and inventory arising from trading between the Council and its group companies will be eliminated to avoid the double counting of gains.
- Company losses Accounting Treatment - The Group Comprehensive Income and Expenditure Account includes the profits / losses arising in each of the wholly owned subsidiary companies. Profits/losses from wholly owned subsidiaries are included in Group Surplus or Deficit on Provision of Services from ordinary trading activities.

Investment and Surplus Property

Investment property is held solely to earn rentals and / or for capital appreciation and are measured initially at cost and subsequently at fair value. Investment Properties are not depreciated but are revalued annually. Gains and losses on revaluation and disposal are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The gains and losses are not permitted by statute to impact on the General Fund Balance so are reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

Costs and Income received in relation to investment properties is credited to the Financing and Investment Income line and result in a gain/loss to the General Fund Balance.

Assets identified as 'of indeterminate use' are classified as surplus assets within Property, Plant and Equipment. Housing related assets and assets held to provide economic regeneration are classified as operational properties based on their principal function being service related.

8.1 Statement of Accounting Policies (continued)

Leases

Finance Leases

The City Council as lessee:

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to pay the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are recognised in calculating the surplus / deficit for the year. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rentals are expensed in the period in which they are incurred.

The City Council as lessor:

Where the Authority grants a finance lease over a property or an item of plant or equipment, the relevant asset is treated as a disposal. Amounts due from lessee is recorded as a long-term debtor at the amount of the City Council's net investment in the lease. Where income received under leases qualifies under the definition of capital receipts, the element of finance lease payments relating to the write-down of the debtor's obligation will be treated as a capital receipt applied to accounting periods, so to reflect a constant periodic rate of return on the City Council's net investment outstanding in respect of the leases.

Operating Leases

The City Council as lessee:

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term.

The City Council as lessor:

Where the Council grants an operating lease, the asset is retained in the Balance Sheet. Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

8.1 Statement of Accounting Policies (continued)

Minimum Revenue Provision

The Council set aside from its General Fund Revenue Account a regular provision for repayment of debt. There is no longer a separate requirement to set aside a minimum revenue provision from the Housing Revenue Account.

MRP relating to pre 2008 debt liability will be charged at the rate of 2% straight line. Post 2008 MRP reflected within the debt liability at the end of the financial year will be subject to MRP based on Asset Life charged over a period which is reasonably commensurate with the estimated useful life of the asset (or group of assets) as determined by professional judgement. Where the underlying borrowing is by way of a finance lease or service concession arrangement (PFI scheme), additional revenue provision may be set aside based on the capital repayment plan of the agreement.

The City Council may apply an additional voluntary contribution, including capital receipts or revenue contributions, to reduce its debt liability. In instances where the Council incurs borrowing in order to lend funds to a third party, it will treat any advance as "Serviced debt" and therefore no MRP will be set-aside providing there is an agreed repayment date. Annually the Council will undertake a financial assessment of the third parties ability to repay the debt and where any adverse changes are perceived to be occurring then a provision will be created to cover any future potential financial losses.

Non-Current Assets Held for Sale

Classified as Non-current assets where the sale is highly probable, the asset is available for immediate sale in its present condition and the City Council is committed to and actively marketing the sale and which is normally expected to qualify for recognition as a completed sale within one year from the date of classification. The assets is measured at the lower of their previous carrying amount or fair value less costs to sell. Fair value is open market value including alternative uses. Depreciation is not charged on Assets Held for Sale.

The gain or loss on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in Other Operating Expenditure within the Comprehensive Income and Expenditure Statement. Where the asset no longer meets the criteria it is reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as Held for Sale; adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Assets Held for Sale, and their recoverable amount at the date of the decision not to sell.

Overheads and Support Services

The costs of overheads and support services are charged to service segments in accordance with the Authority's arrangements for the operation and management of services and reporting financial performance.

8.1 Statement of Accounting Policies (continued)

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is 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.

Private Finance Initiative (PFI) and Similar Contracts

PFI and service concessionary transactions are treated in the City Council's accounts in accordance with the Code, based on IFRIC12 (control of asset). Non-current assets related to these contracts and recognised on the Balance Sheet are revalued and depreciated in the same way as property, plant and equipment owned by the Council.

The following PFI schemes (or similar) are deemed to be controlled and the assets recognised as operational as a consequence:

- Schools - assets transferred to Transform Schools (Stoke) Limited
- Street Lighting - assets transferred to Tay Valley Lighting (Stoke-on-Trent)
- Bentilee District Centre - assets transferred to Bentilee HUB (Project Company)
- Extra Care – assets transferred to Sapphire Extra Care Limited

The amounts payable to the PFI operators each year (known as the unitary charge) are analysed into five elements:

- fair value of the services received during the year - debited to the relevant service in the Comprehensive Income and Expenditure Statement;
- finance cost - an interest charge of an agreed % on the outstanding balance sheet liability, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- contingent rent - increases in the amount to be paid for the property arising during the contract, debited to Interest Payable and Similar Charges in the Comprehensive Income and Expenditure Statement;
- lifecycle replacement costs (regular major planned refurbishments) - recognised as non-current assets on the balance sheet;
- payment towards liability - applied to write down the balance sheet liability towards the PFI operator.

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment

Recognition

Classified as assets that have physical substance and provide benefits and are expected to be used during more than one financial year.

Expenditure on the acquisition, creation or enhancement of property, plant and equipment has been capitalised on an accruals basis where it is probable that the future economic benefits or service potential associated with the item will flow to the entity and the cost of the item can be measured reliably.

This excludes routine repairs and maintenance, which is charged directly to the service revenue accounts.

The Council has set an administrative capital de minimis levels:

o Land and Buildings	£15,000
o Equipment	£5,000
o Schools Capital	£2,000

This does not preclude expenditure below these levels being recognised particularly those relating to a number of assets the costs of which are collectively above the de minimis levels e.g. computer equipment.

Where expenditure is determined not to add value to an asset and the asset is held at fair value the expenditure is treated as impairment and charged to the Comprehensive Income and Expenditure Statement in the year incurred.

Measurement and Valuation

Property, plant and equipment is initially measured at cost, being costs attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management. Thereafter the assets are valued, dependent upon their class, as follows:

- Infrastructure and community assets – depreciated historic cost less any impairment loss where applicable;
- community buildings – depreciated historic cost
- assets under construction – historic cost;
- Investment properties and surplus assets – fair value under IFRS 13
- all other classes of asset – current value.

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment (continued)

Current value is assessed as:

- council dwellings – existing use value - social housing (EUV-SH) with an adjustment factor (Vacant Possession Adjustment Factor) applied to the open market value to recognise the continuing occupation of a secure tenant;
- specialised assets for which there is no active market – depreciated replacement cost;
- non-property assets with short useful lives and/or low values – depreciated historic cost as a proxy for fair value;
- other properties - existing use value;

The asset values for property related assets are based upon certificates issued by the City Council's Valuation Officers and independent external valuers. Revaluations will be made with sufficient regularity to ensure that the carrying amount reflects the fair value at the end of the reporting period. Valuations shall be carried out at intervals of no more than five years.

Revaluation gains or losses arising are taken to the Revaluation Reserve except where the asset has been subject to a previous revaluation or impairment loss in which case all or part of the gain/loss is credited/debited to the Comprehensive Income and Expenditure Statement.

Asset Components are considered for recognition where individual buildings are revalued to a fair value that is greater than £1m, have different useful lives and / or depreciation bases and the depreciation charges materially affect the statement of accounts.

Depreciation

The City Council does not charge depreciation in the year of acquisition, but does charge a full year's depreciation in the year of disposal. The general principle being that the value of assets is allocated to services over the periods expected to benefit from their use.

Property, plant and equipment are depreciated using the straight line method, over the useful economic lives as advised typically:

- Infrastructure 20 - 40 years
- Buildings 20 - 60 years
- Vehicles, Plant and Equipment 5 – 20 years

Land is considered to have an indefinite useful life and is not depreciated but is subject to impairment review.

Impairment

The City Council undertakes an annual assessment as to whether any indication of impairment of its assets exists or that any impairment loss previously recognised may have decreased.

8.1 Statement of Accounting Policies (continued)

Property, Plant and Equipment (continued)

Where a material impairment is identified this is accounted for by writing off the impairment charge against any revaluation gains attributable to the relevant asset in the Revaluation Reserve, with any excess charged to the Comprehensive Income and Expenditure Statement. as to whether any indication of impairment of its assets exists or that any impairment loss previously recognised may have decreased.

Where an impairment reversal is identified it is credited to the Comprehensive Income and Expenditure Statement to the extent that the carrying value of the assets returns to that which would have been the case if no previous impairment had occurred. Any excess gain over this amount is treated as a revaluation gain and credited to the Revaluation Reserve.

Disposals and asset derecognition

When an asset or significant component is disposed of, derecognised, replaced or decommissioned the gain or loss on disposal, being the difference between the net disposal proceeds, if any, and the net carrying amount of the asset, is recognised in the Comprehensive Income and Expenditure Statement. Any revaluation gains in the Revaluation Reserve related to the asset or part thereof are transferred to the Capital Adjustment Account.

Amounts in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposal is payable to the Government. As a result of changes in legislation, as set out in amendments to the Local Government Act 2003, the City Council also has the option to retain 100% of some receipts (Non Right-to-Buy and 1-4-1 replacement) provided that they are used for the provision of affordable housing, regeneration projects or the repayment of housing debt. The balance of receipts is credited to the Usable Capital Receipts Reserve, and, subject to any direction by central government, can then only be used to finance new capital investment or reduce the City Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Usable Capital Receipts Reserve via the Movement in Reserves Statement.

Revaluation on Disposal of Housing Assets

HRA assets disposed of under Right to Buy (RTB) legislation continue to be valued as operational assets up to the point of disposal. Once disposal takes place there is no revaluation to the discounted RTB value. This approach is in line with the MHCLG Guidance on Stock Valuation for Resource Accounting which authorities in England are required to follow.

Provisions

Provisions are only recognised when the City Council has a present obligation as a result of a past event, where it is probable that a transfer of economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made however the timing or the actual amount involved is uncertain. Where the obligation is expected to be settled after more than one year and the effect of the time value of money is material, the amount of a provision reflects the present value of the expenditure expected to be required to settle the obligation.

8.1 Statement of Accounting Policies (continued)

Provisions (continued)

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.

Reserves

The City Council sets aside specific amounts as reserves for future policy purposes or to cover future events / contingencies. When the expenditure to be financed from reserves is incurred, it is charged to the appropriate service revenue account and included in net cost of services in the Comprehensive Income and Expenditure Statement. The corresponding amount is then transferred from the appropriate reserve account back into the General Fund to ensure that there is no further charge on the council tax for that year. The City Council's usable reserves include both usable earmarked reserves, which are set aside for specific purposes; and the General Reserve, which is set aside for future general use.

The City Council has a number of unusable reserves that are not able to be used to provide services. These represent unrealised gains and losses and adjustments between accounting basis and funding basis under regulation.44.

Revenue Expenditure Funded from Capital Under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of fixed assets has been charged as expenditure to the relevant service revenue account in the year. Where the City Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, amounts charged are reversed out of the General Fund Balance as a Movement on Reserves to ensure there is no impact on the level of Council Tax.

Schools - Foundation Schools and Academies

In accordance with the "Schools Organisation" (Prescribed Alteration to Maintained School) (England) Regulation 2007, the freehold title to land and buildings occupied by any foundation school, is transferred from the City Council to the governing body of the school, together with any contractual obligations and benefits. To determine the Balance Sheet treatment of Foundation School assets, the City Council has considered who bears the risk and rewards of ownership. It is the City Council's view that land is foundation school responsibility and is derecognised from the Councils balance sheet. Where the Foundation School building is part of the PFI scheme, the accounting treatment is in line with IFRIC 12: Service Concession Arrangements and is recognised on the balance sheet for the period of the PFI contract.

8.1 Statement of Accounting Policies (continued)

Schools - Foundation Schools and Academies (continued)

For Academies, it is the City Council's view that academy schools are an independent entity and bear a significant proportion of the risks and rewards relating to the school, hence the assets and liabilities of the academies are not consolidated into the City Council's Balance Sheet.

The City Council derecognises all of the assets and liabilities in the financial year applicable to the date specified in the academy conversion order for the schools to convert. Derecognition is applied in full and charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the financial year in which they were derecognised.

VAT

VAT is included within the accounts only to the extent that it is irrecoverable. The City Council is able to recover VAT on nearly all its expenditure (input tax) and in addition, accounts for VAT on its income (output tax) where applicable.

Voluntary Aided and Voluntary Controlled (Faith) Schools

Schools governing bodies are separate entities to the Council but (with the exception of academies and free schools) are considered to be part of the council and their activities are reported within the Comprehensive Income and Expenditure Statement. Non-current assets are recognised on the balance sheet as they are considered to be within the scope of IFRIC 12: Service Concession Arrangements and controlled by the Council under that contract.

8.2 Glossary of Financial Terms

Term	Definition
12-month expected credit losses	The expected credit losses for a financial asset that are projected for the possible default events that might happen only in the next financial year.
Accruals accounting	A basis of accounting in which the effects of transactions and other events on an authority's resources are accounted for when the effects occur; not when the relevant cash receipts or payments take place. For instance, employee costs are treated as an expense as employees provide services to the authority, not when salaries are paid.
Accumulated Absences Adjustment Account	The unusable reserve that absorbs the differences that would otherwise arise from accruing for the cost of holiday entitlements outstanding at the end of the year whereas statutory provisions permit them to be funded in the year the benefit is taken.
Actuarial gains and losses	Changes in the Council's pensions liabilities calculated at the end of the previous year as a result of actual events being different from those predicted by the actuary or because the actuary has updated their assumptions.
Actuary	The expert engaged by the Council to calculate its pensions liabilities.
Agency arrangements	Arrangements under which the Council provides goods or services to third parties on behalf of another organisation.
Amortisation	The spreading of the cost of an asset over a number of financial years to fairly represent the period over which the Council benefits from the asset.
Amortised cost	A way of measuring financial instruments that ignores changes in fair value but takes into account the spreading of transactions costs over the instrument term and the impact of any concessionary interest rates.
Amortised cost financial assets	Investments for which any gains and losses in fair value are not accounted for until the investment matures or is sold. Defined as financial assets: held within a business model whose objective is to hold investments in order to collect their contractual cash flows, and; which have the form of a basic lending arrangement (i.e., contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding).
Annual Governance Statement	A statement published with the Statement of Accounts prepared in accordance with the CIPFA/SOLACE publication Delivering Good Governance in Local Government: Framework. It assesses the effectiveness of the arrangements the Council has put in place to govern decision-making and accountability.
Appointed auditors	The auditor appointed by Public Sector Audit Appointments to carry out the external audit of the Council's accounts.
Assets	Present economic resources controlled by the Council as a result of past events. Assets include such things as the Council's property, cash and investments and sums owed to it.
Asset held for sale	An asset (or group of assets and liabilities) whose value will be recovered principally by being sold rather than through its continued use in the provision of services.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Assets under construction	Property, plant and equipment that is being constructed for use by the Council but which is not yet operational.
Audit	Activity that investigates whether the Council's financial systems and other accounting arrangements are adequately designed and operating effectively, and that the information they produce is reliable for the purposes of preparing financial statements.
Audit committee	A committee of the Council that oversees the work of internal auditors and considers reports from the external auditors.
Balance Sheet	The financial statement that summarises the assets and liabilities of the Council at the end of the financial year and shows how net assets are balanced by the reserves held by the Council.
Balance sheet date	The last day of the financial year - the date for which the balance sheet is prepared.
Beacon property	A property that is similar to others held by the Council, so that its valuation can be used to estimate a valuation for those other properties.
Capital Adjustment Account	The unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets (largely depreciation) and for the financing of the acquisition, construction or enhancement of those assets from revenue, grants, contributions and capital receipts as determined under statutory provisions. (The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.)
Capital expenditure	The expenditure incurred by the Council that is intended to provide longer-term benefits and qualifies to be paid for from capital resources, rather than charged to revenue as it is incurred. The definition covers expenditure that results in the recognition of non-current assets in the Balance Assets and other transactions specified in Government regulations.
Capital financing	The Council's arrangements for meeting the cost of capital expenditure, covering capital grants and contributions, capital receipts and charges to revenue over the period that will benefit from the expenditure.
Capital Financing Requirement	The measure of the Council's capital expenditure that has yet to be financed, as defined in the Prudential Code. It increases as capital expenditure is incurred and reduces when resources are set aside as capital finance.
Capital grants	Grants given to meet the cost of capital expenditure.
Capital Grants Unapplied	The amount in the Balance Sheet of capital grants that have not yet been used and will have to be repaid if conditions for their use are not met.
Capital programme	The Council's plans for capital expenditure, usually detailing the individual projects that are to be carried out, their budgeted cost and the expenditure incurred to date on them.
Capital receipts	Income received from the sale of non-current assets (particularly property) and from other transactions specified in Government regulations. Their use is largely restricted to financing capital expenditure.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Capital Receipts Reserve	The reserve in the Balance Sheet that holds the capital receipts that have yet to be applied to financing capital expenditure.
Capital resources	All the resources available to the Council to finance capital expenditure, comprising capital grants and contributions and capital receipts.
Capital strategy	The annual strategy that the Prudential Code requires the Council to prepare. It gives an overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services, how associated risk is managed and the implications for future financial sustainability.
Capitalisation direction	A permission from the Government to treat a specified amount of revenue expenditure as if it were capital expenditure, allowing it to be financed from capital resources or MRP.
Cash	Notes and coins held by the Council and money in bank accounts that can be withdrawn on demand.
Cash equivalents	Investments that are comparable to cash, being short-term, highly liquid and readily convertible to known amounts of cash and unlikely to change in value.
Code of Practice on Local Authority Accounting	The document that specifies the contents of the Council's statement of accounts, the accounting policies it must follow, the presentation of the financial statements and the notes to be provided.
Collection Fund	The separate accounting arrangements for the collection of council tax and business rates and the sharing of the proceeds between the Council, Government and other public bodies.
Collection Fund Adjustment Account	The unusable reserve that manages the differences arising from the recognition of council tax and business rates income as it falls due from tax payers compared with the statutory arrangements for paying across annual entitlements from the Collection Fund to the General Fund.
Community assets	Property, plant or equipment that the Council intends to hold in perpetuity that has no determinable life (such as open spaces) and which may have restrictions on its disposal (excluding heritage assets).
Community schools	State-funded schools for which the Council is responsible for owning the land and buildings, employing the staff and determining admissions.
Componentisation	The process of splitting an asset into its component parts so that depreciation can be calculated separately for components with different useful lives.
Comprehensive Income and Expenditure Statement (CIES)	The financial statement that summarises the expenditure that the Council has incurred in providing services and the income it has generated during the year and other gains and losses arising from changes in the value of assets and liabilities.
Contingent rent	Rent payable under a lease that is not fixed but based on the future amount of a factor (such as a rent review based on an inflation index).

8.2 Glossary of Financial Terms (continued)

Term	Definition
Contingent liability	A possible obligation for the Council that arises as a result of something that has happened before the year-end, but whose existence will not be confirmed until an uncertain future event (not wholly within the Council's control) either takes place or does not.
Contract asset	An asset arising from a contract for the purchase of goods and/or services from the Council, where the Council has met some of its performance obligations but is not yet entitled unconditionally to receive payment
Council tax	The tax raised on households, based each year on the position of the property in eight valuation bands A to H.
Council tax base	The measure of the Council's potential to raise council tax, based on the number of Band D equivalent properties in the local area.
Council tax requirement	The excess of the expenditure planned by the Council for the next financial year over its projected income and use of reserves, which will therefore need to be raised from council tax.
Creditors	The organisations and individuals that the Council owes money to.
Current value	The measurement bases for property, plant and equipment, reflecting the economic environment for the service the item is supporting. Possible methods comprise: existing use value, existing-use value - social housing, depreciated replacement cost and fair value.
Debtors	The organisations and individuals that owe the Council money.
Dedicated Schools Grant	The Government funding provided to the Council to support the Schools Budget.
DSG Adjustment Account	An adjustment account that accumulates overspends on the Schools Budget.
Deferred Capital Receipts Reserve	The unusable reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place
Defined benefit scheme	A pension scheme where the future benefits receivable by pensioners are guaranteed and sufficient contributions have to be paid into the fund to ensure that payments will be affordable.
Defined contribution scheme	A pension scheme where the contributions payable into the fund are fixed and the benefits receivable by pensioners will depend on the assets that the fund has accumulated to pay them.
Dividends	Income received from distribution of the profits of companies in which the Council holds shares.
Depreciated historical cost (DHC)	A method for measuring property, plant and equipment based on the cost of an asset, reduced by the depreciation charged on it and impairment losses incurred.
Depreciated replacement cost (DRC)	A method for valuing property, plant and equipment based on the estimated cost of replacing an asset with its modern equivalent less deductions to reflect its current physical condition.
Earmarked reserves	Amounts of revenue reserves that have been identified as cover for future spending plans or contingencies.
Events after the reporting period	Events that have taken place after the financial year that might require the accounts to be adjusted or supplemented with further information in order for them to be true and fair.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Expected credit losses (ECLs)	The credit losses that the Council estimates will arise from the amounts that it is currently owed. ECLs are calculated by measuring the losses that would arise from different default scenarios, resulting in a weighted average loss based on the probability of each scenario taking place.
Expenditure and Funding Analysis	A note to the financial statements that compares the Council's net expenditure for the year in accounting terms (as shown in the Comprehensive Income and Expenditure Statement) to the net spend against the General Fund Balance (against which the Council monitors its progress against budget, as shown in the Movement in Reserves Statement).
Existing use value (EUV)	A basis for valuing property, plant and equipment that estimates a sale price for an asset disregarding potential alternative uses and any other characteristics of the asset that would make its market value different from the expenditure needed to replace the remaining service potential at least cost.
Existing use value - social housing	A specific existing use valuation basis for social housing.
Fair value	The price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants.
Fair value through other comprehensive income financial assets	Investments for which gains and losses in fair value are recognised on the Balance Sheet but do not impact on the Council's income as they arise but only when the investment matures or is sold. Defined as financial assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling investments, and which have the form of a basic lending arrangement.
Fair value through profit or loss financial assets	Defined as financial assets that do not qualify for measurement at amortised cost or fair value through other comprehensive income. Movements in their fair value are recognised as income and expenditure when they arise.
Financial instrument	A contract that gives one party a financial asset and the other party a financial liability (or an equity instrument), such as a loan, credit terms for the purchase of goods or services or a share in a company.
Financial Instruments Adjustment Account	An unusable reserve that 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. For example, a debit balance on the Account shows that the Council has incurred expenses on borrowings that the Government has permitted it to spread over future years.
Financial Instruments Revaluation Reserve	An unusable reserve that contains the gains made by the Council arising from increases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The Council might benefit in the future from the gains when the investments mature or are sold or they might be lost in falls in value.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Flexible use of capital receipts	Statutory arrangements allowing revenue expenditure to be financed from capital receipts if the expenditure is intended to generate ongoing savings in the delivery of services and/or transform service delivery to reduce costs.
General Fund	The fund into which the Council pays all its revenue income and from which it incurs all its revenue expenditure, unless specifically mandated by law not to.
General Fund Balance	The surplus or deficit on the General Fund at a particular date arising from all transactions up to that date, showing the ability of the Council to fund future revenue expenditure (surplus) or the requirement to make savings or raise additional income (deficit).
Group accounts	Financial statements that bring together the transactions and balances of a local authority and its subsidiaries, associates and joint ventures as if they were a single economic entity.
Going Concern	The assumption made when preparing the financial statements that the functions of the Council will continue in operational existence for the foreseeable future, in particular so that assets can be valued on the contribution they will continue to make to the Council's services rather than the price that would be obtained if they were sold on its liquidation.
Heritage assets	Assets with historical, artistic, scientific, technological, geophysical or environmental qualities that are held and maintained principally for their contribution to knowledge and culture (such as historic buildings, museum collections and public art).
Historical cost	An accounting convention based on what items actually cost to acquire or construct and the cost of their subsequent enhancement, rather than the value they currently have.
Housing Revenue Account (HRA)	The account that ring-fences the running costs for the Council's housing stock and the rents collectable from tenants, ensuring that the service is not subsidised by council tax payers.
IAS	International Accounting Standard - the title for the various standards issued by the IASB before 2003.
IFRIC	The title of interpretations of IFRS issued by the IFRS Interpretations Committee and its predecessors
IFRS	International Financial Reporting Standards - the suite of standards issued by the IASB that form the basis for the Code of Practice on Local Authority Accounting. Also the title for the various individual standards issued by the IASB from 2003 onwards.
Infrastructure assets	Assets whose purpose is fixed once they are constructed and whose value can only be recovered through their continued use for this purpose, such as roads and bridges.
Intangible assets	Assets that do not have physical substance, such as computer software, licences and websites supporting the Council's services.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Investment property	Land and/or buildings held solely to earn rentals or to benefit from increases in their value (or both), and not for use in the production or supply of goods or services, for administrative purposes or for sale as part of the Council's normal business.
Lifecycle replacement costs	Costs incurred under a service concession arrangement for the replacement of worn-out components of the service concession asset over the term of the contract.
Lifetime expected credit losses	The expected credit losses that are projected to arise from all possible default events that might happen in the lifetime of a financial asset.
LOBO (lender option borrower option)	A type of loan where the lender has options on particular dates to change the interest rate. If a lender option is exercised, this triggers an option for the borrower to repay the loan.
Loss allowance	An allowance made by setting funds aside to cover the expected credit losses calculated for a financial asset.
Maintained schools	Schools overseen by the Council, particularly in the provision of funding, comprising community, foundation, voluntary-aided and voluntary-controlled schools.
Major Repairs Reserve	A statutory reserve that accumulates resources to finance capital expenditure on the Council's housing stock, built up from transfers from the HRA of amounts equal to the depreciation of the stock each year.
Market value	The price at which an asset could sold in a competitive market.
Materiality	A measure of the significance of information potentially to be included in the financial statements, whereby its omission, misstatement or obscuration could reasonably be expected to influence decisions that the primary users make on the basis of those financial statements. Materiality is important for influencing what figures should be included in the financial statements, how precise those figures need to be, and how much additional information needs to be provided about them.
Movement in Reserves Statement (MiRS)	The financial statement that shows the balances of capital and revenue resources available to the Council at the year-end, detailing how these balances have been arrived at by adjustments to the financial performance established by proper accounting practices in the Comprehensive Income and Expenditure Statement.
Money market funds	Collective investment schemes in which a number of investors put their money, which is then invested by the fund manager in a portfolio of highly liquid and low risk investments.
MRP (Minimum Revenue Provision)	The method by which capital expenditure is financed by setting aside amounts from revenue over the useful life of the relevant asset (or in accordance with some other methodology that prudently approximates this).
Net realisable value	The estimated selling price of an inventory item, less any estimated costs of completing the item, and less the costs necessary to make a sale or exchange.
NNDR	National Non-Domestic Rates - an alternative name for business rates.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Past service cost	The change in pensions liabilities relating to employee service in previous years as result of changes to the pension scheme or the ending of the Council's responsibility for employees transferred to another organisation.
Pensions assets	The assets held by a pension fund that are attributable to the contributions paid into it by the Council.
Pensions liabilities	The present value of the obligation that the Council has to fund expected pension payments in relation to employee service rendered up to the end of the current year.
Pensions Reserve	An unusable reserve that absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. For instance, a debit balance on the Reserve shows that the Council has made commitments to fund pensions that the Government has permitted it to fund from contributions to be made in future years.
PFI (Private Finance Initiative)	Contracts under which an operator constructs or enhances an asset and then provides services on behalf of the Council through the use of that asset in return for payment. Payments are normally based on a fixed annual sum, but can be reduced if the operator does not achieve targets for availability of the asset or standards of service.
Prepayments	Payments made by the Council in advance of goods or services being supplied.
Principal	The amount advanced as a loan and which is required to be repaid during or at the end of the loan term.
Property, plant and equipment	A class of assets with physical substance that are held for use in the production or supply of goods and services, for rental to others, or for administrative purposes (and expected to be used for more than one year).
PWLB (Public Works Loan Board)	A lending facility operated on behalf of HM Treasury that provides loans to local authorities and other public bodies.
Rateable value	The value assigned to a property by the Valuation Office for the purposes of calculating business rates payable for the year.
Related parties	Persons or entities with which the Council has a relationship, such as a company in which the Council has an interest or an organisation that is controlled by a member or chief officer.
Remeasurements of the net defined benefit liability	Changes in the net pensions liability comprising actuarial gains/losses and the difference between the return on plan assets and net interest on the net defined benefit liability.
Residual value	The amount that an item of property, plant or equipment could be sold for (less costs of disposal), if it were in the condition expected at the end of its useful life.
Retirement benefits	The benefits that employees earn during their period of employment but which are not paid to them until after they retire (predominately pensions).
Return on plan assets	The income of pension schemes attributable to the Council - interest, dividends, unrealised gains/losses, etc - less costs of asset management and taxes.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Revaluation gain	The excess of the revalued amount of an asset over its previous carrying amount.
Revaluation loss	A shortfall in the revalued amount of an asset compared with its previous carrying amount.
Revaluation Reserve	The unusable reserve that accumulates the gains made by the Council from increases in the value of its Property, Plant and Equipment assets. The Council might benefit from these gains in the future from the continued use of the assets or from their sale. (The Reserve contains only revaluation gains accumulated since 1 April 2007, the date that the Reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.)
REFCUS	Expenditure that would normally be charged to revenue resources but which Government regulations allows to be treated as capital expenditure and funded from capital receipts or MRP.
Right to buy	The right acquired by tenants of Council dwellings to buy their homes at a discounted price.
Section 151 officer	The officer statutorily responsible for the proper administration of the Council's financial affairs.
Soft loan	A loan where the interest rate is less than that which would apply if the loan had been negotiated on a wholly commercial basis.
Statement of Accounts	The formal name for the financial statements that the Council is required to prepare each year.
Statutory adjustments	The adjustments made under law and regulations to the outcomes of the Accounting Code's requirements before establishment of the General Fund Balance, allowing the budgetary impact of specified items of expenditure on particular financial years to be managed. Adjustments relate primarily to the revenue impact of capital expenditure and pensions costs.
Surplus assets	Property, plant or equipment that is not being used to provide services but that does not meet the criteria for an investment property or an asset held for sale.
Termination benefits	Employee benefits given in relation to the termination of an officer's employment, usually as a result of redundancy or early retirement.
Trade receivables	The amounts that the Council is owed for goods and services that it has provided in the course of its normal activities but which have yet to be paid for.
True and fair	The standard against which local authority accounts are prepared, requiring compliance with statutory requirements and the Accounting Code, the absence of material misstatements and bias in the presentation of information, and faithful representation of transactions and events.

8.2 Glossary of Financial Terms (continued)

Term	Definition
Unfunded pension scheme	A scheme where pensions are paid out of contributions from employers and employees made as payments to pensioners fall due, rather than contributions being paid into a fund as entitlements to future payments are earned by employees.
Unitary payment	The payments made to the contractor under a service concession arrangement, consolidating into a single amount the consideration due for the construction, acquisition or enhancement of the asset, interest payments and the services provided through operation of the asset.
Unusable reserves	The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.
Usable reserves	The reserves in the Balance Sheet that are balances of usable resources, both revenue and capital.
Useful life	The period for which an asset is expected to be available for use by the Council.
Vacant possession value	The value of a property that would normally be occupied by a tenant on the presumption that it is not currently so occupied.
Valuation	An estimate by an appropriately qualified person of the amount the Council could sell an asset for or of the benefit of continuing to use it for the provision of services. The basis of valuation will depend on the nature of the asset being valued.
Value in use	If use of an asset generates cash, the present value of the future cash flows expected from use of the asset; otherwise, the present value of an asset's remaining service potential.
Voluntary aided schools	Schools for which the Council is responsible for funding their running costs and the majority of capital expenditure but another party (usually a faith-based organisation) is responsible for employing the staff and administering admissions and owns the land and buildings.
Voluntary controlled schools	State-funded schools for which the Council is responsible for employing the staff and administering admissions, but the land and buildings are owned by another party (usually a faith-based organisation).
Write-off	The derecognition of an asset (such as a debtor) from the Balance Sheet when it becomes probable that the Council will not recover any further value from the asset. This does not preclude the Council from continuing attempts to (e.g.) recover a debt.