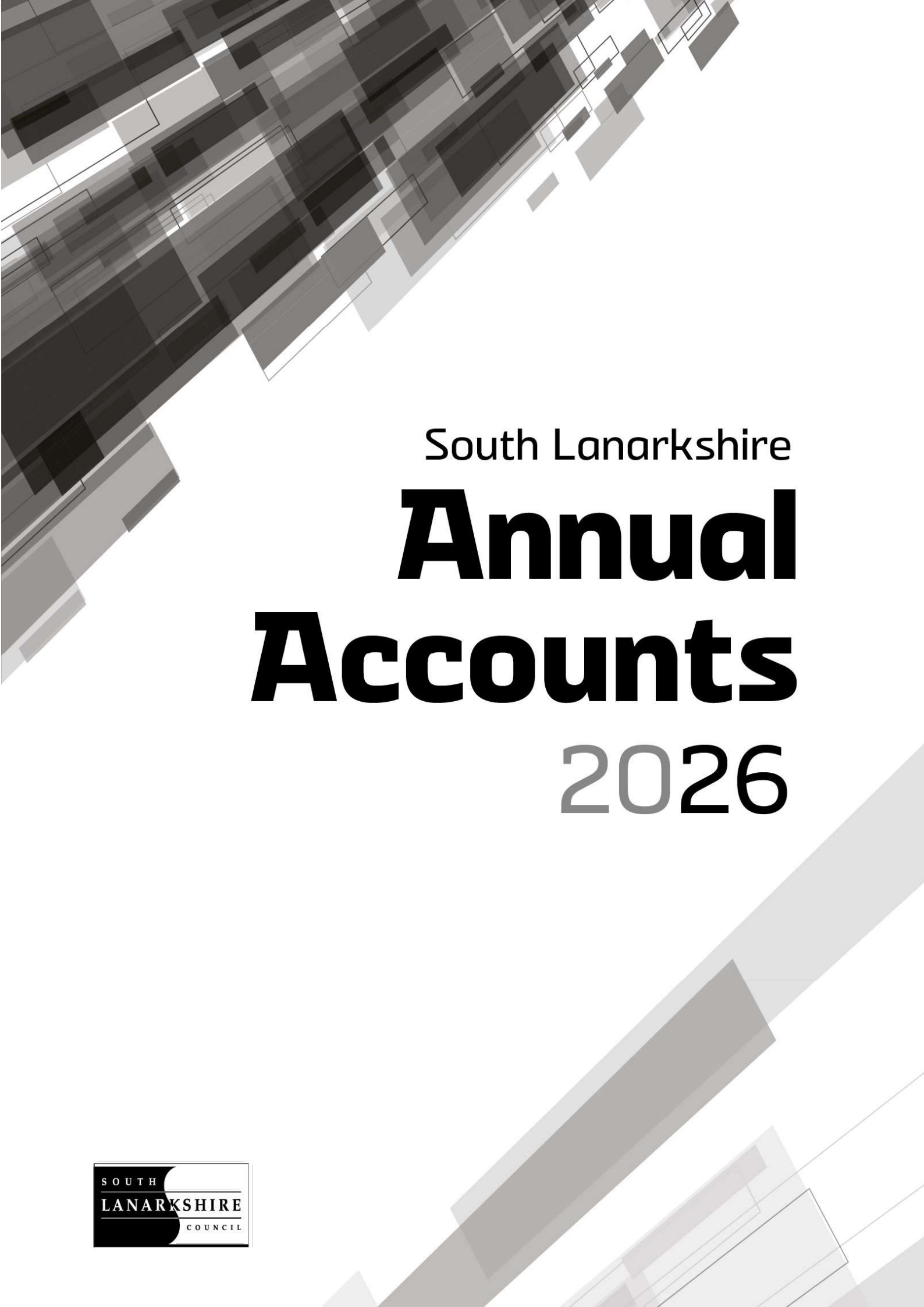




South Lanarkshire

Annual Accounts

2026

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Joint Introduction by Chief Executive and Council Leader

Welcome to the annual accounts for South Lanarkshire Council, covering the financial year 2025–2026.

This key document fulfils two central purposes: it demonstrates how the council has met its statutory obligation to deliver a balanced budget; and it shows how we continue to secure best value in how we spend and invest the public funds entrusted to us.

Achieving both objectives continues to be challenging. While there have been signs of improvement in the wider financial position, local government continues to operate under sustained financial pressure, with increasing demand for services and rising costs across all areas of delivery.

Despite this, the council agreed and delivered a balanced and responsible budget for 2025–2026. Our total revenue budget for the year was more than £1 billion, supporting the delivery of vital frontline services. In addition, the council approved a general services capital programme of £60.216m and a housing capital programme of £77.303m, ensuring continued investment in infrastructure, housing and community assets.

Education continued to account for the largest proportion of revenue expenditure, followed by Social Work services, reflecting the council's commitment to supporting children, families and vulnerable residents. The remainder of our budget supported services delivered across Community and Enterprise, Housing and Technical Resources, and Finance and Corporate Resources.

Alongside maintaining essential services during 2025-2026, as a consequence of decisions taken in setting that year's budget the council also delivered a significant programme of targeted investment.

Members agreed a package supporting £55 million of local improvements, investing in schools, buildings and roads, and progressing major regeneration activity including town centre masterplans for East Kilbride and Hamilton, alongside developments in communities such as Larkhall and Lanark.

The agreed budget also allocated £24m to implement an estates review to improve community access to facilities and service delivery, and to work towards net zero. An additional £12m was allocated over three years to improve local roads, with further investments to keep streets and green areas tidy and clean, and to target fly-tipping.

These commitments were delivered while maintaining the lowest council tax rates in Scotland, balancing the need for investment with affordability for residents.

Council tax in South Lanarkshire remained the lowest in the country when the 2026-2027 budget was agreed in February 2026. The Budget for People and Place delivered nearly £40m in further investments, a mix of one-off and recurring sums targeted at communities, young people and their schools, and support for local businesses.

These targeted investments mean South Lanarkshire continues to be a highly attractive place to live, learn and work, supported by strong communities, high-quality education provision and excellent connectivity.

Our success is built on partnership. We work closely with our residents, communities and partners, including South Lanarkshire Leisure and Culture and the South Lanarkshire Health and Social Care Partnership, and most particularly with our dedicated workforce.

Together, we remain committed to our shared vision: to improve the lives and prospects of everyone in South Lanarkshire.

Management Commentary

Background

The Management Commentary will provide the reader with key messages in relation to the council's year-end financial position for 2025/2026, as well as details on its performance for the year. As well as providing a summary of the most recent financial year, the commentary also looks forward and provides information relating to the council's future financial strategy and the challenges, risks and uncertainties it faces in the next few years, while we continue to work hard to maintain service delivery and meet the needs of the people of South Lanarkshire. To set the scene, the first section of the commentary will provide a brief introduction to the council area and its functions, as well as its key ambitions and achievements.

Introduction to South Lanarkshire Council

The Area

The South Lanarkshire area is both urban and rural and covers 686 square miles from the Cathkin Braes to the Pentlands and down through the Southern Uplands. The council faces the dual challenge of catering for the busy towns in the north west (East Kilbride, Hamilton, Cambuslang and Rutherglen), while meeting the needs of residents in Lanark and the rural Clydesdale area.

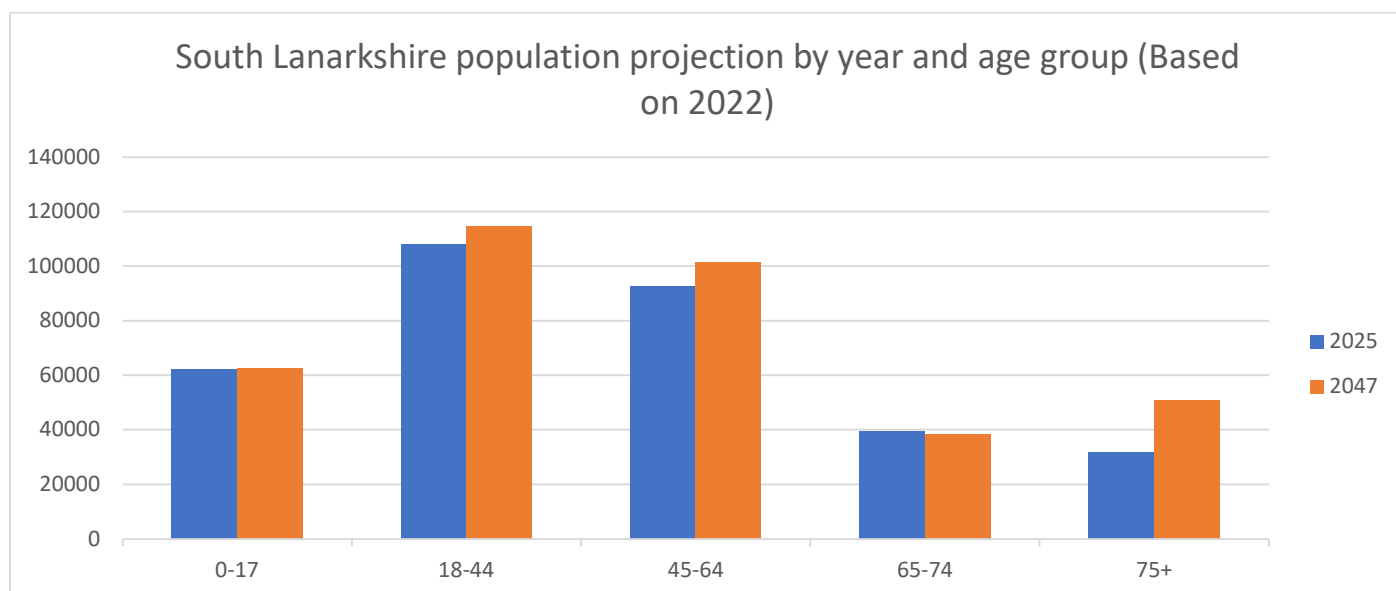
The Council Structure

The council provides a range of essential public services across the area through its five Resources, facilitated by the commitment, dedication and ability of our 15,674 employees.

The council's five Resources, their functions and number of employees is detailed below:

Council Resource	Functions	Employees
Community and Enterprise Resources	Facilities, Waste and Grounds, Leisure and Culture Services, Planning and Regulatory Services, Enterprise and Sustainable Development, Roads Transportation and Fleet	3,363
Education Resources	Early Years, Schools, Quality and Improvement	7,296
Finance and Corporate Resources	Finance, Information Technology, Personnel, Administration, Legal and Licensing, Communications and Strategy, Audit.	815
Housing and Technical Resources	Housing and Property Services	1,407
Social Work Resources	Adults and Older People, Children and Families, Criminal Justice	2,793

The Council's 5 Resources serve around 333,804 people. This population is expected to both grow and age with projections suggesting that this population will rise c34,032 in 2047, an increase of 10.2%. The projected 2047 figures show the largest decrease of 3% in the 65-74 age group and the largest increase of 61% in the 75+ age group.



Source: National Records of Scotland

The Council overall has the 5th highest population out of the 32 council areas in Scotland. This ranking is projected to continue to 2043.

These changes in population in terms of both number and age profile, influence how the council and its partners shape future service design and delivery and feed into the Council Plan.

City Region City Deal

The council is part of the Glasgow City Region City Deal partnership. The council's capital programme, referred to later in this commentary, includes significant infrastructure projects which will bring economic benefit to the council area. Over recent years, the programme of works has included the completion of two significant roads projects (Cathkin Relief Road and the dualling of Greenhills Road in East Kilbride). It also includes numerous Community Growth Area (CGA) projects across the 4 CGAs: Hamilton, East Kilbride, Larkhall and Newton including some large-scale build projects such as a new Primary School and Nursery provision in Jackton and more recently, the Lanark Road Signalisation project in Larkhall and Hairmyres Park and Ride in East Kilbride.

The Council Plan

The Council Plan, Connect was originally approved by the Council on 15 June 2022, and a mid-term review approved in April 2025. The Council Plan and Community Plan were built using engagement to place residents' views and aspirations front and centre, with more than 3,300 responses received, representing the largest consultation exercise ever carried out by the council.

Connect is the key strategic document that shapes the work of the council. It sets out the key actions to be delivered over the five years from 2022 to 2027, and identifies a long-term vision supported by core values and priorities that influence how the council works. These in turn stretch out into all annual Resource Plans through what is known as the "golden thread", and on further to Service Plans, and through personal development plans, on to the individual members of staff who are responsible for service delivery.

Three cross-cutting themes emerged from the community responses and feedback, and these became the priorities for the new Plan. These were: **People** (in particular, the impact of poverty and inequalities), **Progress** (in particular, recovery from the pandemic) and **Planet** (in particular, sustainable development).

Further analysis of what our residents and communities had told us they want, resulted in six outcomes being identified for the Council Plan and the Community Plan:

Communities and Environment

Caring, connected, sustainable communities

Education and Learning

Inspiring learners, transforming learning, strengthening partnerships

Health and Wellbeing

People live the healthiest lives possible

Children and Young People

Our children and young people thrive

Housing and Land

Good quality, suitable and sustainable places to live

Our Economy

Thriving business, fair jobs and vibrant town centres

In 2024, with the Council Plan approaching the middle of its five year term, a mid-term review was undertaken to health-check the existing priorities and measures of success in light of the changing internal and external pressures impacting on the council.

The mid-term review re-affirmed the council's commitment to its vision and values. In view of current and future challenges, the priorities of the Plan were revised to acknowledge three themes:

- the financial challenges facing local government;
- messages around transformation and service redesign;
- tackling poverty and prevention as an overarching consideration in the work of the council – fairness and the need to support the most vulnerable

Council Performance

The council rates its performance using a number of measures which are aligned to the priorities and outcomes set out in the Council Plan.

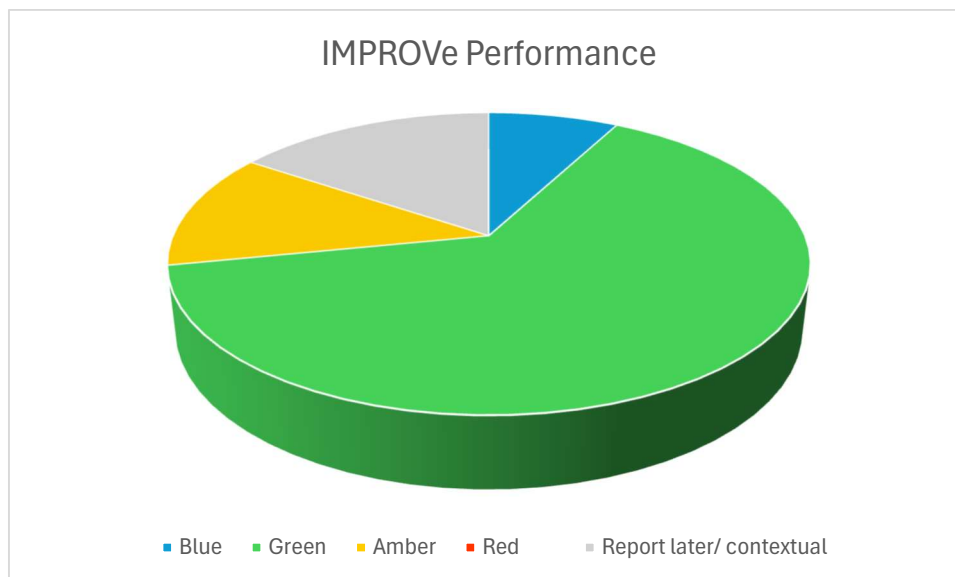
A total of 266 measures have been identified from the 2025-2026 Resource Plans. Of those, 64 (24%) have been nominated as key strategic measures for reporting progress against Connect

The Connect 2022-27 Quarter 2 Progress Report 2025/2026 was reported to the Performance and Review Scrutiny Forum on 25 November 2025.

The reported performance figures for 2025/2026 are shown below.

Status of performance measures	Definition	Number of performance measures
Blue	Project complete	5
Green	The timescale or target has been met as per expectations	41
Amber	There has been minor slippage against timescale or minor shortfall against target	8
Red	There has been major slippage against timescale or major shortfall against target	0
Report later/ contextual	The information is not yet available or included for information only.	10
Total		64

Status of council performance measures



The council continues to remain an active participant in the **Local Government Benchmarking Framework (LGBF)**. As well as allowing the council to self-assess its performance across years, the main benefit of the LGBF is the ability to compare performance with peers against an agreed suite of performance indicators, which will assist in achieving best practice and efficiencies.

The latest results available (2024/2025, as at March 2026) show that across the 103 indicators in that year's suite, the council's performance improved against 47 (46%) indicators, remained the same against 4 (4%) indicators, and declined for 37 (36%) indicators. There are 15 (14%) indicators for which there are no results or trend information available for 2024/2025. This is summarised in the table overleaf.

Council performance against 103 indicators (latest available results – 2024/2025)

KEY:		Number (%) of indicators		
		2022-23	2023-24	2024-25
South Lanarkshire performance				
↑	improving performance in SLC	53 (52%)	51 (50%)	47 (46%)
↓	declining performance in SLC	36 (35%)	42 (41%)	37 (36%)
↔	No change in performance in SLC	4 (4%)	6 (6%)	4 (4%)
---	Results/trends not available	9 (9%)	3 (3%)	15 (14%)
Comparison with Scottish average				
✓	SLC results better than Scottish average	51 (50%)	57 (56%)	53 (52%)
X	SLC results worse than Scottish average	40 (39%)	40 (39%)	34 (33%)
↔	SLC results same as Scottish average	2 (2%)	2 (2%)	1 (1%)
--	Results not available	9 (9%)	3 (3%)	15 (14%)

2022-23 results as at August 2024; 2023-24 results as at September 2025; 2024-25 results as at March 2026

In terms of South Lanarkshire's figures relative to the Scottish results, our performance was better than the Scottish average for 53 indicators (52%) and worse for 34 indicators (33%).



Percentage of household waste sent to landfill

Target: 5%

2023-24

1.5%

2024-25

1.3%



Target met ✓ Performance improving ✓

Percentage of streets found to be acceptable during Litter Monitoring System (LMS) Surveys

Target: 92%

2023-24

92%

2024-25

92.6%



Target met ✓ Performance improving ✓

Percentage of total household waste that is recycled

Target: 50%

2023-24

43.7%

2024-25

41.8%



Target met ✗ Performance improving ✗

Percentage of our road network that should be considered for maintenance treatment (Road Condition Index)

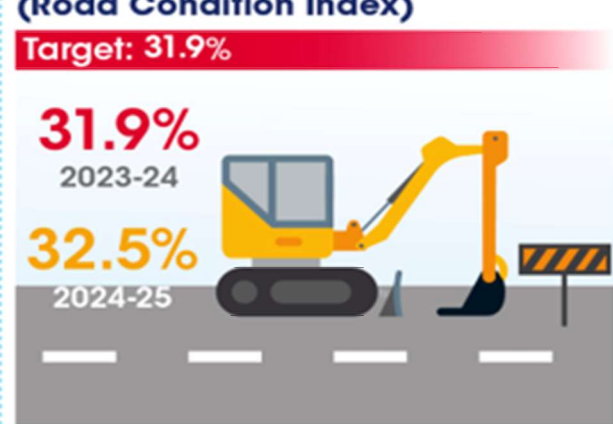
Target: 31.9%

31.9%

2023-24

32.5%

2024-25



Target met ✗ Performance improving ✗



connect outcome

Education and learning



Council Plan
2022
2027

How we did in 2024-25

Note: 2024-25 education results are for academic year 2024.

Percentage gap between P1, P4 and P7 pupils from the least and most deprived areas attaining the appropriate Curriculum for Excellence level for their stage or better in Literacy

Target: 21.5%



2023-24

22.3%



2024-25

17.4%

Target met ✓ Performance improving ✓

Percentage of children and young people attending primary school

Target: 93.0%



2023-24

92.9%

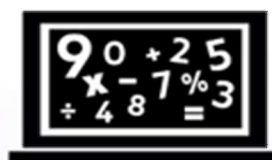
2024-25

93.8%

Target met ✓ Performance improving ✓

Percentage gap between P1, P4 and P7 pupils from the least and most deprived areas attaining the appropriate Curriculum for Excellence level for their stage or better in Numeracy

Target: 18.1%



2023-24

22.3%

2024-25

13.8%

Target met ✓ Performance improving ✓

Percentage of children and young people attending secondary school

Target: 89.0%



2023-24

87.2%

2024-25

88.3%

Target met ✗ Performance improving ✓



Number of people participating in a co-produced SDS Assessment to exercise choice and control over their care

Target: 3,000

2023-24 **3,459**

2024-25 **3,752**



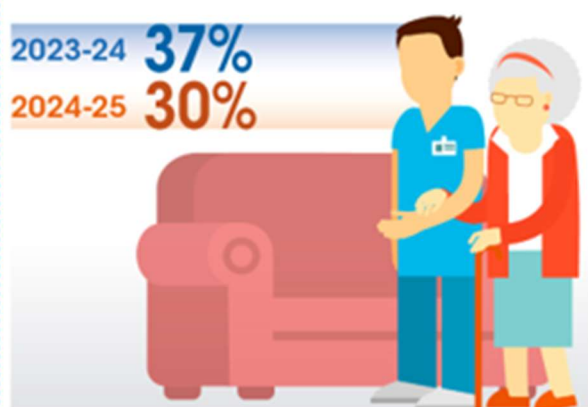
Target met ✓ Performance improving ✓

Percentage of care at home hours reduced through Home Assessment team

Target: 30%

2023-24 **37%**

2024-25 **30%**



Target met ✓ Performance improving ✗

Number of carers from South Lanarkshire known to Lanarkshire Carers

Target: increase by 10%



2023-24

6,825

2024-25

7,949

Target met ✓ Performance improving ✓

Local authority and private Welfare guardianship visits completed on time

Target: 75%

2023-24



2024-25



Target met ✓ Performance improving ✗



connect outcome

Children and young people

SOUTH
LANARKSHIRE
COUNCIL

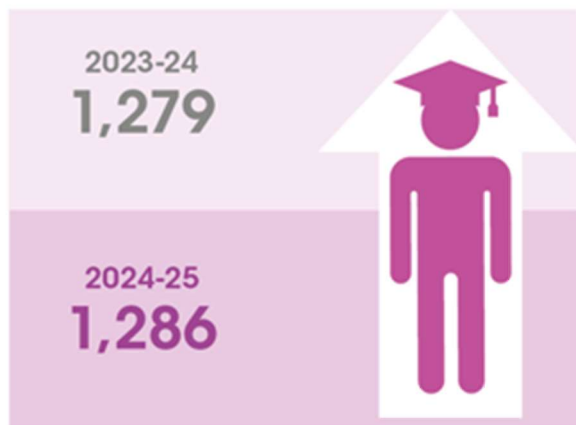
Council Plan
2022
2027

How we did in 2024-25

Note: 2024-25 education results are for academic year 2024.

The number of learners achieving nationally recognised awards

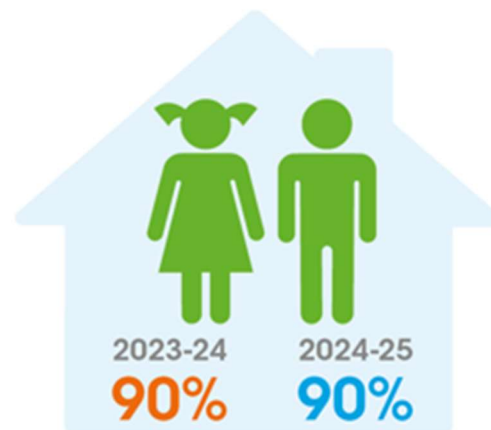
Target: 1,000



Target met ✓ Performance improving ✓

Children being looked after in a community setting

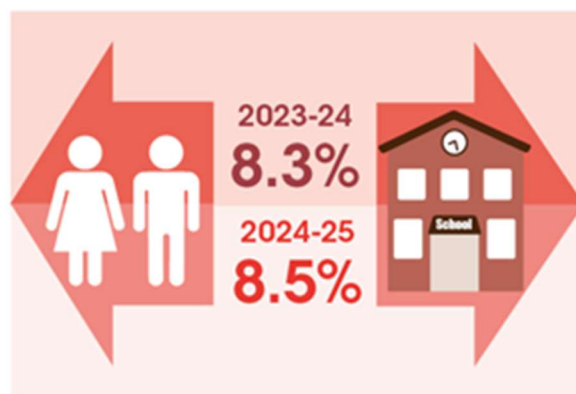
Target: more than 90%



Target met ✓ Performance maintained ↔

Gap in attendance between secondary pupils from the least and most deprived areas

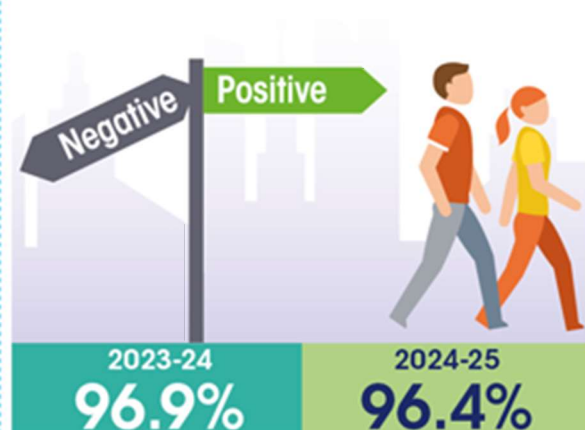
Target: 8.0%



Target met ✗ Performance improving ✗

Pupils entering positive destinations

Target: 96.5%



Target met ✗ Performance improving ✗



connect outcome

Housing and land

SOUTH
LANARKSHIRE
COUNCIL

Council Plan
2022
2027

How we did in 2024-25

Average time taken to relet empty properties

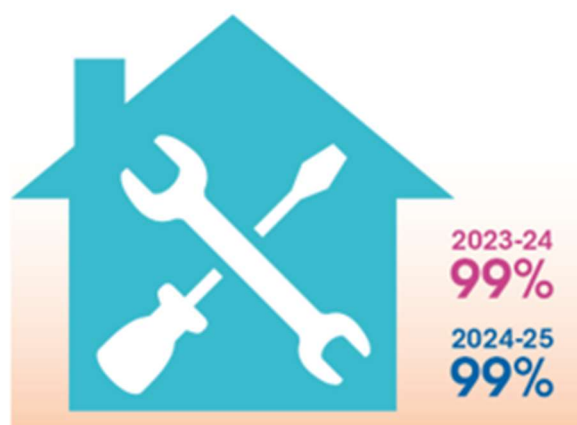
Target: 28 days



Target met ✓ Performance improving ✓

Repairs completed right first time

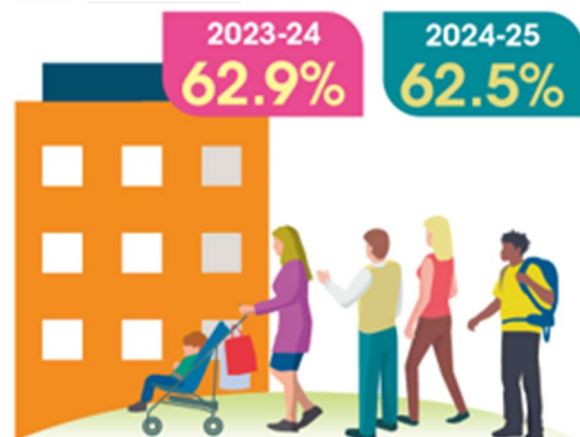
Target: 90%



Target met ✓ Performance maintained ↔

Percentage of lets to urgent homeless (UH) households

Target: 55%



Target met ✓ Performance improving ✗

Percentage of new tenancies sustained for more than a year for all lets

Target: 88%



Target met ✓ Performance improving ✗



connect outcome
Our economy

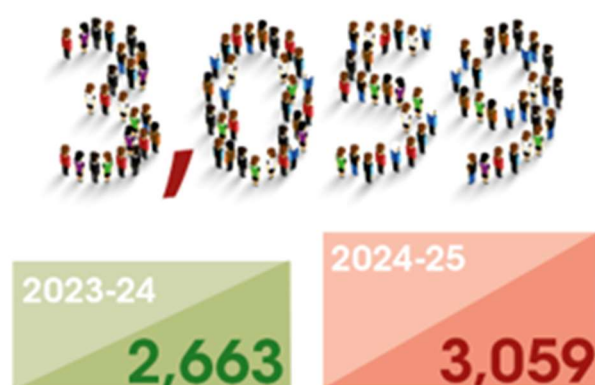
SOUTH
LANARKSHIRE
COUNCIL

Council Plan
2022
2027

How we did in 2024-25

Unemployed people supported via council operated employability programmes

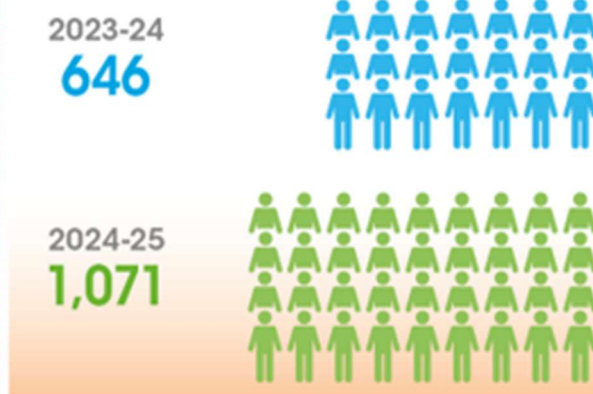
Target: 1,500



Target met ✓ Performance improving ✓

Number of jobs created or sustained as a direct result of Economic Development intervention

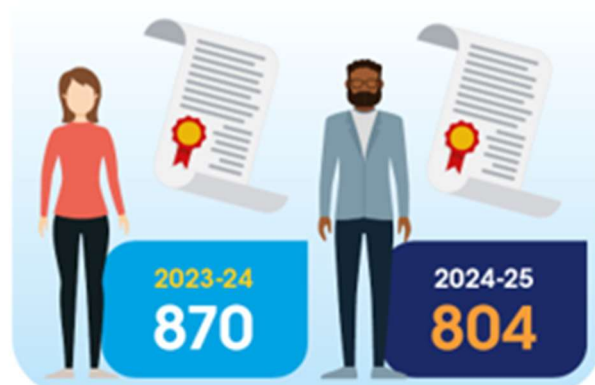
Target: 500



Target met ✓ Performance improving ✓

Number of unemployed people accessing further education or training

Target: 400



Target met ✓ Performance improving ✗

Increased value of sales generated by businesses as a direct result of Economic Development intervention

Target: £5m



Target met ✓ Performance improving ✗

Delivering the Plan and Achieving Best Value

- Against an extremely challenging set of socio-economic circumstances, positive performance, against previous year, was achieved in relation to:- the percentage of rent collected which increased from 99.5% Quarter 4 (2023-24) to 100.2% in Quarter 4 (2024-2025); the percentage of gross rent arrears reduced over the same period from 8% Quarter 4 (2023-24) to 7.1% in Quarter 4 (2024-2025).
- As part of the Glasgow City Region Smart and Connected Social Places (SCSP) 5G Innovation Fund, South Lanarkshire University Health and Social Care Partnership has engaged with Care Messenger Holdings Ltd to deliver an innovative project that provides commercial LG Smart TV products to residents living within David Walker Gardens care home for older people. Residents who wish to participate in the project can communicate directly via text message or video call with care home staff, their families, befrienders or other professionals, via their TV. Initially 20 TVs were installed within residents' rooms, and this has since been offered to all 50 residents across the whole care home. Early evaluation indicates a positive impact on social isolation and loneliness.
- The audited Accounts for 2023-24 were produced and received a clean audit certificate. These were approved for signature by the Risk and Audit Scrutiny Committee before the submission date of 30 September 2024.
- With assistance from the Improvement Service, the council developed an SLC-focused Local Government Benchmarking Framework (LGBF) dashboard reflecting the council's strategic priorities as set out in the Council Plan, Connect. Following presentation at the PRSF on 28 May 2024, the [dashboard](#) was made available to the public via a link on the performance pages of the council's website.
- Year two of the three-year Frontline First Fund (totalling £3.5 million) is fully implemented. Major improvements include refurbishment of Carluke marketplace, Blantyre miner's monument, ongoing repair of Lanark Loch walkways and shrub bed removal at Westwoodhill, East Kilbride.

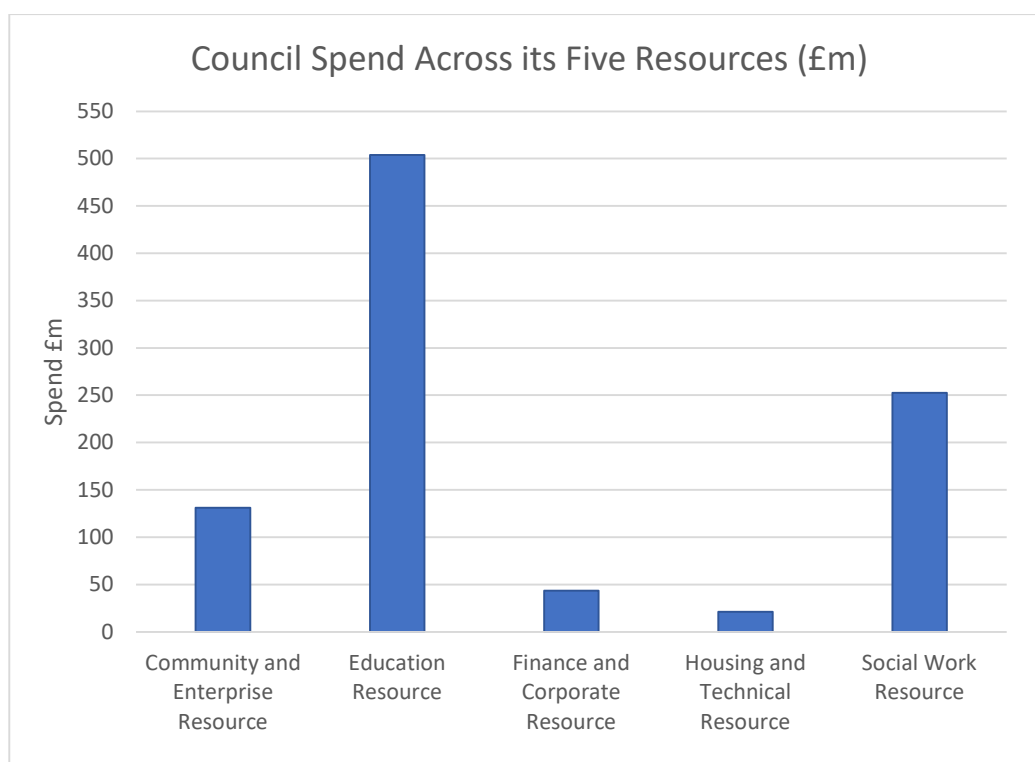
The council successfully implemented a new financial system at the start of the 2024/25, Oracle's cloud-based Human Resources (HR) and Finance solution. This was a significant change programme affecting the whole workforce, with a focus on delivering significant improvements to processes, workflow, support agile working, employee self-service and engagement as well as greater levels of automation and improved management information. The council will capture the efficiency improvements to support the council's financial position. This change project will also provide a platform for continuing service improvements and efficiencies.

Financial Performance

General Fund Position at end 2025/2026

The council's General Fund budget for 2025/2026 was approved by the Council on 25 February 2026. This is the operational budget of the Council. At the end of 2025/2026, the Council's budget was showing an underspend position of £27.115 million. After making a number of agreed Transfers to Reserves totalling £27.115 million, the final position was a breakeven position. The full position for the council's Resources is detailed in the Revenue Budget Outturn 2025/2026 reported to the Executive Committee on 24 June 2026. This position takes account of the achievement of £6.221 million of the £6.485 million of approved savings for the year, with the remainder being pursued into 2026/2027.

The split of the spend across the individual Resources is shown below. This reflects the council's spend based on its operational structure (including transfers to reserves), with the biggest Resource being Education Resources. The budget is monitored internally on the basis of the five Resources. Council spend across its five Resources (£m) is noted in the diagram and table overleaf.



Council Resource	Spend <i>(After Transfers to Reserves)</i> £m
Community and Enterprise Resources	131.278
Education Resources	503.799
Finance and Corporate Resources	43.624
Housing and Technical Resources	21.383
Social Work Resources	252.444

This spend against budget is shown in the South Lanarkshire Performance Section of the table below, which shows the Resources' final outturn position before any transfers were made to reserves for specific funding or commitments. The main variances are explained as:

- **Community and Enterprise Resources:** an underspend of £2.556 million partially offset by monies carried forward into 2026/2027 for committed spend as a result of underspends across the Resource. The resultant position was an underspend of £0.347 million.
- **Education Resources:** an underspend of £1.667 million before transfers to reserves. The resultant position was a breakeven position after transfers to reserves.
- **Finance and Corporate Resources:** an underspend of £0.974 million before transfers to reserves. The resultant position was an underspend of £0.578 million after transfers to reserves.
- **Housing and Technical Resources:** an underspend of £0.123 million before transfers to reserves. The resultant position was a breakeven position after transfers to reserves.
- **Social Work Resources:** an underspend of £5.392 million before transfers to reserves. The resultant position was a breakeven position after transfers to reserves.
- **Loan Charges:** an underspend of £4.364 million before transfers to reserves. The resultant position was an underspend of £4.006 million after transfers to reserves.
- **Corporate Items:** an underspend of £11.725 million before carrying forward monies relating to Service Concessions, Pay Award and multi-year Investments. The resultant position was an underspend of £1.673 million after transfers to reserves.
- **Council Tax/Council Tax Reduction Scheme** (over-recovery of £0.314 million) mainly as a result of the impact of additional houses added in-year. After income from Second Homes transferred to HRA reserves (£0.208 million), the resultant position was an over recovery of £0.106 million.

The **Comprehensive Income and Expenditure Statement** of the Accounts (page 51) sets out the council's year-end position on expenditure and income, in accordance with accounting requirements. This is different to the way that the council reports its financial monitoring internally as we are required to make a number of accounting adjustments. The **Expenditure and Funding Analysis (EFA)** on page 57 provides a link between the council's internal financial monitoring reports, and the figures in the Comprehensive Income and Expenditure Statement.

The table below shows the reader of the Accounts how to go from the internal Monitoring Report, through to the first column of the EFA (page 57).

	SLC Annual Budget	SLC Actual Outturn	SLC Outturn Variance	Building the EFA Actual Outturn	Building the EFA Move / Remove items not included in Cost of Services	Building the EFA Net Expenditure Chargeable to the General Fund and HRA Services
	(Col 1)	(Col 2)	(Col 3)	(Col 2 Data)		
	£m	£m	£m	£m	£m	£m
Community and Enterprise	131.625	129.069	2.556	129.069	-	129.069
Education	503.799	502.132	1.667	502.132	-	502.133
Finance and Corporate	44.202	43.228	0.974	43.228	1.090	44.318
HRA	-	-	-	-	3.988	3.988
Housing and Technical	21.383	21.260	0.123	21.260	-	21.260
Social Work	252.444	247.052	5.392	247.052	-	247.052

Joint Boards	1.635	1.635	0.000	1.635	-	1.635
Corporate Items	(6.315)	(18.040)	11.725	(18.040)	-	(18.040)
Net Cost of Services	948.773	926.336	22.437	926.336	5.078	931.413
Other Income and Expenditure	(948.773)	(953.451)	4.678	(953.451)	(7.210)	(960.661)
(Surplus) / Deficit on Provision of Services	-	(27.115)	27.115	(27.115)	(2.132)	(29.248)

The council's final reported outturn position for the year is a breakeven position (surplus of £27.115 million if you exclude the transfers to reserves at the end of the year – see col 2 above). However, as previously noted, this is not how the surplus is displayed in the various statements in the accounts due to accounting requirements to both exclude and include certain items for both the EFA and CIES, with the final entries being included as part of the Movement in Reserves Statement.

The final column in the table shows a surplus of £29.248 million which corresponds to the figures in the first column on the Expenditure and Funding Analysis on page 57. To this, accounting regulations require us to add in other entries for items including pensions, holiday pay, capital financed from revenue and loans fund principal payments (column 2 on EFA page 57) to arrive at a surplus on the provision of services of £21.427 million. To this, we need to take into account accounting requirements to reverse some entries to the balance sheet and also transfers from reserves which were required to fund projects during the year and transfers to reserves at the end of the year which are required to fund commitments in future years. After taking into account all of these items, the final outturn position for the council was a breakeven position, as reported to the Executive Committee.

The **Movement in Reserves Statement** on page 53 reconciles the financial position shown in the Comprehensive Income and Expenditure Statement (page 51) to the movement on the council's Reserves (pages 53 to 54).

During the year, the council drew money down from reserves, to meet current commitments or for agreed use in the 2025/2026 budget strategy, including Pupil Equity Fund for schools, Homelessness projects and funding for multi-year investments. In addition, the council made contributions to reserves for a variety of projects including multiyear investment plans, Marmot Initiative, Pupil Equity funding and to meet future commitments. Money was also set aside for future budget strategies.

The balance on the council's total General Fund Reserve is £153.706 million and includes commitments for future projects as well as elements earmarked for use in future budget strategies. The General Fund Reserve is one of the statutory reserves that the council is permitted to hold and is included in the total usable reserves on the Balance Sheet totalling £176.726 million. A summary of the councils' total usable reserves is shown in the table below, with full details of all the council's usable reserves, including transfers to / from each of these reserves in 2025/2026 are detailed in Note 10.

	£000	£000
Total Usable Reserves		176,726
Less:		
General Fund (committed inc. budget strategies)	140,666	
Repairs and Renewals (inc. Winter Maintenance)	4,631	
Capital Funds (inc. Capital Receipts Reserve)	10,704	
Insurance Fund	1,022	
Housing Revenue Account	6,660	
Total Committed Usable Reserves		163,683
Uncommitted General Fund		13,043

Note 10 shows that the council's General Fund reserve comprises an earmarked element (£140.666 million) and an unearmarked balance of £13.043 million.

The council's Reserves policy identifies that there is no prescribed minimum level of reserves which should be held by a council. The level of Uncommitted General Fund of £13.043 million currently reflects a suitable cushion to contribute towards any unanticipated pressures that the council may face

Housing Revenue Account

As well as running a General Fund account to deliver services, the council also manages a stock of housing. The annual expenditure on the council houses (£138.138 million in 2025/2026) and the total income received (£134.150m in 2025/2026), are held as a ring-fenced Housing Revenue Account (HRA). Any surplus funds are held in a Reserve on the council's balance sheet and can be used in future years. The details are shown on pages 111-112.

At the end of financial year 2025/2026, there was an overspend of £3.988 million on the Housing Revenue Account. This was funded from the Housing Revenue Account Reserve. The Reserve was also increased by £0.208 million for income received through Council Tax from owners of second homes. These transfers mean a decrease of £3.780 million in the Housing Revenue Reserve, taking its total to £6.660 million at the end of 2025/2026.

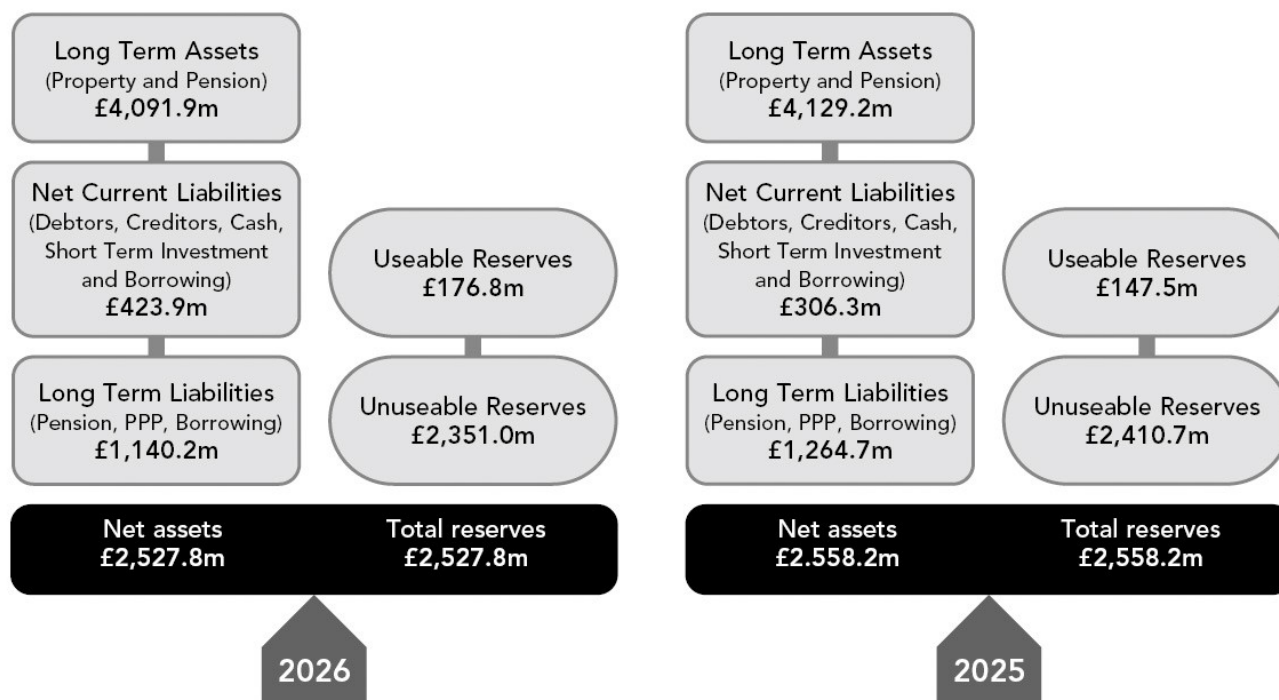
These monies will be carried forward to future years to fund the increased volume and cost of repairs, implementation costs related to the new housing management I.T. system and the continuation of the housing investment programme, as well as maintaining a reasonable level of reserves.

The council has a medium to long term financial business plan for the HRA. This ensures the affordability of the council's approved Strategic Housing Investment Programme (SHIP), a key part of the Local Housing Strategy (LHS) process. The strategic outcomes identified in the LHS, guide investment priorities outlined within the SHIP, including the increase in supply of affordable housing in areas of housing pressure, as well as coping with the needs of an ageing population.

The Balance Sheet

Taking the year's activity into account, the council's balance sheet (page 52) shows the position as at 31 March 2026 and brings together the council's year end balances including the assets owned, the monies owed to and by the council and the reserves available to the council for use in future years.

The position at the end of March 2026 as well as the previous year for information, is shown overleaf.



The main change year on year is the decrease in Property, Plant and Equipment within Long Term Assets. This mainly reflects the revaluation of Council Dwellings.

In addition, there has also been an increase in Net Current Liabilities reflecting the amount of short term temporary borrowing undertaken during the financial year (which is offset by a reduction in long term borrowing) while current interest rates remain high.

The Pension Liability is indicative of a broad position; however the reader should be aware that the council is meeting its pension costs on an annual basis.

The council's assets and liabilities are funded by an equivalent level of Reserves. These Reserves comprise Unusable Reserves of £2,351.0 million (maintained for accounting purposes only) and Usable Reserves of £176.8 million which as the name suggests, are those which the council can use to support service delivery through its Revenue and Capital budgets. The detail of these Reserves is noted in the Movement in Reserves Statement on page 53 with more detail provided in Note 10 (page 66) and the Accounting Policies (pages 102 to 108).

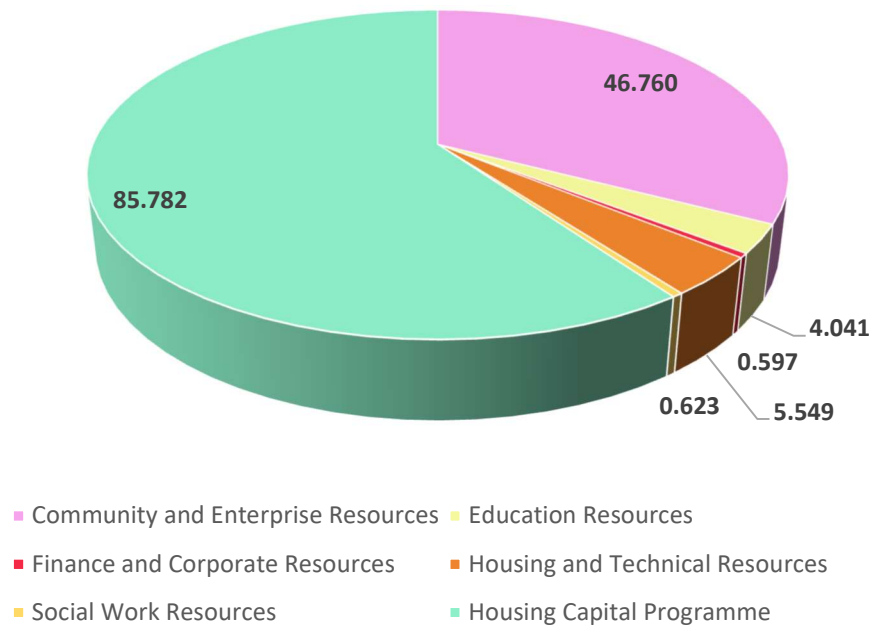
It is expected that future revenue income, alongside the council's budgeting and planning processes, will ensure management of future liabilities. It is therefore considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Capital Programme

The council operates two distinct capital programmes: the General Services Capital Programme and the Housing Capital Programme.

The spend across Resources and Housing is shown in the graphic (and the table) below.

Spend per Resource £m



Council Resource	Spend £m
Community and Enterprise Resources	46.760
Education Resources	4.041
Finance and Corporate Resources	0.597
Housing and Technical Resources	5.549
Social Work Resources	0.623
Housing Capital Programme	85.782

The General Services Capital Programme spend was £57.570 million in 2025/2026, equating to approximately 96% of the original capital budget approved at the start of the financial year.

The underspend reflects a variation from the expected timing of spend across a number of projects within multi-year programmes. The main projects contributing to the underspend include the East Kilbride Town Centre Masterplan, Hamilton Junctions Improvement, Calderglen Pump Track, Clyde Walkway, SLC Industrial Infrastructure – Energy Efficiency (Cathcart Road), Roads Investment Programme, Active Travel Infrastructure, Safe Routes, Larkhall Leisure Centre Secondary Schools, Prioritised Urgent Investment, Lifecycle Replacement Schools and Fire Alarm System Upgrades. Project budgets have been carried forward into 2026/27 to complete these projects where appropriate.

Significant project spend during the year has been incurred on several projects including:

- Roads Investment Plan (£12.455m),
- SLLC Leisure and Culture Transformation Fund (£8.121m),
- Shawfield Remediation (£6.131m),
- Hairmyres park and Ride (£2.023m),
- Active Travel Infrastructure Fund (£2.255m),
- East Kilbride Town Centre Masterplan (£1.675m),
- Prioritise Urgent Investment Fund (£1.532m),
- Education Digital Futures (£1.102m).

The new Hairmyres Train Station Park and Ride is shown in the image below.



Lanark Lifestyles Gym, as part of the Leisure and Culture Transformation Fund, is shown in the image below.



The **General Services Programme** has been funded from a combination of grants from various funding bodies including Scottish Government and partner organisations (£32.228 million), borrowing (£10.288 million), Developer Contributions (3.534 million), capital receipts (£0.700 million), revenue contributions (£1.042 million) and specific reserves (£0.992 million).

The **Housing Capital Programme** spent £85.782 million in 2025/2026, 98% of its revised budget target. The underspend on kitchens and heating projects partially offset by overspends in external fabrics, windows and doors and environmental works. The planned land settlement for the site on Almada Street (£0.720 million) could not be concluded by 31 March and settled in early April 2026 and as a result the expenditure has slipped into 2026/2027.

The focus of Housing Capital Programme expenditure on council housing stock was on the provision of additional housing and improvement and environmental works. The Housing Programme is ring-fenced and funded by the Housing Revenue Account, Government Grant, Borrowing and house/land sales.

The new build Eaglesham View site in East Kilbride is shown in the image below.



The Capital Budget Monitoring Final Outturn – 2025/2026 for both Programmes was reported to the Executive Committee on 24 June 2026.

The council is able to regulate its own capital spending limits within a Prudential Framework recommended by CIPFA and endorsed by the Scottish Government. As such, the repayment of borrowing, which falls as a future commitment against the council's Revenue Budget, must be affordable. The repayments form part of the approved revenue budget, and the spend and debt repayments remain within the Prudential Framework limits approved by the council. The ratio of financing costs to the council's Net Revenue Stream for 2025/2026 (Government Grant plus Council Tax Income) is 4.70%.

Key Financial Ratios

In order to monitor financial performance and to supplement the figures contained within the Annual Accounts, the council prepares a number of financial ratios as a result of best practice guidance contained within the Prudential Code for Capital Finance in Local Authorities. These relate to the borrowing the council undertakes.

The following table provides information on these indicators:

Financial Indicator and Commentary	2025/2026 Forecast £m	2025/2026 Outcome £m
Debt/Long-term Borrowing		
Capital Financing Requirement (CFR) for the current year.	1,630	1,617
External Debt Levels for the current year. (Excluding Accrued Interest)	1,357	1,338

Gross Borrowing (External Debt Levels excluding PPP Finance Lease Liability)	1,033	1,012
Ratio of Financing Costs to Net Revenue Stream (as a %) which indicates how much of the council's net revenue budget is used for servicing debt:		
• General Services	4.86%	4.70%
• Housing Revenue Account	10.81%	11.42%

The Capital Financing Requirement (CFR) shows how much the council needs to borrow in order to fund its capital expenditure. The actual CFR for the year is £13 million less than forecast mainly due to a reduction in borrowing required to fund the 2025/2026 capital programmes. This reflects the timing of spend across both capital programmes (General Services and HRA).

The ratio of financing costs to net revenue stream for General Services shows what percentage of our income from Council Tax and Government Grant is used to pay for the costs of borrowing. For the Housing Revenue Account, the ratio shows how house rents have been used to pay for the cost of borrowing.

For General Services the ratio is lower than forecast. This is mainly due to statutory charges for the repayment of leases and the PPP liability being lower than forecast.

For the Housing Revenue Account, the ratio is higher than forecast due to income being lower than forecast.

Financial Planning

The council continues to face financial pressures as a result of pessimistic forecasts of government grant and continuing demand for services. Increasing cost burdens due to pay awards and above average contract inflation over recent years have continued to reduce the spending power of council budgets.

Financial Planning is a key tool in managing these pressures. While the Council has Long Term Revenue and Capital Budget Strategies in place, a Revenue Budget Strategy is prepared in advance of the new financial year along with an annual report on the Prudential Indicators, the Treasury Management Strategy and the Annual Investment Strategy. This suite of reports lays out the position for the council across the coming years and identifies the key areas of financial risk and pressure.

A new Capital programme is also approved each year, based on the Council's ambitious Capital investment plans for the coming years included in the Capital Investment Strategy, but also taking account of any new areas of investment to be considered since the Strategy was drafted.

A Medium-Term Revenue Financial Strategy covering 2027/2028 and 2028/2029 will be presented to the Executive Committee on 24 June 2026, including the refreshed Longer-Term strategy.

Financial Outlook including Risks and Uncertainties

Outlook

The council approved its 2026/2027 revenue budget of £1,087 million on 25 February 2026. For the coming years, the outlook for Scottish Public Finances is not positive. Local government continues to face recurring pressures in excess of funding uplifts, such as inflation, annual pay deals and growing demand for services, and also deliver previously agreed national commitments.

A report prepared by Audit Scotland and released by the Accounts Commission in May 2025 ([Local government budgets 2025/26 | Audit Scotland](#)), reaffirms that Scottish councils are facing a significant gap between the money needed to deliver local services and the money they have available. Together, all 32 councils were noted as having a gap of £647 million for 2025/2026 and a further £528 million for 2026/2027.

The scale of the financial challenge remains significant. Given the magnitude of the national local government Budget Gap, it is acknowledged that there requires to be a fundamental re-think of what public services in Scotland can do to manage their budgets moving forward, including what councils can deliver by way of services to the public. At a local level, this means we are having to consider the things we do as a Council, how we do them and where we deliver them from.

On 24 June 2026, a Revenue Budget Strategy covering the period 2027/2028 to 2028/2029 was presented to the Executive Committee, giving a medium term view on the financial position of the Council over the next 2 years. This included a Budget Gap over the next two years of over £26 million.

In addition to looking at the Budget Strategy covering 2027/2028 and 2028/2029, it also considered a longer-term outlook and presented a picture of the potential Budget Gaps that the Council could be facing over the next 10 years including a number of high level assumptions in relation to key budget areas. The result of these assumptions shows a Budget Gap across the next 10 years of over £180 million.

Given the magnitude of the Budget Gap, we had to manage for 2026/2027 and then the level we are facing for the coming years, the council has acknowledged that fundamental change is required. Difficult decisions will continue to be required to balance the Council's budget. As an organisation, we know we will need to significantly change what we deliver over the coming years with the focus being on statutory services. There will likely be areas where we will need to consider whether we can continue to deliver services and if so, what those services will actually look like.

One way of managing the Budget Gap is through Transformational Reviews ongoing across the Council. South Lanarkshire Council is already delivering a number of transformation programmes that have the potential to change how services are delivered and how the Council operates. These programmes span organisational redesign, estates, digital development, system modernisation and partnership working.

Recent initiatives include participation in the Marmot programme, the Third Sector Review, Estates Review, systems developments and a programme of service reviews contributing towards efficiency and savings targets. Together, these programmes demonstrate a sustained commitment to improvement and transformation across the organisation. The progress of these reviews is reported regularly to the Performance and Review Scrutiny Forum, or to Committee specifically if a decision is required to allow the review to progress, to ensure visibility and buy-in from elected members.

Risks and Uncertainties

There are a number of other risks and uncertainties faced by the council. In looking at these areas, it is important to note the council's governance arrangements. These are detailed in the Annual Governance Statement which sets out the proper arrangements for the governance of the council's activities, facilitating the effective exercise of its functions and including clear arrangements for the management of risk. The Annual Governance Statement can be found on page 25.

The council maintains a Risk Register which is updated on a regular basis by senior management and is presented to elected members. The latest reported version of the Risk Register was the Year-End Risk Management Report - 2024/2025 and Review of Council's Top Risks - 2025/2026 reported to committee in September 2025. The risk register is one of the key sources of assurance that inform the council's annual review of its governance arrangements.

The council's Top Risks (Very High level) are provided below.

1. The Budget Gap that the Council faces across the medium term continues to be the biggest risk faced by the Council. The Budget Gap is the result of the cumulative real terms reductions in Government funding as well as the ongoing impact of increased demand, increased cost of services due to inflation, and increased staff costs resulting from pay awards. The potential of reduced fees/income being received by the Council would further add to budget pressures across Services.
2. Housing Emergency - inability of the Council to effectively provide accommodation and support to households who are homeless and people who arrive in South Lanarkshire as part of refugee resettlement and the asylum seeker dispersal programmes (including those for unaccompanied children)
3. The Council's operations are affected by fraud, theft, organised crime and cyber attacks
4. Inability to take the necessary action due to funding constraints, to combat climate change, and work toward achieving net zero carbon emissions by 2045, thereby contributing to negative and irreversible environmental, social and economic impacts on the Council and its residents
5. The Council, in conjunction with its partners, is unable to provide the required support to reduce the overall impact of the cost-of-living crisis on households in South Lanarkshire, resulting in increasing levels of poverty, debt, and poorer outcomes for people

These key risks as well as the remainder of the council's high-level risks are shown in the list and graphic below:

- Due to the fragility and lack of capacity of the third and private sector market, providers are potentially unable to sustain their business models, which could result in a deterioration of their service standards and/or provider failure. This could result in the Council seeking alternative service provision in a reduced marketplace to allow us to meet the demand for services.
- Information governance not subject to adequate control
- The Council fails to comply with or meet the expected standards of scrutiny and deliver the improvement actions identified by regulatory bodies
- Inability of the Council to manage the impacts that increasing frequency and intensity of adverse weather events such as floods, storms, cold and freezing conditions and extreme heat, water shortages and wildfires has on Council services, budgets and our communities
- Inability to ensure public protection and safety
- The Council does not have the appropriate resilience measures, emergency or business continuity plans in place to respond efficiently as a Category 1 Responder to a civil emergency
- Procurement activity is affected by supply chain issues; a lack of resources; non-compliance or legal challenge
- The provision of Council services is disrupted because of industrial action
- Lack of capacity and skills to meet increased service demands
- Inability to maintain infrastructure, assets and properties in a well-maintained condition and difficulties achieving the objectives of asset and property reviews
- Historic childhood abuse



Taken together, these risks and external influences represent a fast-changing environment, bringing opportunities as well as challenges, and driving the requirement for the council and its services to be open to new ways of working, to innovation and continuous improvement.

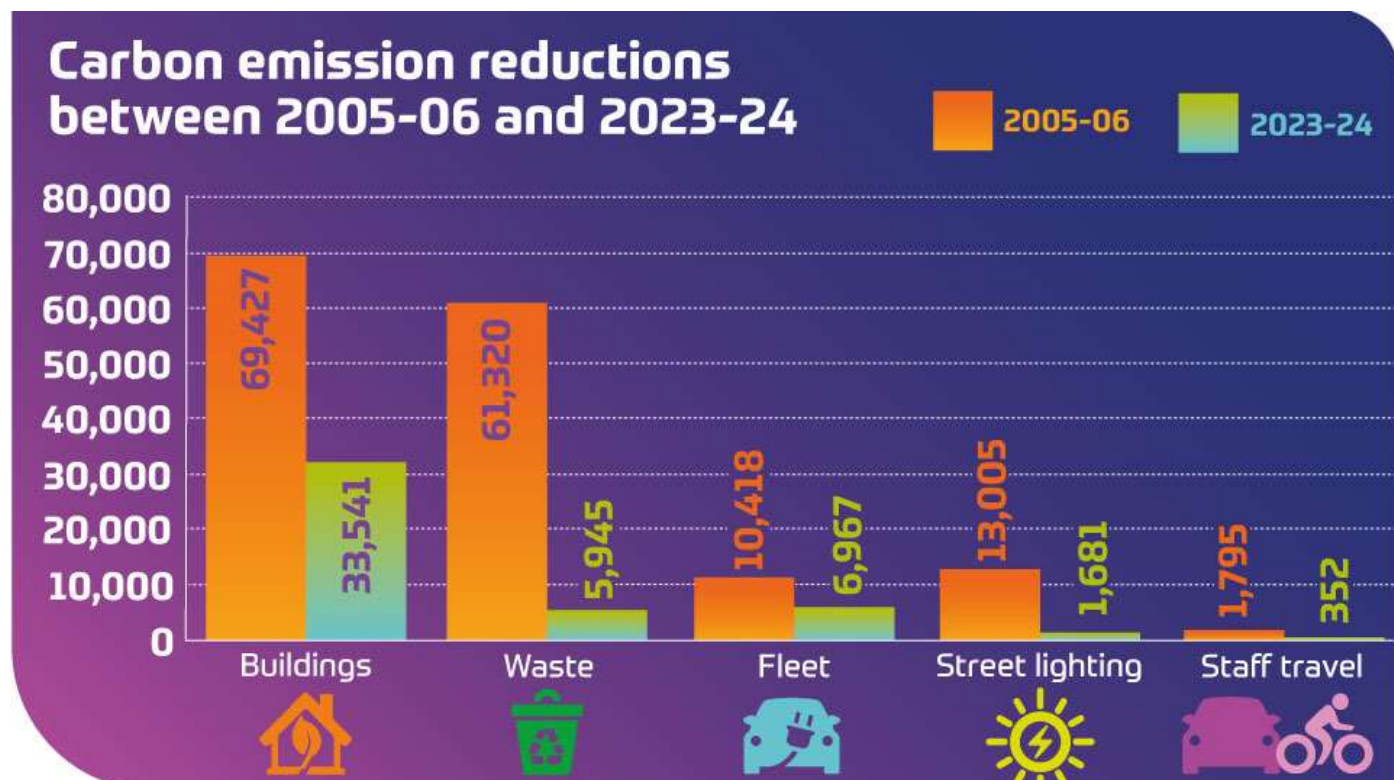
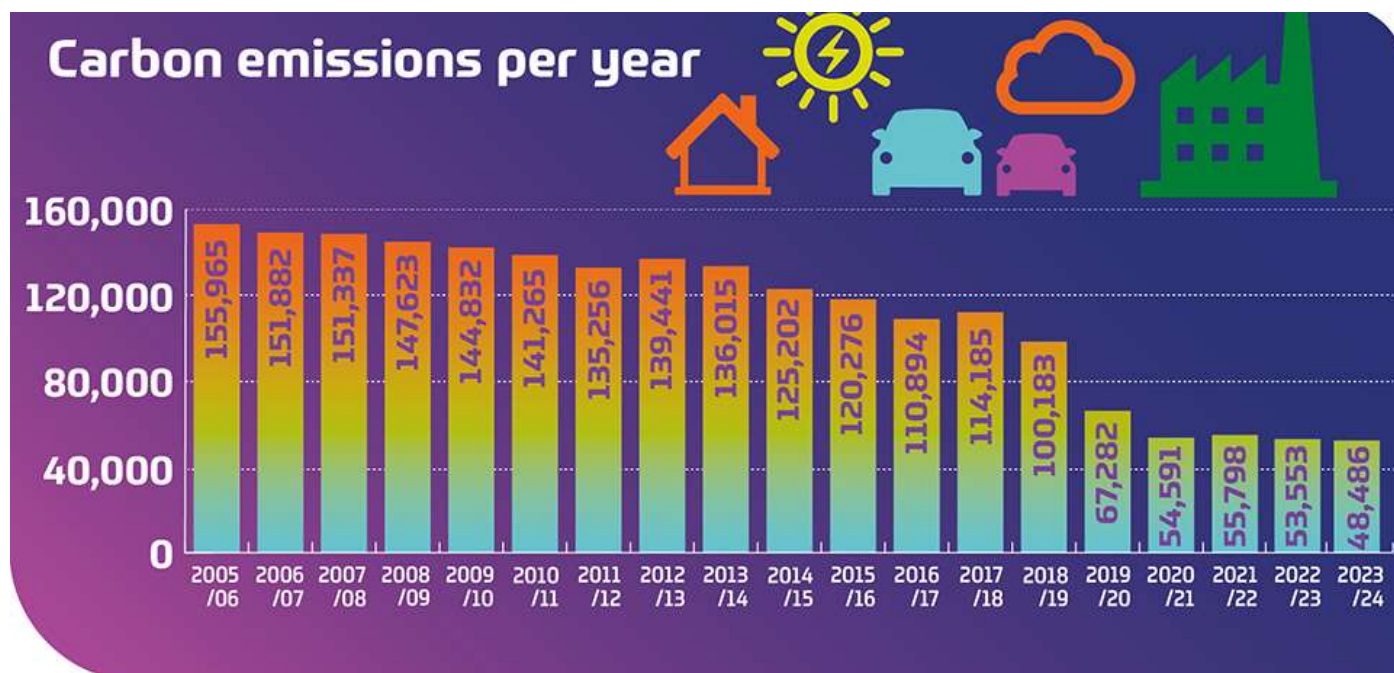
Sustainable Development and Climate Change

Sustainable development and climate change action is governed through the council's Climate Change and Sustainability Committee which has decision making powers to help to accelerate the pace and scale of action needed in response to the climate emergency and meet challenging climate change national targets.

Our commitment to sustainable development begins with integrating climate considerations into our policies, plans, and decision-making processes. Sustainable development and Climate Change is embedded within the Council Plan, Community Plan as well as other relevant plans, policies and strategies. The council's Sustainable Development and Climate Change Strategy (SDCCS) 2022 - 2027 sets out our overall approach to sustainable development and the challenges and opportunities of climate change.

The Climate Change (Scotland) Act 2009 has set a 2045 target for net-zero emission of all greenhouse gases. As a public sector body, we have a legislative requirement to contribute to this target and are required to set and report on our own carbon reduction targets. We are committed to measuring, monitoring, and reporting our greenhouse gas emissions, as well as the progress we make in achieving our carbon reduction targets. The most recent carbon footprint, for 2024-25 shows that reductions of 70.6% have been achieved since the baseline year of 2005-06.

In addition to mitigating our own impact, we understand the importance of adaptation to climate change. Failure to meet sustainable development and climate change objectives was identified as one of the council's top risks - these risks relate to economic, social and cultural influencers.



Supplementary Information

Common Good and Trust Funds

The council operates Common Good and Trust Fund accounts which record the financial transactions in relation to funds the council administers. These do not represent charges or income to Council Tax payers. These are shown in pages 100-101 of the Accounts.

Our Group

The council has adopted the recommendations of the Accounting Code of Practice in the United Kingdom 2025/2026 and has produced a full set of Group Accounts. These accounts incorporate any material balances from identified associates of the Council, and include a Group Movement in Reserves Statement, a Group Balance Sheet, a Group Expenditure Funding Analysis Statement, a Group Income and Expenditure Statement and a Group Cash Flow.

By including the Group entities along with the council's own Accounts, the effect on the Group Balance Sheet is an increase in both Reserves and Net Assets of £122.036 million. This represents the council's share of the net assets in these entities. The Group Accounts, including details of associates are included in pages 115-127. There has been no change to the Group membership since 2024/2025.

More Information

Further information about South Lanarkshire Council can be obtained on the Council's website www.southlanarkshire.gov.uk. Alternatively, contact Finance and Corporate Resources, Floor 4, Almada Street, Hamilton ML3 0AB

Jackie Taylor
Executive Director, Finance and Corporate Resources

Paul Manning
Chief Executive

Councillor Maureen Devlin
Leader of the Council

South Lanarkshire Council
Annual Governance Statement 2025/2026

1. Scope of responsibility

The residents of South Lanarkshire expect the Council to conduct its business in a lawful and transparent way. In particular, the Council has a duty to safeguard public money and account for it; and to continuously review and improve how its functions are discharged, focussing on the priorities of economy, efficiency, and effectiveness.

The Council is responsible for putting in place proper arrangements for the governance of its activities, facilitating the effective exercise of its functions including clear arrangements for the management of risk.

A [Local Code of Corporate Governance](#) (referred to as the “Code” from here on) has been approved and adopted. The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) framework entitled ‘Delivering Good Governance in Local Government’.

This statement explains how the Council has complied with the Code during 2024/2025 and meets legislative requirements to include the Annual Governance Statement within the Annual Accounts.

2. The purpose of the council

The [Council Plan 2022-2027 - South Lanarkshire Council](#) sets out the Council's vision, values and objectives and what difference this will make to the residents and communities of South Lanarkshire. The Council Plan which was informed by the views of South Lanarkshire residents and information from many other sources including local community plans, face to face discussions, online feedback, feedback from Community Groups, Community events and surveys was approved by Council in June 2022. The Council Plan was the subject of a Mid Term review, approved by the Executive Committee in April 2025.

The Council is also a statutory Community Planning Partner and the Community Plan 2022-2032 ([Community Planning](#)) provides a common vision for the South Lanarkshire Community Planning Partnership and sets out how the partners aim to achieve that vision.

The Council has set the framework for strong corporate governance by having a clear vision and values which are outlined below: -

Our vision is to improve the lives and prospects of everyone in South Lanarkshire.

Our priorities are:

- People – we will work to put people first and reduce inequality.
- Progress – we will work to recover, progress and improve.
- Planet – we will work towards a sustainable future in sustainable places.

Our outcomes will be:

- Communities and environment - Caring, connected, sustainable communities.
- Education and learning - Inspiring learners, transforming learning, strengthening partnerships.
- Health and wellbeing - People live the healthiest lives possible.
- Children and young people - Our children and young people thrive.
- Housing and land - Good quality, suitable and sustainable places to live.
- Our economy - Thriving business, fair jobs and vibrant town centres.

Our values are:

- Focused on people and their needs
- Working with and respecting others
- Accountable, effective, efficient and transparent
- Ambitious, self-aware and improving
- Fair, open and sustainable
- Excellent employer

3. The purpose of the Council's governance framework

The governance framework comprises of the culture, values, systems, and processes by which the council is directed and controlled. It describes the way the Council is accountable to communities. It enables the Council to monitor the achievement of its strategic objectives and consider whether these objectives have led to the delivery of appropriate and cost-effective services.

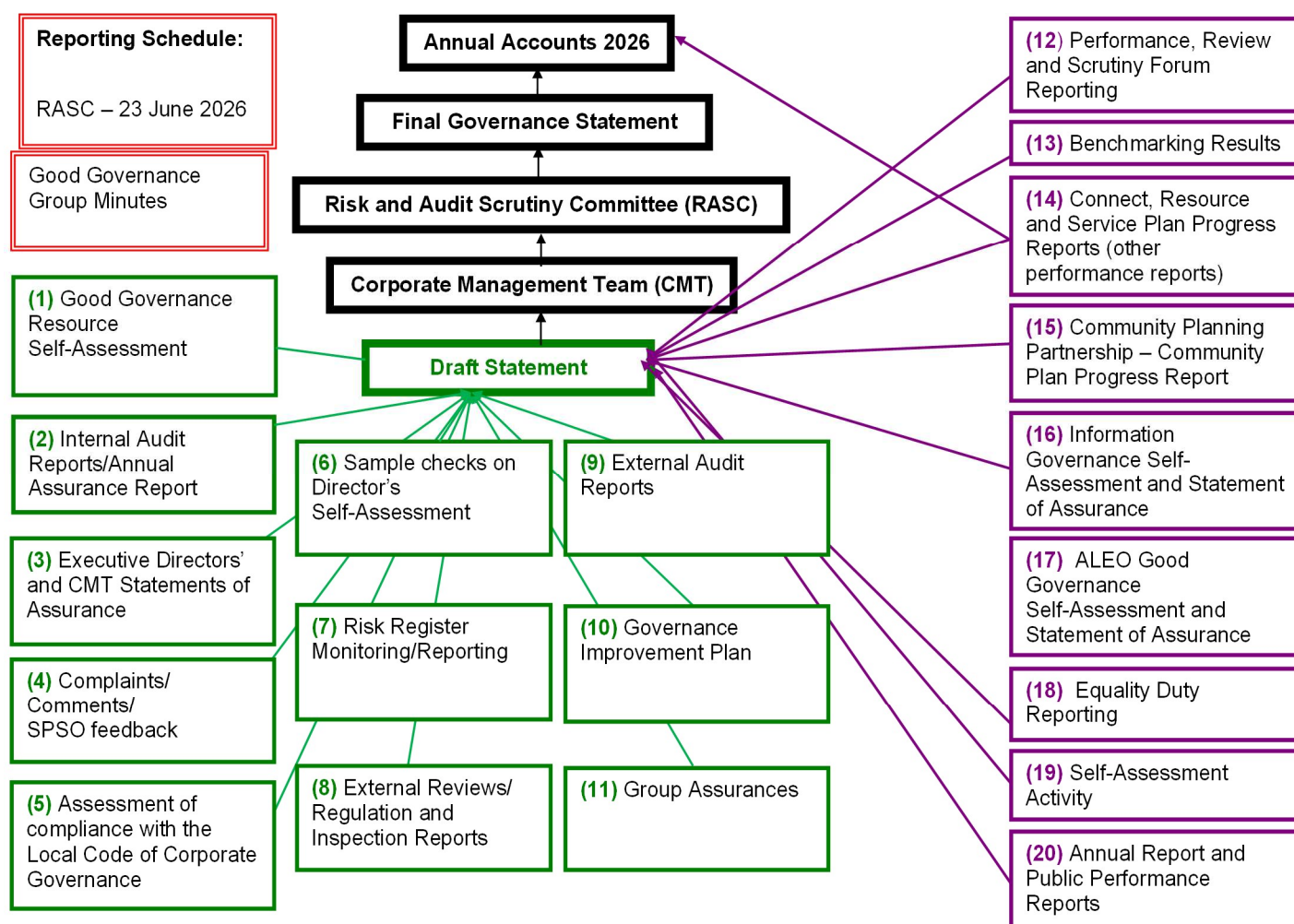
The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It is based on an ongoing process designed to identify and prioritise the risks to the achievement of the council's aims and objectives by evaluating the likelihood and potential impact of those risks being realised. This enables the Council to manage risk efficiently, effectively, and economically.

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

4. How the Council monitors and evaluates the effectiveness of its governance arrangements?

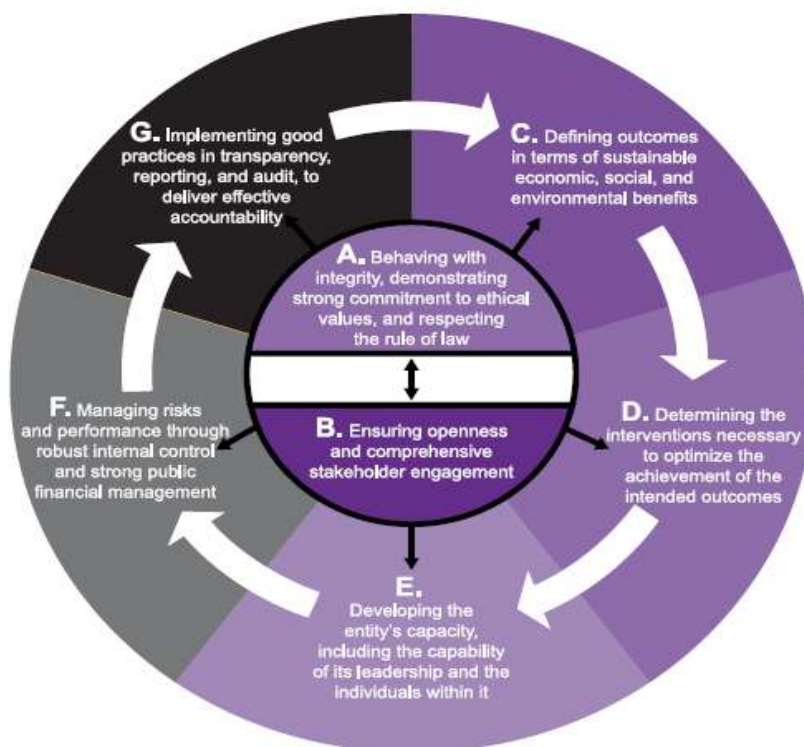
The Council is required to maintain an effective internal audit function which provides independent and objective assurance on the adequacy and effectiveness of governance, risk management and internal control arrangements. The internal audit service operates in conformance with the Global Internal Audit Standards and the CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government.

The Council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that inform this review and underpin the statements made within this document are shown in the diagram below.



5. Key elements of the Council's governance assurance framework

The Council aims to achieve good standards of governance by adhering to the seven national principles below, which form the basis of the Council's Code. These principles are used each year to evaluate governance arrangements and identify areas for improvement.



The following tables demonstrate how the council has complied with these principles and provides assurance as to how they are met. Significant elements of the systems and processes that comprise the council's governance arrangements and important changes/developments are described. Links to the key Council documents referred to below can be found in Section 2 of the Code.

Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Links to Council's values: Accountable, effective, efficient, and transparent; Working with and respecting others
How we do this: - The Council's values and objectives provide clear direction to councillors and employees and are embedded in all policies and processes. - Standards of conduct and integrity were promoted through the national Code of Conduct for Councillors and by the Standards and Procedures Advisory Forum. This is supplemented by role profiles which have a core accountability to maintain the highest standards of conduct. - The employee Code of Conduct outlines standards of conduct and integrity. All breaches including reported cases of suspected unethical behaviour and non-compliance with the law/policy were investigated through the employee disciplinary process and the recommended actions taken. - Professional Codes of Conduct ensured that ethical standards were maintained, and all breaches were investigated by the governing body. - To support integrity in decision making, the Council has a number of Committee procedural documents including decision making protocols known as the Scheme of Delegation, terms of reference documents, standing orders on procedures and contracts and financial regulations. - To ensure openness and transparency agendas and Committee reports are published to the council website at least five working days ahead of the scheduled meeting dates and any minutes of decisions taken by the Chief Executive during any period when committee meetings are suspended are publicised on the Council website. Committee meetings are live streamed to the Council's YouTube channel. - To ensure openness and transparency in decision making processes, all declarations of interest made by councillors at meetings were recorded and made available online. - There are a range of policies such as the Counter Fraud, Bribery and Corruption Policy Statement and Strategy. These continue to be updated to reflect best practice and support a culture of ethical behaviour amongst employees and councillors.

- Health and Safety compliance during 2025/2026 was assessed as being within the top rating band of “good”.
- Legal Services maintained an overview of legislation and regulations and worked with services to ensure compliance.

Principle B: Ensuring openness and comprehensive stakeholder engagement

Links to Council's values:

Accountable, effective, efficient, and transparent; Fair, open, and sustainable; Focused on people and their needs; Working with and respecting others

How we do this:

- To ensure transparency and openness in decision making processes, all agendas, reports, and decisions were published on the Council's website and printed copies were available for public inspection for all Committee and Forum meetings (except the Standards and Procedures Advisory Forum). From April 2021 all Committee meetings were live streamed to the Council's YouTube channel http://bit.ly/SL_Committees. From August 2021 all Forum meetings have been live streamed. From Summer 2025 Area Committees were held on a hybrid basis from the relevant locality, to encourage local resident attendance.
- The [Committee Management Information System](#) allows members of the public to register and be notified when Committee and forum papers are published. The system also facilitates the creation of [online petitions](#) to increase the potential reach of signatories.
- The work of the Council and key information from our partners is communicated regularly using a range of communication channels. The [South Lanarkshire View](#) pages on the Council website provide a dedicated source of local information and news for communities. A variety of social media channels are used to communicate updates and share information.
- A 'Let's Talk South Lanarkshire' campaign was established to engage local people in an initial discussion about their experiences of the pandemic and the 'Let's Talk' brand continues to be used for ongoing dialogue with communities on both the Council and community planning priorities.
- The Community Planning Partnership published and completed its first [Community Engagement and Participation Strategy 2020-2025](#) which is also available online in [BSL](#) and the Council has produced an online course for employees to complement this. The Strategy established the following community engagement structures:
- The Council's Community Engagement Team worked to increase stakeholder engagement and involvement in decision making processes through the development of new Community Planning Partnership Neighbourhood Plans since 2022 which are aimed at improving outcomes and reducing inequalities.
- Community Partnerships were also established in each of South Lanarkshire's four localities as a resident and community space to raise and act on common issues. These partnerships are a community only space, supported by a Community Planning Partnership Development Officer who ensures there is a report from each locality on every Community Planning Partnership Board meeting Agenda. Each Community Partnership has a community chair which has a seat on the Community Planning Board.
- A new participation and engagement strategy is in development to ensure that these structures have the interaction and the voice with all partners that they were set up for.
- The Council carried out circa 50 surveys and engagement activities with residents, employees, and partners, and through the council's Citizens Panel to inform policy and service delivery. Further information on our surveys is published on the [Council's website](#).
- To ensure inclusivity and help shape service delivery, the Council co-ordinates regular engagement with targeted groups of people such as young people, older people, people with disabilities, unpaid carers, black and ethnic minorities, etc. Groups considered items such as the budget consultation, rent setting and performance reporting.
- The [Participation Requests](#) and [Community Asset Transfer](#) processes continue to support communities to engage with the Council to improve local outcomes.
- The Council's performance [Spotlights](#) summarise what the Council has achieved and the [Public Performance Reports](#) provide a comprehensive overview of service performance. These, along with the council's [Benchmarking report](#) demonstrate the Council's commitment to continuous improvement and achieving Best Value; summarise the progress that the council has made in meeting its priorities and how it is performing locally and nationally.
- The Council's Digital Strategy 2022 to 2027 sets out the overall approach to digital for the Council. A key objective within the strategy is to assist those people who are unable to get online to access services digitally. The Council also leads on the Digital Inclusion Sub Group, which reports into the Community Planning Partnership.
- A comprehensive range of information on how the Council operates is available on the website. The [Freedom of Information Publication Scheme](#) ensures that key information about how the council works is accessible to the public.

Principle C: Defining outcomes in terms of sustainable, economic, social, and environmental benefits
Links to Council's values: Accountable, effective, efficient, and transparent; Fair, open, and sustainable; Focused on people and their needs
How we do this:
• The Council has a Capital Strategy that has a long-term ambition on future capital investment with approved projects up to 2029/2030 and a capital programme agreed for 2025/2026. This document is underpinned by a suite of Asset Management Plans which are aligned with the council's objectives and focus on creating an efficient, fit-for-purpose and sustainable core estate that delivers best value in terms of investment, running costs and environmental impact. • The Council Plan 2022 to 2027 and Community Plan 2022 to 2032 have clearly defined economic, social, and environmental outcomes to be delivered during the period. • A Community Wealth Building Strategy setting out the Council's ambitions in relation to spending, workforce, land and property, finance and building the generative economy was approved in March 2021. A Community Wealth Building Commission was established to oversee the implementation of the Strategy, with the Commission receiving an annual report on progress. A Community Wealth Building Progress Group has been set up to ensure that timescales within the action plan are met. • The CWB Strategy is supported by an action plan which is reviewed annually, with progress reported to the Commission at Q2 and Q4 via the council's Improve system. • Annual Resource Plans which deliver the objectives of the Council Plan were reviewed and updated. These plans outline the outcomes and actions to be achieved within the year and reference linkages with other key strategic plans of the Council and partnership plans. • The Sustainable Development and Climate Change Strategy 2022-27 was approved by the Council in June 2022 and which sets out the Council's strategic vision, themes and priorities in terms of the Council, environment and communities for sustainable development and climate change during the period was developed using the principles of the United Nation's Sustainable Development Goals and to reduce the council's contribution to global warming. • The Council's Climate Change and Sustainability Committee oversees the delivery of the Sustainable Development and Climate Change Strategy 2022-2027, the Council's transition to carbon neutrality and climate resilience. • The Council's Procurement Strategy 2023-28 which is complemented by an annual action plan, sets out how value for money, national and local priorities will be delivered. It also demonstrates how the Council will deliver the wider social, economic, and environmental aims of procurement as required by the sustainable procurement duty. • Sustainability principles are embedded in procurement processes and in recognition of the importance of our suppliers in achieving the Council's aim to become more sustainable. • Strategic Environmental Assessments (SEAs) were completed for all relevant Council led policies, plans and strategies developed during 2025/2026. • The South Lanarkshire Local Development Plan 2 was adopted by the Council on 9 April 2021. The spatial strategy of the plan is to encourage sustainable economic growth and regeneration, a move towards a low carbon economy, protect the natural and historic environment and mitigate against the impacts of climate change. • Integrated Impact Assessments and a summary of findings from Equality Impact Assessments of the Council's key decisions on service users, communities and businesses have been published on the Council's website. • Strategic decisions of the Council have been subject to a Fairer Scotland Impact Assessment which considers how inequalities of outcome can be reduced.

Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes
Links to Council's values: Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving; Focused on people and their needs; Working with and respecting others
How we do this:
• There has been a programme of transformational reviews undertaken over recent years to identify savings and help manage balancing the Council's budget. This programme is overseen by the Corporate Management Team with individual reviews led by Head of Service and sponsored by Executive Directors. Frameworks are in place for holding discussions with key stakeholders. Savings achievements are monitored monthly and reported to the Corporate Management Team quarterly. • The Financial Strategy which is aligned with the Council's objectives was updated during the year to reflect the latest internal and external influences. This plan sets out the assumptions in terms of commitments, grant funding and efficiency requirement and demonstrates sound financial management and the ability to address projected funding gaps. • The annual budget setting consultations took place with members of the public, groups and the Council's partners and the output is provided to Members to inform the budget process. The annual budget is open to scrutiny and amendment by councillors until the approval of the final budget. • The Council's Performance Management Framework has ensured that progress against intended outcomes has been regularly reported to Management Teams; Committees; and the Performance and Review Scrutiny Forum. Decisions and actions to address performance issues have been taken and monitored to ensure that they have been effective. • The Council has complied with its statutory and regulatory reporting requirements during the year.

- The [Public Bodies \(Joint Working\) \(Scotland\) Act 2014](#) sets out those Adult Care Services that are delegated to the Integration Joint Board (IJB) as set out in the South Lanarkshire Health & Social Care Integration Scheme. These services continue to be operationally delivered by the Council in line with the strategic direction set out in the Strategic Commissioning Plan and IJB Directions.
- The Council considers the specification and achievement of community benefits, which focus on the health, economic, social, and environmental wellbeing of the South Lanarkshire area, when awarding contracts.
- To improve efficiency and effectiveness, the Council is the lead authority for a range of collaborative projects and services delivered through the Clyde Valley Learning and Development Group. We also work closely with, and share services with partners including SLLC, IJB and Seemis.

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

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving; Excellent employer; Focused on people and their needs; Working with and respecting others

How we do this:

- Leadership Challenge Programme, which is linked to succession planning, is in place.
- Learning and Development programmes were revised and employees at all levels can now access optional accredited management qualifications.
- Training requirements were identified and online learning and development opportunities including webinars and e-briefings were developed and offered to all councillors.
- A review of the approach to agile working has completed, and new guidance has been approved by the Executive Committee, implemented from November 2025.
- A range of policies and activities are in place to support the Health and Wellbeing of employees including physical and mental health and these have been regularly communicated. Online wellbeing events were held in response to the new ways of working.
- The Council recognises that skilled and motivated employees are a key asset. All employees have an annual performance appraisal which links to the Council values and a Personal Development Plan. The council offers a range of training interventions to support employee development.
- The Council has a comprehensive and coordinated approach to workforce planning which also supports succession planning. Each Resource reviews their workforce plan and related action plan to better understand workforce capacity issues, further challenges, and opportunities to ensure that resources are in the right place, at the right time and people have the right skills. The Council Workforce Strategy and Planning process provides the framework for workforce planning in the Council. The Strategy and Plans are aligned to current and future Council service needs and details the approach by the Council to ensure that the workforce required is in place to meet those needs.
- Senior Managers have overseen the annual scrutiny of the Council's assets through the review of a suite of Asset Management Plans. Service Asset Management Plans have been developed in line with CIPFA guidance and these feed into the Corporate Asset Management Plan which outlines priorities and provides an overview of how the Council has performed in this area.
- The Council's Scheme of Delegation, Financial Regulations, Standing Orders on Contracts and Terms of Reference ensured that Committees, officers, and statutory officers were clear on the decisions that could be made within their area of authority. A Mid-Term Review of these arrangements was concluded in 2024, and these are kept under review by officers with minor adjustments being made as considered appropriate. This is supplemented by councillor's role profiles which outline the key purpose, specific and core accountabilities for each role.
- The Council continues to work with a range of public sector, business, and academic partners to improve outcomes for those living and working in South Lanarkshire. Strategic Partnerships include the Community Planning Partnership and the Glasgow City Region City Deal.
- [Local Government Benchmarking Framework](#) (LGBF) results continue to be reported to the Performance Review and Scrutiny Forum, containing all LGBF indicators. As other reporting arrangements mature, the scale of this report may be reduced and the strategic suite of indicators aligned to Council Plan outcomes are featured in an appendix to the Council Plan Q4 report, giving an opportunity to assess the Council's performance over time and comparative performance in the context of the Council Plan priorities.
- Further LGBF indicators will feature in the Council's public performance reporting, both in the Annual Performance Spotlights and in the PPR pages on the website. These are topic-based and place the LGBF information in a richer context than is possible in the annual LGBF report. The results are analysed and an action plan developed which will be monitored by the Senior Management Team.
- To complement this work, an LGBF dashboard has been developed to provide easy access to the LGBF indicators and the narrative that sits alongside them. The dashboard shows time trends for each of the strategic indicators aligned with the council plan outcomes and provides charts comparing SLC performance with both the Scottish and the family group average.
- The Council takes a risk-based approach to self-assessment which is used to review and redesign services with a focus on fundamental change. Progress and the impact of improvement activity was reported to the Senior Management Team and the Performance and Review Scrutiny Forum.
- The Council has a robust complaints process which is underpinned by national complaints handling standards. Complaints performance was regularly reported to Senior Management and Committee and [learning from complaints](#) which is integral

to this process is also published on the Council's website. Complaint handling procedures have been updated in line with national changes and communicated to all employees.

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

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving

How we do this:

- The Council, in partnership with Trade Unions, ensured that safe systems of work were in place through a robust risk assessment process, changes to working methods and supply of personal protective equipment.
- The Council has put in place comprehensive arrangements for identifying, evaluating, and controlling significant risks which threaten the council's ability to meet its objectives to deliver services to the public. There is also a robust process in place for compliance monitoring of the Council's Risk Management Strategy, Resource Risk Registers and Control Plans.
- The annual end of year compliance statement evidenced that all Resources were compliant with Risk Management Strategic requirements.
- The Council's Internal Audit Service which complies with the Global Internal Audit Standards completed an annual programme of risk-based audits with an objective of providing an opinion on the adequacy and effectiveness of the Council's governance, risk management, and internal control arrangements. Where improvements were required, action plans were developed and monitored and where necessary follow-up audit work completed.
- In response to changes in working practices and the introduction of new systems, Internal Audit has advised on key internal controls that should be maintained.
- The Information Governance Board is reasonably satisfied that Resources have followed the Information Governance operational arrangements to promote effective arrangements for the safe collection, storage, use and sharing of data, including processes to safeguard personal data, but this will be the subject of further work in 2026/27, including to work through an action plan approved by the Corporate Management Team and the Information Governance Board.
- Information security incidents have continued to be monitored and considered for notification to the Information Commissioner's Office and are reported to the Corporate Management Team on a quarterly basis and to the Council's Senior Information Risk Officer (the Executive Director of Finance and Corporate Resources) upon internal notification. Throughout the period, the Council's Data Protection Officer provided advice and assistance to Resources in relation to meeting their obligations under UK General Data Protection Regulations (GDPR).
- The system of internal financial control is based upon the Financial Regulations which set out the rules to ensure robust internal control over the council's finances. Control is maintained through regular management information, management supervision and a structure of delegation and accountability.
- External Audit of the Council's accounts is robust and a "clean audit certificate" was issued for 2024/2025.
- Through a well-established Performance Management Framework, the Council has clearly defined processes in place for the identification, monitoring, and reporting of its objectives to ensure continued effectiveness and the achievement of Best Value. Progress is monitored and reported regularly to both managers and councillors. This includes areas of under-performance and the related improvement actions.
- Trustees of the South Lanarkshire Charitable and Educational Trusts received independent legal training setting out their duties and responsibilities in ensuring that the trusts operate in a manner designed to benefit communities.
- The Executive Director of Finance and Corporate Resources is a member of the Council's Senior Management Team and as such, is integral in all major decisions taken by the Council, and in material matters which are submitted to councillors for decision. This involvement fulfils the expectation of CIPFA in terms of the role of the Chief Financial Officer.
- The Council's existing financial management controls and measures continue to provide comfort on the Council's financial management and resilience. This includes the preparation of a medium-term strategy presented to members regularly as part of the annual budget process, providing members with the information required to assist budget planning. A report on the Council's Financial Resilience was presented to the Risk and Audit Scrutiny Committee during 2025/2026.

Principle G: Fair, Open and Sustainable; Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Links to Council's values:

Accountable, effective, efficient, and transparent; Ambitious, self-aware, and improving; Working with and respecting others

How we do this:

- The Good Governance Group has completed the annual review of governance arrangements at resource level and in line with the CIPFA/SOLACE Delivering Good Governance Framework, this review having been reported to the Corporate Management Team and some changes to the previous arrangement having been agreed. Governance improvement actions have also been identified and are included in Resource/Service Action Plans. Progress against actions including those highlighted as significant governance areas for action will be reported to the Senior Management Team and Committee.
- In the 2024/2025 annual audit report, the external auditor reported that the Council had in place appropriate arrangements to support good governance and accountability, and they were of the view that governance arrangements remained effective in 2024/25.
- All Directors completed their annual Statement of Assurance and relevant assurances have been provided.

- The Council prepares and publishes an Annual Governance Statement which is aligned with national guidance and reflects on the adequacy and effectiveness of the Council's governance arrangements. This is independently considered by External Audit and published with the Annual Accounts and separately on a dedicated [governance web page](#).
- The annual review of governance arrangements for the Council's at Arm's Length External Organisations (ALEOs) and key external service providers has not highlighted any compliance issues.
- The annual review of the Local Code of Corporate Governance was completed, and the revised Code was approved by Committee on 10 March 2026 and re-published on the Council's website.
- All agendas, reports and decisions continue to be published (except those exempt under the Local Government (Scotland) Act 1973) on the Council's website. All Committee and Forum meetings are livestreamed to the Council's YouTube page http://bit.ly/SL_Committees.
- The Risk and Audit Scrutiny Committee considered the adequacy and effectiveness of the Council's governance arrangements and internal control environment and approved the Annual Governance Statement and Accounts.
- Internal Audit provided independent assurance on the effectiveness of internal control, risk management and governance arrangements. The service was delivered in accordance with the Global Internal Audit Standards, ensuring professional objectivity, independence and consistency with recognised best practice. Internal Audit activity has continued to be reported to the Senior Management Team and to the Risk and Audit Scrutiny Committee during 2025/2026.
- Outcomes from external audit and inspection activity was reported to the appropriate Committee and action plans were developed for implementation where required.

6. Review of Effectiveness

The review of the effectiveness of the Council's governance arrangements is informed by a range of assurance sources, including the annual opinion of the Internal Audit Manager. This opinion is delivered in accordance with the Global Internal Audit Standards, supported by an internal quality assurance and improvement programme.

The review of governance arrangements for 2025/2026 has also considered the following assurance outcomes: -

Group Assurances

In respect of the Joint Boards, Charities and Companies that fall within the Council's group boundary, the review of their internal financial control systems is informed by: -

- Annual Governance Statements included in the respective financial statements of the Joint Boards.
- Assurances from company directors and/or other senior company officials; and
- The work of the relevant body's respective external auditors (and where relevant internal auditors) and other interim reports.

The Executive Director of Finance and Corporate Resources, the Council's Chief Financial Officer, has considered the effectiveness of the group's internal financial control system for the year ended 31 March 2026. It is the Executive Director of Finance and Corporate Resources' opinion that reasonable assurance can be placed on its effectiveness.

Internal Assurance

It is the opinion of the Council's Risk Management Service that a good level of assurance can be placed on the Council's strategic risk control environment and a good level of assurance can be placed on the Council's operational risk control environment.

It is the opinion of the Council's Internal Audit Manager that, based on the work undertaken during 2025/2026, the Council has established adequate and effective arrangements for governance, risk management and internal control for the year ending 31 March 2026.

7. Significant Governance Areas

The 2024/2025 Annual Governance Statement identified 9 significant governance areas that the Council were working to address. Progress updates can be found on the Council's website; see the [Significant Governance Areas Quarter 4 update 2024-2025](#). All 9 of these areas remain as significant areas of action for the Council moving forward into 2026/2027 and will continue to be monitored as such.

Through the 2025/2026 annual governance review, the following areas, which include an outline of the actions being taken to address them, have been identified as significant areas of work for the Council during 2026/2027: -

No.	Areas identified in 2025/2026	Actions	Lead Officer
1	Information Governance Compliance with statutory and Council performance targets.	Continue to closely monitor performance on information governance including FOI requests and Subject Access requests and data breaches. Review the guidance provided to staff regarding the safe use of emails and sharing of data supported by regular staff communication.	Executive Director (Finance and Corporate Resources)

No.	Areas identified in 2025/2026	Actions	Lead Officer
2	Cyber Resilience Compliance with legislative and regulatory policy	A programme of actions to maintain cyber security and resilience in 2026/2027 will include: • Refresh/retiral of legacy systems, network equipment and end user devices (mobile phones, PCs) • Programme of security patching of all systems • Compliance with PSN and Cyber Essentials schemes • Incident response exercising and onboarding of Cyber Incident Response partner • Officer training and awareness (e.g., phishing, passwords) • Data security reviews as part of new system installation and security monitoring • Ensure cyber resilience factored into Resource/service area business continuity planning	Executive Director (Finance and Corporate Resources)
3	Digital Modernisation	Deliver the implementation of new digital solutions that will support the wider transformation of the Council, including the more efficient and effective delivery of services, to internal and external service users. This will include existing implementation of Liquidlogic (Social Work) and HOME Phase 2 (Housing and Technical Resources), adoption of a policy framework for the Council's use of artificial intelligence, refresh of the Council website and solutions to deliver the outputs of the Customer Engagement and Digital Transformation Reviews, and a review of recent such implementations to identify areas for improvement.	Executive Director (Finance and Corporate Resources)
4	Financial Challenges Exceptional increase in costs, reduction in council funding, resulting in difficulties maintaining front line services	The Council continues to face a challenging situation in the medium to long-term because of reduced funding in real terms, rising costs and an increase in demand. The Council has developed a medium-term strategy which identifies budget pressures, future risks and uncertainties, and projects budget gaps to 2027/2028. The Budget Strategy for 2027/2028 and 2028/2029 will be updated and presented to councillors in 2026. The Longer Term Financial Strategy will also be reviewed during 2026/2027.	Chief Executive Executive Director (Finance and Corporate Resources)
5	Homelessness	The Homelessness Strategic Action Plan approved at Housing and Technical Resource Committee on 26 February 2025, set out the mitigations that the Service would progress in 2025/26. A key focus of these related to actions to help improve the ability to provide appropriate temporary accommodation and avoid breaching statutory requirements on the use of unsuitable accommodation. This involved working in partnership to establish two new First Stop accommodation projects at Harriet Street in Rutherglen, and Willowgate in Hamilton, which work will be built upon in 2026/27. The strategic action plan details a number of other actions to prevent homelessness and address key issues, such as the Prisoner Early Release programme, increased asylum and refugee levels and removal of local connection.	Executive Director (Housing and Technical Resources)

No.	Areas identified in 2025/2026	Actions	Lead Officer
		In relation to the new Housing (Scotland) Act 2025, work is being progressed to prepare for the introduction of the new "Ask and Act" duty across public bodies which will have implications for the service.	
6	Sustainable Development and Climate Change	A new Strategy for 2022 to 2027 was approved by the Council in June 2022 together with the Council Plan and Community Plan. An Action Plan was developed as part of the Strategy, and this continues to be implemented and reviewed annually with progress updates being reported to the Climate Change and Sustainability Committee on a 6 monthly basis. Following a period of public consultation, the Council approved in June 2024 its first Local Heat and Energy Efficiency Strategy (LHEES) for the period 2024 to 2028. The LHEES will be a key component of a long-term strategy to reduce of carbon emissions and reduce fuel poverty.	Executive Director (Community and Enterprise Resources)
7	Economic Strategy	A new Economic Strategy 2022 to 2027 was approved by Council in June 2022 as part of a suite of documents accompanying the draft Council Plan and Community Plan. The vision within the Strategy is "to make South Lanarkshire a flourishing, green, dynamic and equitable place for communities, visitors, businesses and investors". The Strategy is framed around the 3 themes of sustainable, inclusive, economic development- People, Place and Business. Progress on the delivery of the Action Plan will be measured 6-monthly with the results being reported annually to the relevant committees. The Council continues to lead on local economic growth supporting South Lanarkshire businesses and promoting inward investment. The Council has prepared masterplans to support the regeneration of Hamilton and East Kilbride and is now working on the delivery of various projects and liaising with a number of external parties. This is the final year of the current strategy, and work has begun on refreshed Economic Strategy with a view to reporting to Committee in Autumn 2026.	Executive Director (Community and Enterprise Resources)
8	South Lanarkshire Leisure and Culture	Continue to work in partnership with SLLC to develop relationship, in particular around commissioning, use of assets and financial sustainability	Executive Director (Community and Enterprise Resources)
9	Recruitment and Retention Challenges	The labour market has tightened, and employees have more mobility through agile working which is not necessarily tied to a geographical location. In addition, some older workers have reassessed priorities and taken up an option for partial or full retiral earlier than they would have done previously. As a result, there are a number of skills in short supply nationally and this is putting pressure on local government services. Examples of this include planners, environmental health officers, procurement, Social Care and Education posts. South Lanarkshire Council has experienced these issues and is taking the following actions: -	Chief Executive and all Executive Directors

No.	Areas identified in 2025/2026	Actions	Lead Officer
		• Workforce Strategy and Plans for 2025 to 2027 • A recruitment strategy to provide a framework of improved recruitment actions and standards. • A strategic review of maximising attendance • Enhanced employee support arrangements are in place and well developed	

8. Summary

The annual review of governance arrangements across the Council and overall compliance with the Council's Code demonstrate sufficient evidence that the Code's principles of Delivering Good Governance in Local Government operated effectively, and that the Council complies with its Code.

During 2026/2027 steps will be taken to address the significant governance areas highlighted in this statement to further strengthen the council's governance arrangements and evidence our commitment to continuous improvement.

Councillor Maureen Devlin

Leader of the Council

Signature:

Date:

Paul Manning

Chief Executive

Signature:

Date:

Statement of Responsibilities

The Authority's responsibilities:

- Make arrangements for the proper administration of its financial affairs and to secure that the proper officer has responsibility for the administration of those affairs (section 95 of the Local Government (Scotland) Act 1973). South Lanarkshire Council has designated the Executive director of Finance and Corporate Resources as the officer with these responsibilities.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Ensure the Annual Accounts are prepared in accordance with legislation (The Local Authority Accounts (Scotland) Regulations 2014), and so far as is compatible with that legislation, in accordance with proper accounting practices (section 12 of the Local Government in Scotland Act 2003).
- The Risk and Audit Scrutiny Committee approve the Annual Accounts for signature.

I confirm that these annual accounts were approved for issue by the Risk and Audit Scrutiny Committee at its meeting on 23 June 2026.

Councillor Maureen Devlin
Leader of the Council

Executive Director of Finance and Corporate Resources' responsibilities

The Executive Director of Finance and Corporate Resources is responsible for the preparation of the council's Annual Accounts in accordance with proper practices as required by legislation and as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Accounting Code).

In preparing the Annual Accounts, the Executive Director of Finance and Corporate Resources has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with legislation.
- complied with the local authority Accounting Code (in so far as it is compatible with legislation)

The Executive Director of Finance and Corporate Resources has also:

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

Annual Accounts

I certify that the financial statements give a true and fair view of the financial position of the council (and its group) at the reporting date and the transactions of the council (and its group) for the year ended 31 March 2026.

Jackie Taylor
Executive Director
(Finance and Corporate Resources)
South Lanarkshire Council

Remuneration Report

Remuneration Policy

Senior Employees

The salary of senior employees is set by reference to national arrangements. The Scottish Joint Negotiating Committee (SJNC) for Local Authority Services sets the salaries for the Chief Officers of Scottish local authorities. COSLA Industrial Relations Circular 10 24b sets the amount of salary for Chief Officers and the Chief Executive of South Lanarkshire Council for 2025/2026.

Senior Councillors

The remuneration of councillors is regulated by the Local Governance (Scotland) Act 2004 (Remuneration) Regulations 2007 (SSI No. 2007/183) as amended most recently by The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (SSI 2025/8). The Regulations provide for the grading of councillors for the purposes of remuneration arrangements, as either the Leader of the Council, the Civic Head (or Provost), Senior Councillors or Councillors. The Leader of the Council and the Civic head (or Provost) cannot be the same person for the purposes of payment of remuneration. A Senior Councillor is a Councillor who holds a significant position of responsibility in the Council's political management structure.

The salary that is to be paid to the Leader of the Council is set out in the Regulations. For 2025/2026 the salary for the Leader of the Council is £60,791. The Regulations permit the Council to remunerate one Civic Head or Provost. The regulations set out the maximum salary that may be paid to that Civic Head. The Council follows the regulations and pays a salary of £45,594 to the Provost.

The Regulations also set out the remuneration that may be paid to Senior Councillors and the total number of Senior Councillors the Council may have. The maximum yearly amount that may be paid to a Senior Councillor is £45,594 as set out in The Local Governance (Scotland) Act 2004 (Remuneration) Amendment Regulations 2025 (SSI 2025/8). The total yearly amount payable by the Council for remuneration of all of its Senior Councillors shall not exceed £679,965 (excluding the Leader and Provost). The Council is able to exercise local flexibility in the determination of the precise number of Senior Councillors up to a maximum of 19 and their salary within these maximum limits.

In 2025/2026, the Council had 19 Senior Councillors and the salary paid to these councillors totalled £678,536 which is less than the threshold. The Regulations also permit the Council to pay contributions or other payments as required to the Local Government Pension Scheme in respect of those Councillors who elect to become Councillor members of the pension scheme.

In addition to the Senior Councillors of the Council the Regulations also set out the remuneration payable to Councillors with the responsibility of a Convenor or a Vice-Convenor of a Joint Board. The Regulations require the remuneration to be paid by the Council of which the Convenor or Vice-Convenor is a member. The Council is also required to pay any pension contributions arising from the Convenor or Vice-Convenor being a member of the Local Government Pension Scheme. The Council is reimbursed by the Joint Board for any additional remuneration paid to the member from being a Convenor or Vice-Convenor of a Joint Board.

Audit Arrangements

All information disclosed in the tables numbered 1 to 7 in this Remuneration Report will be audited by the Council's auditors, Audit Scotland. The other sections of the Remuneration Report will be reviewed by Audit Scotland to ensure that they are consistent with the financial statements.

Note 12 to the Accounts contains total payments made to all Councillors and will be audited as part of the audit of the Financial Statements and supplementary Notes to the Accounts.

Table 1 – General Pay Band Disclosure for Senior Employees

Annual Remuneration	2025/26 Number of Employees	2024/25 Number of Employees
50,000 - 54,999	1,729	541
55,000 - 59,999	418	381
60,000 - 64,999	235	228
65,000 - 69,999	188	206
70,000 - 74,999	173	139
75,000 - 79,999	139	84
80,000 - 84,999	45	37
85,000 - 89,999	27	5
90,000 - 94,999	4	6
95,000 - 99,999	1	3
100,000 - 104,999	2	3
105,000 - 109,999	6	6
110,000 - 114,999	6	3
115,000 – 119,999	5	13
120,000 – 124,999	10	1
125,000 – 129,999	4	2
130,000 – 134,999	-	-
135,000 – 139,999	1	-
140,000 - 144,999	1	-
145,000 - 149,999	-	-
150,000 - 154,999	-	-
155,000 - 159,999	-	2
160,000 – 164,999	-	2
165,000 – 169,999	1	1
170,000 – 174,999	1	-
175,000 – 179,999	1	-
180,000 – 194,999 (Note 1)	-	-
195,000 – 199,999	-	1
200,000 – 204,999	-	-
205,000 – 209,999	1	-

Note 1: These are merged pay bands covering more than £5,000 due to the fact that no employees fell into these bands in either financial year.

Disclosure of Exit Packages

There were no exit packages agreed by the Council in 2025/2026, therefore the total cost of exit packages for 2025/2026 is nil.

No provisions have been made as there are no known exit packages that relate to employees who will leave the Council in the coming year (2025/2026).

Disclosure of Remuneration

The tables below provide details of the remuneration paid to the Council's Senior Employees and Senior Councillors and to the Chief Executive or most senior manager of subsidiary bodies (South Lanarkshire Leisure and Culture Ltd and Routes to Work South). Comparative figures for 2024/2025 have been shown if they were in post at that time. We have also disclosed the remuneration of Councillors who hold Convenor and Vice-Convenor roles with Joint Boards. The Council pays the Councillor on behalf of the Joint Board for their role and recovers these charges from the Joint Board. The annual return of Councillors' remuneration for 2025/2026 is available on the Council's website (www.southlanarkshire.gov.uk).

Table 2 – Senior Officers

Post	Salary / fees £	Taxable Expenses £	Compensation for Loss of Office £	Any Other Remuneration £	2025/26 Total £	2024/25 Total £
P Manning Chief Executive	207,049	-	-	-	207,049	195,065
D Booth Executive Director of Community and Enterprise Resources (To 01 February 2026)	142,032 (Full Year Equivalent 169,272)	-	-	-	142,032 (Full Year Equivalent 169,272)	162,560
K Carr Executive Director of Community and Enterprise Resources (From 02 February 2026)	26,495 (Full Year Equivalent 164,649)	-	-	-	26,495 (Full Year Equivalent 164,649)	-
A Donaldson Interim Executive Director of Education Resources (To 03 August 2025)	56,145 (Full Year Equivalent 164,649)	-	-	-	56,145 (Full Year Equivalent 164,649)	53,983 (Full Year Equivalent 158,126)
L McRoberts Executive Director of Education Resources (From 04 August 2025)	108,504 (Full Year Equivalent 164,649)	-	-	-	108,504 (Full Year Equivalent 164,649)	-
J Taylor Executive Director of Finance and Corporate Resources	173,078	-	-	-	173,078	158,126
S Sengupta Executive Director of Health and Social Care	170,969	-	-	-	170,969	162,560
S Gibson Executive Director of Housing and Technical Resources	169,272	-	-	-	169,272	160,350

Post	Salary / fees £	Taxable Expenses £	Compensation for Loss of Office £	Any Other Remuneration £	2025/26 Total £	2024/25 Total £
L Purdie Chief Social Work Officer (To 30 November 2025)	85,114 (Full Year Equivalent 127,671)	-	-	-	85,114 (Full Year Equivalent 127,671)	122,615
A McCrae Chief Social Work Officer (From 01 December 2025)	41,016 (Full Year Equivalent 123,048)	-	-	-	41,016 (Full Year Equivalent 123,048)	-
Total	1,179,674	-	-	-	1,179,674	1,015,259

The senior employees included in the table include any local authority employee:

- Who has responsibility for management of the local authority to the extent that the person has power to direct or control the major activities of the authority (including activities involving the expenditure of money), during the year to which the Report relates, whether solely or collectively with other persons.
- Who holds a post that is politically restricted by reason of section 2(1) (a), (b) or (c) of the Local Government and Housing Act 1989; or
- Whose annual remuneration, including any remuneration from a local authority subsidiary body, is £150,000 or more.

The total remuneration includes Returning Officer (RO) fees. An RO is the person responsible for administering an election. These duties are separate from any duties undertaken as a local government employee. The total RO fee for a UK Parliamentary Election is set by legislation for the election in question. The RO can appoint one or more persons to discharge any or all of the functions of the post but cannot delegate personal responsibility for delivering the election. Paul Manning was the RO appointed by South Lanarkshire Council during the financial year 2024/2025 and carried out his duties as RO for the 2024 United Kingdom General Election held on 4 July 2024.

Note 1 While the Executive Director of Health and Social Care is contractually employed by the Council, a proportion of their total remuneration is funded by the South Lanarkshire Health and Social Care Partnership in respect of their role as Chief Officer of the Partnership.

Table 3 - Senior Employees of the Council's Subsidiary Bodies

Name and Post	Salary/fees	Taxable Expenses £	Compensation for Loss of office £	Any other Remuneration £	2025/26 Total £	2024/25 Total £
K Morrison Chief Executive of South Lanarkshire Leisure and Culture Ltd To 4 July 2025	31,685 (Full Year Equivalent 119,851)	-	-	-	31,685 (Full Year Equivalent 119,851)	115,115

Name and Post	Salary/fees	Taxable Expenses £	Compensation for Loss of office £	Any other Remuneration £	2025/26 Total £	2024/25 Total £
N Lansdell Chief Executive of South Lanarkshire Leisure and Culture Ltd From 5 July 2025	84,856 (Full Year Equivalent 115,351)	18	-	-	84,874 (Full Year Equivalent 115,369)	-
S Barr Chief Executive of Routes to Work South	89,629	-	-	-	89,629	85,398
Total	206,170	18	-	-	206,188	200,513

Table 4 - Remuneration of Senior Councillors and Convenors and Vice-Convenors of Joint Boards

The table below shows the full year remuneration for all senior councillors in 2025/2026. This includes senior councillors who started or ended their role during the year.

Name and Post	Salary £	Taxable Expenses £	Compensation for Loss of Office £	Any Other Remuneration £	2025/26 Total £	2024/25 Total £
A Allison Opposition Leader – Second Opposition	34,381	-	-	-	34,381	28,251
R Brown Community and Enterprise Resources Committee Chair	38,230	-	-	-	38,230	31,413
A Buchanan East Kilbride Area Committee Chair	31,021	-	-	-	31,021	25,490
A Carmichael Licensing Committee Chair	31,021	-	-	-	31,021	25,490
M Chalmers Depute Leader of the Opposition (To 11 August 2025)	12,528 (Full Year Equivalent 34,381)	-	-	-	12,528 (Full Year Equivalent 34,381)	28,251
Opposition Leader – First Opposition (From (12 August 2025)	25,062 (Full Year Equivalent 39,430)				25,062 (Full Year Equivalent 39,430)	-

Name and Post	Salary £	Taxable Expenses £	Compensation for Loss of Office £	Any Other Remuneration £	2025/26 Total £	2024/25 Total £
R Clark Depute Leader of the Opposition (From 12 August 25)	21,853 (Full Year Equivalent 34,381)	-	-	-	21,853 (Full Year Equivalent 34,381)	-
G Convery Depute Leader of the Council	39,430	-	-	-	39,430	32,399
M Cooper Provost	45,594	-	-	-	45,594	37,360
M Devlin Business Manager Ruling Group	39,430	-	-	-	39,430	32,399
J Fagan Leader of the Council	60,791	-	-	-	60,791	49,810
A Falconer Hamilton Area Committee Chair	31,021	-	-	-	31,021	25,490
L Hamilton Education Resources Committee Chair (To 27 April 25) (From 12 January 2026)	11,102 (Full Year Equivalent 38,230)	-	-	-	11,102 (Full Year Equivalent 38,230)	31,413
G Keatt Education Resources Committee Chair (From 28 April 2025 – 11 January 2026)	27,128 (Full Year Equivalent 38,230)	-	-	-	27,128 (Full Year Equivalent 38,230)	-
C McClymont Clydesdale Area Committee Chair	31,021	-	-	-	31,021	25,490
L McDonald Finance and Corporate Resources Committee Chair	38,230	-	-	-	38,230	31,413
D McLachlan Housing and Technical Resources Committee Chair	38,230	-	-	-	38,230	31,413

Name and Post	Salary £	Taxable Expenses £	Compensation for Loss of Office £	Any Other Remuneration £	2025/26 Total £	2024/25 Total £
R Nelson Planning Committee Chair	38,230	-	-	-	38,230	31,413
C Nugent Cambuslang and Rutherglen Area Committee Chair	31,021	-	-	-	31,021	25,490
N Rae Climate Change Committee Chair (From 12 September 2024)	38,230	-	-	-	38,230	17,299 (Full Year Equivalent 31,413)
J Ross Opposition Leader – First Opposition (To 11 August 2025)	14,368 (Full Year Equivalent 39,430)	-	-	-	14,368 (Full Year Equivalent 39,430)	32,399
D Shearer Business Manager - Opposition	31,021	-	-	-	31,021	25,490
G Thomson Depute Provost	37,748	-	-	-	37,748	31,017
M Walker Social Work Resources Committee Chair	38,230	-	-	-	38,230	31,413
Total	784,921	-	-	-	784,921	630,603
Councillors with Joint Board Responsibilities						
W Brogan Convenor Lanarkshire Valuation Joint Board	28,207	-	-	-	28,207	26,686
Total	28,207	-	-	-	28,207	26,686

The Council is reimbursed by Lanarkshire Valuation Joint Board for the additional remuneration that the Council paid to the member for being a Convenor of the Joint Board.

The following recharges were made to Joint Boards for South Lanarkshire Council Councillors holding Convenor/Depute Convenor roles:

- Recharge to Lanarkshire Valuation Joint Board in 2025/2026 - £2,225 (2024/2025 - £5,341)

Pension Rights

Pension benefits for councillors and local government employees are provided through the Local Government Pension Scheme (LGPS).

Councillors' pension benefits are based on career average pay. The councillor's pay for each year or part year ending 31 March (other than the pay in the final year commencing 1 April) is increased by the increase in the cost of living, as measured by the appropriate index (or indices) between the end of that year and the last day of the month in which their membership of the scheme ends. The total of the revalued pay is then divided by the period of membership to calculate the career average pay. This is the value used to calculate the pension benefits.

Local government employees had a final salary pension scheme prior to 1 April 2015. This means that pension benefits are based on the final year's pay and the number of years that person has been a member of the scheme. As of 1 April 2015, local government employees are now part of a defined benefit pension scheme worked out on a career average basis. Benefits built up are calculated using pensionable pay each scheme year, rather than final salary. All benefits built up prior to this date are protected.

From 1 April 2009, a five-tier contribution system was introduced with contributions from scheme members based on how much pay falls into each tier. This is designed to give more equality between the costs and benefits of scheme membership. Under The Local Government Pension Scheme (Scotland) Regulations 2014, the earnings ranges used to determine annual contribution rates are to be increased each year by any increase applied to pensions under the Pensions (Increase) Act 1971. In accordance with this the salary bands for 2022/2023 were updated by the Consumer Prices Index (CPI) increase for 2023/2024.

The member contribution rates and tiers for 2024/2025 are shown below along with those that applied in 2023/2024:

Pensionable Pay	Contribution rate 2025/26	Pensionable Pay	Contribution rate 2024/25
On earnings up to and including £27,500	5.50%	On earnings up to an including £27,000	5.50%
On earnings above £27,500 and up to £33,600	7.25%	On earnings above £27,000 and up to £33,000	7.25%
On earnings above £33,600 and up to £46,100	8.50%	On earnings above £33,000 and up to £45,300	8.50%
On earnings above £46,100 and up to £61,400	9.50%	On earnings above £45,300 and up to £60,400	9.50%
On earnings above £61,400	12.00%	On earnings above £60,400	12.00%

From April 2015, if a person works part-time their contribution is based on their part-time pay. Prior to this, if a person worked part-time, their contribution rate was worked out on the whole-time pay rate for the job, with actual contributions paid on actual pay earned.

There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limit set by the Finance Act 2004.

From 1 April 2015, benefits are calculated on the basis of a revalued annual pension built up of 1/49th of pensionable pay each year, plus inflation to keep up with the cost of living. Prior to this date, the accrual rate guaranteed a pension based on 1/60th of final pensionable salary and years of pensionable service and prior to 2009 the accrual rate guaranteed a pension based on 1/80th and a lump sum based on 3/80th of final pensionable salary and years of pensionable service.

The value of the benefits has been calculated without exercising any option to commute pension entitlement into a lump sum and without any adjustment for the effects of future inflation.

In those cases where members have transferred pension entitlements from previous employments, the pension figures shown relate to the benefits that the person has accrued as a consequence of their total local government service, and not just their current appointment. It also reflects both employer and employee contributions.

Table 5 – Pension Benefits: Senior Employees

The Pension entitlement of Senior Employees for the year to 31 March 2026 are shown in the table below, together with the contribution made by the council to each senior employees' pension during the year. The accrued pension benefit reflects both the employer and the employee contributions.

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution Made by the Council 2025/26 £	Pension Contribution Made by the Council 2024/25 £
P Manning Chief Executive	Pension Lump Sum	108 134	13 15	13,075	12,167
D Booth Executive Director of Community and Enterprise Resources (To 01 February 2026)	Pension Lump Sum	76 107	3 4	9,232	10,566
K Carr Executive Director of Community and Enterprise Resources (From 02 February 2026)	Pension Lump Sum	54 37	n/a n/a	1,722	-
A Donaldson Interim Executive Director of Education Resources (To 03 August 2025)	Pension Lump Sum	46 18	2 -	3,649	3,509
L McRoberts Executive Director of Education Resources (From 04 August 2025)	Pension Lump Sum	11 -	n/a n/a	7,053	-
J Taylor Executive Director of Finance and Corporate Resources	Pension Lump Sum	68 64	7 3	11,192	10,278
S Sengupta Executive Director of Health and Social Care	Pension Lump Sum	17 -	5 -	11,113	10,566
S Gibson Executive Director of Housing and Technical Resources	Pension Lump Sum	17 -	4 -	11,003	10,423
L Purdie Chief Social Work Officer	Pension Lump Sum	71 89	6 3	5,532	7,970

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution Made by the Council 2025/26 £	Pension Contribution Made by the Council 2024/25 £
A McCrae Chief Social Work Officer (From 01 December 2025)	Pension Lump Sum	32 4	n/a n/a	2,666	-
Total				76,237	65,479

All senior employees shown in the table above are members of the Local Government Pension Scheme (LGPS). Where employees have joined the council but not transferred previous employment pension benefits into the Strathclyde Pension Fund the pension figures shown relate only to their current appointment, otherwise the figures shown relate to the benefits that the pension has accrued as a consequence of their total local government service including payments for election duties.

Table 6 – Pension Benefits: Senior Employees of the Council's Subsidiary Bodies

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution 2025/26 £	Pension Contribution 2024/25 £
K Morrison Chief Executive of South Lanarkshire Leisure and Culture Ltd (To 4 July 2025)	Pension Lump Sum	28 19	4 1	2,060	7,482
N Lansdell Chief Executive of South Lanarkshire Leisure and Culture Ltd (From 5 July 2025)	Pension Lump Sum	44 45	n/a n/a	5,516	-
S Barr Chief Executive of Routes to Work South	Pension Lump Sum	- -	- -	7,170	6,832
Total				14,746	14,314

Routes to Work South operates a defined contributions scheme for its employees. Accordingly, the only information to be provided in respect of its senior employees is the amount of any pension contributions made to that scheme by the subsidiary body.

Table 7 – Pension Benefits: Senior Councillors

The Pension entitlement of Senior Councillors for the year to 31 March 2020 are shown in the table below, together with the contribution made by the council to each Senior Councillors' pension during the year. The accrued pension benefit reflects both the employer and the employee contributions.

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution Made by the Council 2025/26 £	Pension Contribution Made by the Council 2024/25 £
A Allison Opposition Leader – Second Opposition	Pension Lump Sum	6 -	1 -	2,235	1,808
A Buchanan East Kilbride Area Committee Chair	Pension Lump Sum	10 2	1 2	2,016	1,631
M Chalmers Depute Opposition Leader (To 11 August 2025)	Pension Lump Sum	6 -	1 -	814	1,808
Opposition Leader – First Opposition (From 12 August 2025)				1,629	n/a
R Clark Depute Leader of the Opposition (From 12 August 25)	Pension Lump Sum	2 -	n/a n/a	1,420	n/a
G Convery Depute Leader of the Council	Pension Lump Sum	2 -	- -	393	2,074
M Cooper Provost	Pension Lump Sum	8 -	1 -	2,964	2,391
M Devlin Business Manager Ruling Group	Pension Lump Sum	8 -	1 -	2,563	2,074
J Fagan Leader of the Council	Pension Lump Sum	8 -	2 -	3,951	3,188

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution Made by the Council 2025/26 £	Pension Contribution Made by the Council 2024/25 £
A Falconer Hamilton Area Committee Chair	Pension Lump Sum	7 -	1 -	2,016	1,631
L Hamilton Education Resources Committee Chair (To 27 April 25) (From 12 January 2026)	Pension Lump Sum	8 -	1 -	722	2,010
G Keatt Education Resources Committee Chair (From 28 April 2025 – 11 January 2026)	Pension Lump Sum	2 -	n/a n/a	1,763	n/a
C McClymont Clydesdale Area Committee Chair	Pension Lump Sum	7 -	1 -	2,016	1,631
L McDonald Finance and Corporate Resources Committee Chair	Pension Lump Sum	3 -	1 -	2,485	2,010
D McLachlan Housing and Technical Resources Committee Chair	Pension Lump Sum	10 -	1 -	2,485	2,010
N Rae Climate Change Committee Chair	Pension Lump Sum	2 -	- -	2,485	1,107
R Nelson Community and Enterprise Resources Committee Chair	Pension Lump Sum	5 -	2 -	2,485	2,010
D Shearer Business Manager – Opposition	Pension Lump Sum	10 2	1 -	2,016	1,631
G Thomson Depute Provost	Pension Lump Sum	3 -	1 -	2,454	1,985

Name and Post Title		Accrued Pension Benefits to 31 March 2026 £000	Movement in Accrued pension Benefits since 31 March 2025 £000	Pension Contribution Made by the Council 2025/26 £	Pension Contribution Made by the Council 2024/25 £
M Walker Social Work Resources Committee Chair	Pension Lump Sum	5 -	1 -	2,485	2,010
Total					33,494
Councillors with Joint Board Responsibilities					
W Brogan Convenor Lanarkshire Valuation Joint Board	Pension Lump Sum	10 2	1 -	1,708	1,708
Total					1,708

All Senior Councillors shown in the table above are members of the Local Government Pension Scheme (LGPS). The pension figures shown relate to the benefits that the pension has accrued as a consequence of their total local government service and not just their current appointment.

The council is reimbursed by the Joint Board for the additional pension contributions paid by the council for the Convenor.

The following recharges were made to Joint Boards for South Lanarkshire Council Councillors holding Convenor roles:

Recharge to Lanarkshire Valuation Joint Board in 2025/2026 - £145 (2024/2025 - £347)

Trade Union Facility Time

In addition to the regulation governing Senior Employees and Councillors, the Trade Union (Facility Time Publication Requirements) Regulations 2017, which apply from 1 April 2017, require public sector employers to collect and publish a range of information on trade union facility time in respect of their employees who are Trade Union Representatives. The figures below cover the period 1 April 2025 to 31 March 2026 and include employees of South Lanarkshire Council, South Lanarkshire Leisure and Culture, SEEMIS and Lanarkshire Valuation Joint Board.

Relevant Trade Union Officials

Number of employees who were relevant union officials during the relevant period	215
FTE Employee Number	177.28

Percentage of Time Spent on Facility Time

% Time	Number of Representatives
0%	76
1% - 50%	131
51% - 99%	3
100%	5

Percentage of Pay Bill Spent on Facility Time

Total cost of facility time	£624,633
Total pay bill	£667,770,016
Percentage of the total pay bill spent on facility time	0.09%

Paid Trade Union Activities

Time spent on paid Trade Union activities as a percentage of total paid facility time hours	7.44%
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Councillor Maureen Devlin
Leader of the Council

Paul Manning
Chief Executive

Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with the CIPFA Accounting Code of Practice, rather than the amount to be funded from taxation. The council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Expenditure and Funding Analysis and Movement in Reserves Statements.

2024/25				2025/26			
Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000		Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000	
213,111	57,036	156,075	Community and Enterprise Resources	223,132	65,114	158,018	
513,697	20,327	493,370	Education Resources	524,046	20,177	503,869	
111,383	66,110	45,273	Finance and Corporate Resources	105,464	53,220	52,244	
			Housing and Technical Resources				
113,953	114,283	(330)	- Housing Revenue Account	128,644	122,522	6,122	
75,047	52,904	22,143	- Housing Other	77,616	50,970	26,646	
509,487	265,185	244,302	Social Work Resources	531,519	276,791	254,728	
1,864	-	1,864	Joint Board	1,635	0	1,635	
987	509	478	Corporate Items	(6,871)	1,637	(8,508)	
105	-	105	Corporate and Democratic Core (HRA)	201	0	201	
1,539,634	576,354	963,280	Net Cost of Services	1,585,386	590,431	994,955	
(7,268)		(7,268)	Other Operating Expenditure - Gains / losses on the disposal of non-current assets	4,973		4,973	
72,597	12,287	60,310	Financing and Investment (Income) and Expenditure (Note 8)	61,832	(300)	62,132	
	989,521	(989,521)	Taxation and Non-Specific Grant Income (Note 9)		1,083,487	(1,083,487)	
1,604,963	1,578,162	26,801	(Surplus) / Deficit on Provision of Services	1,652,191	1,673,618	(21,427)	
		(209,253)	(Surplus) / Deficit on Revaluation of Fixed Assets			81,551	
		(53,043)	Remeasurement of Pension Liability / (Asset)			(29,657)	
		(262,296)	Other Comprehensive (Income) and Expenditure			51,894	
		(235,495)	Total Comprehensive (Income) and Expenditure			30,467	

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves held by the council. Reserves are reported in two categories.

- The first category of reserves are usable reserves, that is those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- The second category of reserves is those that the council is not able to use to provide services.

This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

31 March 2025		Note	31 March 2026
£000			£000
4,113,384	Property, Plant and Equipment	18	4,077,338
3,853	Heritage Assets	19	3,853
10,059	Intangible Assets	19	8,897
1,910	Long Term Debtors		1,794
-	Other Long-Term Assets (Pension)		-
4,129,206	Non-Current Assets		4,091,882
-	Short Term Investments		-
4,179	Inventories		4,257
100,106	Short Term Debtors	21	79,801
168	Assets Held for Sale	19	2,086
25,031	Cash and Cash Equivalents (see cash flow notes)		54,038
129,484	Current Assets		140,182
(179,224)	Short Term Borrowing	31	(281,468)
(235,287)	Short Term Creditors	23	(260,401)
(17,142)	Other Short-Term Liabilities (PPP / Finance Leases)	15	(20,673)
(608)	Provisions	24	(144)
(3,476)	Receipts in Advance	25	(1,376)
(435,737)	Current Liabilities		(564,062)
-	Long Term Provisions	24	-
(860,609)	Long Term Borrowing	31	(739,437)
(306,113)	Other Long-Term Liabilities (PPP / Finance Lease)	15	(305,336)
(97,992)	Other Long-Term Liabilities (Unfunded Pension Liability)	27	(95,457)
(1,264,714)	Long Term Liabilities		(1,140,230)
2,558,239	Net Assets		2,527,772
147,568	Usable Reserves		176,726
2,410,671	Unusable Reserves		2,351,046
2,558,239	Total Reserves		2,527,772

The notes on pages 56 to 110 form part of the financial statements. The unaudited accounts were authorised for issue on 23 June 2026.

Jackie Taylor
Executive Director (Finance and Corporate Resources)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the council'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 the 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.

	General Fund Balance £000	Housing Revenue Account £000	Revenue Statutory Fund Repairs and Renewals Fund £000	Revenue Statutory Fund Insurance Fund £000	Capital Statutory Fund £000	Capital Receipts Reserve £000	Total Usable Reserves £000	(Note 11) Unusable Reserves £000	Total Council Reserves £000
Balance at 1 April 2025	118,997	10,440	5,123	1,812	3,784	7,412	147,568	2,410,671	2,558,239
<u>Movement in reserves during 2025/26</u>									
Total Comprehensive Expenditure and Income	(6,759)	28,186	-	-	-	-	21,427	(51,894)	(30,467)
Adjustments to usable reserves permitted by accounting standards (note 7)	15,041	17,494	-	-	-	-	32,535	(32,535)	-
Adjustments between accounting basis and funding basis under regulations (note 7)	24,954	(49,668)	-	-	-	(90)	(24,804)	24,804	-
Net Increase / (Decrease) before Transfers to Reserves	33,236	(3,988)	-	-	-		29,158	(59,625)	(30,467)
Transfers to/ (from) Reserves	1,474	208	(491)	(790)	(401)	-	-	-	-
Increase / (Decrease) in Year	34,710	(3,780)	(491)	(790)	(401)	(90)	29,158	(59,625)	(30,467)
Balance at 31 March 2026 carried forward	153,707	6,660	4,632	1,022	3,383	7,322	176,726	2,351,046	2,527,772

	General Fund Balance £000	Housing Revenue Account £000	Revenue Statutory Fund Repairs and Renewals Fund £000	Revenue Statutory Fund Insurance Fund £000	Capital Statutory Fund £000	Capital Receipts Reserve £000	Total Usable Reserves £000	(Note 11) Unusable Reserves £000	Total Council Reserves £000
Balance at 1 April 2024	109,772	13,221	5,346	195	3,975	1,178	133,688	2,189,055	2,322,743
<u>Movement in reserves during 2025/25</u>									
Total Comprehensive Expenditure and Income	(37,682)	10,881	-	-	-	-	(26,801)	262,296	235,495
Adjustments to usable reserves permitted by accounting standards (note 7)	15,113	17,810	-	-	-	-	32,923	(32,923)	-
Adjustments between accounting basis and funding basis under regulations (note 7)	33,196	(31,672)	-	-	-	6,233	7,757	(7,757)	-
Net Increase / (Decrease) before Transfers to Reserves	10,627	(2,981)	-	-	-	6,233	13,879	221,616	235,495
Transfers to/ (from) Reserves	(1,402)	200	(224)	1,617	(191)	-	-	-	-
Increase / (Decrease) in Year	9,225	(2,781)	(224)	1,617	(191)	6,233	13,879	221,616	235,495
Balance at 31 March 2024 carried forward	118,997	10,440	5,123	1,812	3,784	7,412	147,568	2,410,671	2,558,239

Cash Flow Statement

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

2024/25		2025/26
£000		£000
(26,801)	Net surplus / (deficit) on the provision of services	21,427
175,115	Adjust net surplus / deficit on the provision of services for non-cash movements Note 32	184,832
(58,626)	Adjust for items included in the net surplus / deficit on the provision of services that are investing and financing activities Note 33	(88,517)
<u>89,688</u>	Net cash flows from Operating Activities	<u>117,742</u>
(56,553)	Investing Activities Note 34	(51,063)
(20,345)	Financing Activities Note 35	(37,672)
<u>12,790</u>	Net increase / (decrease) in cash and cash equivalents	<u>29,007</u>
12,241	Cash and cash equivalents at the beginning of the reporting period	25,031
<u>25,031</u>	Cash and cash equivalents at the end of the reporting period Note 36	<u>54,038</u>

Notes to the Financial Statements

Note 1 Accounting Standards Issued but Not Adopted

The Accounting Code of Practice requires the Council to disclose information relating to the impact of an accounting change that is required by a new standard that has been issued but not yet adopted.

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by The Code:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)
- Annual improvements to IFRS accounting standards – Volume 11
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The above are not expected to have a material impact on the financial statements.

Note 2 Material Items of Expenditure and Income

Where material items of expenditure and income are not disclosed on the face of the Comprehensive Income and Expenditure Statement, or contained within other notes, the Code requires disclosure of the nature and amounts of these items. Material items of expenditure and income are detailed below:

Item	Nature	Amount £000
Housing Benefit / Discretionary Housing Payment Paid	Benefit paid to support customers on low income with Housing rent costs	49,694
Housing Benefit / Discretionary Housing Benefit Received	Benefit received to support customers on low income with Housing rent costs	44,264

Note 3 Expenditure and Funding Analysis

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax and rent payers how the funding available to the council (i.e. government grants, rents, fees and charges, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by the council in accordance with the CIPFA Accounting Code of Practice. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on page 51. The segmental analysis in the Expenditure and Funding Analysis reflects the council's management structure, as reported to the relevant Committees during the financial year.

2024/25				2025/26			
Net Expenditure Chargeable To the General Fund And HRA Balance £000	(Note 3) Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000		Net Expenditure Chargeable To the General Fund And HRA Balance £000	(Note 3) Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	
128,701	27,374	156,075	Community and Enterprise Resources	129,069	28,949	158,018	
482,703	10,667	493,370	Education Resources	502,133	1,736	503,869	
40,136	5,137	45,273	Finance and Corporate Resources	44,318	7,926	52,244	
			Housing and Technical Resources				
2,981	(3,311)	(330)	- Housing Revenue Account	3,988	2,134	6,122	
15,972	6,171	22,143	- Housing Other	21,259	5,387	26,646	
235,309	8,993	244,302	Social Work Resources	247,052	7,676	254,728	
1,864	-	1,864	Joint Board	1,635	0	1,635	
(8,870)	9,348	478	Corporate Items	(18,041)	9,533	(8,508)	
-	105	105	Corporate and Democratic Core (HRA)	-	201	201	
-	-	-	Non-Distributed Costs – Non-Operational Assets (HRA)	-	-	-	
898,796	64,484	963,280	Net Cost of Services	931,413	63,542	994,955	
(906,444)	(30,035)	(936,479)	Other (Income) and Expenditure	(960,661)	(55,721)	(1,016,382)	
(7,648)	34,449	26,801	(Surplus) or Deficit	(29,248)	7,821	(21,427)	

General Fund	HRA	Total General Fund and HRA		General Fund	HRA	Total General Fund and HRA
(109,772)	(13,221)	(122,993)	Opening General Fund and HRA Balance	(118,997)	(10,440)	(129,437)
(10,627)	2,981	(7,646)	Less/plus (Surplus) or Deficit on General Fund	(33,236)	3,988	(29,248)
1,402	(200)	1,202	Transfers to/from Other Reserves	(1,474)	(208)	(1,682)
(118,997)	(10,440)	(129,437)	Closing General Fund and HRA Balance	(153,707)	(6,660)	(160,367)

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement

2025/26				
	Adjustments for Capital Purposes (Note a) £000	Net change for the Pensions Adjustments (Note b) £000	Other Differences (Note c) £000	Total Adjustments between Funding and Accounting Basis £000
Community and Enterprise Resources	25,056	3,641	252	28,949
Education Resources	25,585	6,010	(29,859)	1,736
Finance and Corporate Resources	2,466	5,260	200	7,926
Housing and Technical Resources				
- Housing Revenue Account	11,205	605	(9,676)	2,134
- Housing Other	3,432	1,741	214	5,387
Social Work Resources	3,947	3,632	97	7,676
Joint Board	-	-	-	-
Corporate Items	-	-	9,533	9,533
Corporate and Democratic Core (HRA)	-	-	201	201
Non-Distributed Costs – Non-Operational Assets (HRA)	-	-	-	-
Net Cost of Services	71,691	20,889	(29,038)	63,542
Other Income and Expenditure from the Expenditure and Funding Analysis	(87,740)	6,233	25,786	(55,721)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(16,049)	27,122	(3,252)	7,821

2024/25				
	Adjustments for Capital Purposes (Note a) £000	Net change for the Pensions Adjustments (Note b) £000	Other Differences (Note c) £000	Total Adjustments between Funding and Accounting Basis £000
Community and Enterprise Resources	21,085	6,437	(148)	27,374
Education Resources	28,423	11,012	(28,768)	10,667
Finance and Corporate Resources	1,876	3,174	87	5,137
Housing and Technical Resources				
- Housing Revenue Account	6,219	1,061	(10,591)	(3,311)
- Housing Other	928	3,157	2,086	6,171
Social Work Resources	4,859	6,243	(2,109)	8,993
Joint Board	-	-	-	-
Corporate Items	-	-	9,348	9,348
Corporate and Democratic Core (HRA)	-	-	105	105
Non-Distributed Costs – Non-Operational Assets (HRA)	-	-	-	-
Net Cost of Services	63,390	31,084	(29,990)	64,484
Other Income and Expenditure from the Expenditure and Funding Analysis	(62,239)	6,285	25,919	(30,035)
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,151	37,369	(4,071)	34,449

Note a – Adjustments for Capital Purposes

This column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:

- Other Operating Expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Financing and Investment Income and Expenditure – the statutory charges for capital financing and other contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and Non-Specific Grant Income and Expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those that are receivable in the year, to those that are receivable without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Note b – Net Change for the Pensions Adjustment

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

- For Services this represents the removal of the employer pension contributions made by the council as allowed by statute and the replacement with current service costs and past service costs.
- For Financing and Investment Income and Expenditure – the net interest on the defined benefit liability is charged to the Comprehensive Income and Expenditure Statement.

Note c – Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable /receivable to be recognised under statute:

- For Services, this represents the accrual made for the cost of holiday leave entitlements earned by employees but not taken before the year end which employees can carry into the next financial year. These require to be included in the Net Cost of Services under generally accepted accounting practices, however, are not chargeable to the General Fund.
- For Financing and Investment Income and Expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.

Note 4 Reconciliation of Adjustments Between Funding and Accounting Basis Shown in the Expenditure and Funding Analysis (EFA) to Those Shown In the Movement in Reserves Statement (MIRS)

2024/25		2025/26
£000		£000
34,449	Adjustments between Funding and Accounting Basis as per EFA	7,821
7,774	Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve (Note 7)	610
(1,542)	Use of Capital Receipts Reserve to finance capital expenditure (Note 7)	(700)
40,681	Adjustments between Funding and Accounting Basis as per MIRS	7,731

Note 5 Expenditure and Income Analysed by Nature

The council's expenditure and income are analysed as follows:

	Community and Enterprise £000	Education £000	Finance and Corporate £000	Housing Revenue Account £000	Housing and Technical £000	Social Work £000	Joint Boards £000	Corporate Items £000	Other Non- Resource Lines £000	2025/26 Total £000	2024/25 Total £000
Expenditure											
Employee Benefits Expenses	104,939	373,873	41,255	9,908	48,210	121,047	-	(9,544)	-	689,688	672,150
Other Services Expenditure	92,901	192,437	61,743	77,312	25,661	406,526	1,635	2,673	201	861,089	770,033
Support Services Recharges	-	-	-	-	-	-	-	-	-	-	-
Depreciation, Amortisation, Impairment	25,293	(42,264)	2,466	41,424	3,745	3,946	-	-	-	34,610	97,451
Interest Payment	-	-	-	-	-	-	-	-	55,644	55,644	68,065
Pension Net Interest Expense	-	-	-	-	-	-	-	-	6,233	6,233	6,285
Impairment on Financial Instruments	-	-	-	-	-	-	-	-	(45)	(45)	(1,752)
Loss on the Disposal of Assets	-	-	-	-	-	-	-	-	4,973	4,973	(7,268)
Total Expenditure	223,133	524,046	105,464	128,644	77,616	531,519	1,635	(6,871)	67,006	1,652,192	1,604,964
Income											
Fees and Charges and Other Service Income	51,360	5,634	7,288	122,522	48,067	216,925	-	1,637	-	453,433	420,540
Interest and Investment Income	-	-	-	-	-	-	-	-	1	1	13,188
Impairment on Financial Instruments	-	-	-	-	-	-	-	-	(301)	(301)	(899)
Gain on the Disposal of Assets	-	-	-	-	-	-	-	-	-	-	-
Income from Council Tax	-	-	-	-	-	-	-	-	172,137	172,137	161,060
Government Grants and Contributions	13,755	14,543	45,932	-	2,903	59,866	-	-	911,350	1,048,349	984,274
Total Income	65,115	20,177	53,220	122,522	50,970	276,791	0	1,637	1,083,187	1,673,619	1,578,163
(Surplus) or Deficit on the Provision of Services	158,018	503,869	52,244	6,122	26,646	254,728	1,635	(8,508)	(1,016,181)	(21,427)	26,801

Note 6 Revenue from Contracts with Service Recipients

Amounts included in the Comprehensive Income and Expenditure Statement for contracts with service recipients.

2024/25 £000		2025/26 £000
44,925	Revenue from contracts with service recipients	74,716
-	Impairment of receivables or contract assets	-
44,925	Total included in Comprehensive Income and Expenditure Statement	74,716

Amounts included in Balance Sheet for contracts with service recipients.

2024/25 £000		2025/26 £000
-	Receivables which are included in debtors (note 21)	-
-	Contract Assets	-
-	Contract Liabilities	-
-	Total Included in Net Assets	-

Specific changes in the contract assets and the contract liabilities balances during the period are as follows:

2024/25 Contract Asset £000	2024/25 Contract Liability £000		2025/26 Contract Asset £000	2025/26 Contract Liability £000
-	-	Contract assets and liabilities at the beginning of the year	-	-
-	-	Increases / decreases due to cash received (paid)	-	-
-	-	Transfers from contract assets / (liabilities) recognised at the beginning of the period to receivables (payables)	-	-
-	-	Changes as a result of changes in the measure of progress	-	-
-	-	Contract assets and liabilities at the end of the year	-	-

Note 7 Adjustments Permitted Under Accounting Standards and Between Accounting Basis and Funding Basis Under Regulations

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

General Fund

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

Housing Revenue Account

The Housing Revenue Account balance reflects the statutory obligation to maintain a revenue account for local authority housing in accordance with the Local Government and Housing (Scotland) Act 1987. It contains the balance of income and expenditure as defined by the 1987 Act that is available to fund future expenditure in connection with the council's landlord function.

Repairs and Renewals Fund

The Repairs and Renewals Fund comprises a combination of balances brought forward from previous years adjusted for any utilisation of funds and contributions to the Fund in year. The funds will be used to deal with repairing or renewing council assets.

Insurance Fund

The Insurance Fund is held as a provision against unpaid claims. Council Services contribute to the Fund which meets the cost of property damage, public liability, employee liability, vehicle fleet and other claims. The council holds insurance cover to meet any large claims, the premium for which is charged to the Fund. Actuarial reviews are undertaken on a regular basis. The last full review took place during 2024/25.

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.

Usable Reserves							
2025/26	General Fund Balance £000	Housing Revenue Account £000	Repairs And Renewals Fund £000	Insurance Fund £000	Capital Statutory Funds £000	Capital Receipts Reserve £000	Total £000
Adjustments to Usable Reserves Permitted by Accounting Standards							
Adjustment for the Revaluation Element of Depreciation	15,041	17,494	-	-	-	-	32,535
Total Adjustments to Usable Reserves Permitted by Accounting Standards	15,041	17,494	-	-	-	-	32,535
Statutory Adjustments (Between Accounting and Funding Basis)							
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:							
▪ Pensions Costs transferred to (or from) the Pensions Reserve	26,297	825	-	-	-	-	27,122
▪ Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(268)	(90)	-	-	-	-	(358)
▪ Holiday Pay (transferred to (or from) the Accumulated Absences Reserve)	1,854	63	-	-	-	-	1,917
▪ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	47,760	23,930	-	-	-	-	71,690
Total Adjustments to Revenue Resources	75,643	24,728	-	-	-	-	100,371
Adjustments between Revenue and Capital Resources							
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	(622)	12	-	-	-	610	-
Statutory Provision for the repayment of debt (transfer from Capital Adjustment Account)	(4,314)	(4,405)	-	-	-	-	(8,719)
Capital expenditure financed from revenue balances (transfer to Capital Adjustment Account)	(2,034)	(25,815)	-	-	-	-	(27,849)
Total Adjustments between Revenue and Capital Resources	(6,970)	(30,208)				610	(36,568)
Adjustments to Capital Resources							
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	(700)	(700)
Application of capital grants to finance capital expenditure	(43,719)	(44,188)	-	-	-		(87,907)
Total Adjustments to Capital Resources	(43,719)	(41,188)	-	-	-	(700)	(88,607)
Total Statutory Adjustments (Between Accounting and Funding Basis)	24,954	(49,668)	-	-	-	(90)	(24,804)
Total Adjustments to Usable Reserves Permitted by Accounting Standards	15,041	17,494	-	-	-	-	32,535
Total Statutory Adjustments (Between Accounting and Funding Basis)	24,954	(49,668)	-	-	-	-	(24,805)
Total Comprehensive Expenditure and Income	(6759)	28,186	-	-	-	-	21,427
Net Increase / (Decrease) before transfers to / (from) Reserves	33,236	(3,988)	-	-	-	-	29,157
Transfers to / (from) Reserves	-	-	-	-	-	-	-
Increase / (Decrease) in Year	33,236	(3,988)	-	-	-	-	29,157

Usable Reserves							
2024/25	General Fund Balance £000	Housing Revenue Account £000	Repairs And Renewals Fund £000	Insurance Fund £000	Capital Statutory Funds £000	Capital Receipts Reserve £000	Total £000
Adjustments to Usable Reserves Permitted by Accounting Standards							
Adjustment for the Revaluation Element of Depreciation	15,113	17,810	-	-	-	-	32,923
Total Adjustments to Usable Reserves Permitted by Accounting Standards	15,113	17,810	-	-	-	-	32,923
Statutory Adjustments (Between Accounting and Funding Basis)							
Adjustments to Revenue Resources							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:							
▪ Pensions Costs transferred to (or from) the Pensions Reserve	36,094	1,275	-	-	-	-	37,369
▪ Financial Instruments (transferred to the Financial Instruments Adjustment Account)	(271)	(88)	-	-	-	-	(358)
▪ Holiday Pay (transferred to (or from) the Accumulated Absences Reserve)	749	(20)	-	-	-	-	728
▪ Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to the Capital Adjustment Account)	39,034	22,224	-	-	-	-	61,258
Total Adjustments to Revenue Resources	75,606	23,391	-	-	-	-	98,997
Adjustments between Revenue and Capital Resources							
Transfer of non-current asset sale proceeds from revenue to Capital Receipts Reserve	(7,572)	(202)	-	-	-	7,774	-
Statutory Provision for the repayment of debt (transfer from Capital Adjustment Account)	(3,730)	(5)	-	-	-	-	(3,735)
Capital expenditure financed from revenue balances (transfer to Capital Adjustment Account)	(1,605)	(33,506)	-	-	-	-	(35,111)
Total Adjustments between Revenue and Capital Resources	(12,907)	(33,713)	-	-	-	7,774	(38,846)
Adjustments to Capital Resources							
Use of the Capital Receipts Reserve to finance capital expenditure	-	-	-	-	-	(1,542)	(1,542)
Application of capital grants to finance capital expenditure	(29,501)	(21,350)	-	-	-	-	(50,851)
Total Adjustments to Capital Resources	(29,501)	(21,350)	-	-	-	(1,542)	(52,393)
Total Statutory Adjustments (Between Accounting and Funding Basis)	33,198	(31,672)	-	-	-	6,232	7,757
Total Adjustments to Usable Reserves Permitted by Accounting Standards	15,113	17,810	-	-	-	-	32,923
Total Statutory Adjustments (Between Accounting and Funding Basis)	33,198	(31,672)	-	-	-	6,232	7,757
Total Comprehensive Expenditure and Income	(37,682)	10,881	-	-	-	-	(26,801)
Net Increase / (Decrease) before transfers to / (from) Reserves	10,629	(2,981)	-	-	-	6,232	13,879
Transfers to / (from) Reserves	(1,402)	200	(224)	1,617	(191)	-	-
Increase / (Decrease) in Year	9,227	(2,781)	(224)	1,617	(191)	6,232	13,879

Note 8 Comprehensive Income and Expenditure Statement – Financing and Investment Income and Expenditure

2024/25 £000		2025/26 £000
68,065	Interest payable and similar charges	55,644
6,285	Pensions interest cost and expected return on pensions assets	6,233
(13,186)	Interest receivable and similar income	(1)
(853)	Impairment on Financial Instruments	256
60,311	Total	62,132

Note 9 Comprehensive Income and Expenditure Statement – Taxation and Non-Specific Grant Income

2024/25 £000		2025/26 £000
(161,060)	Council Tax income	(172,137)
(366,018)	National Non-Domestic Rates	(371,110)
(411,592)	Non-ringfenced Government grants	(452,333)
(50,851)	Capital grants and contributions	(87,907)
(989,521)	Total	(1,083,487)

Note 10 Movements in Usable Reserves

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2025/2026.

	2024/25 Opening Balance 1 April 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	2024/25 Closing Balance 31 March 2025 £000	2025/26 Opening Balance 1 April 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	2025/26 Closing Balance 31 March 2026 £000
Future Budget Strategies – allocated to specific years	69,097	(33,798)	49,025	84,324	84,324	(19,833)	42,431	106,922
Investments (Multi Year)	5,036	(2,782)	202	2,456	2,456	(1,910)	10,663	11,209
Early Years (Multi-year)	7,711	(5,350)	-	2,361	2,361	-	-	2,361
Pupil Equity Fund (Specific funding)	323	(323)	631	631	631	(631)	653	653
Scottish Welfare Fund	-	-	1,153	1,153	1,153	(179)	-	974
Multi Year Projects	3,499	(643)	-	2,856	2,856	(424)	-	2,432
Schools (Multi-year)	1,091	(1,091)	-	-	-	-	-	-
Scheme of Assistance	742	(255)	-	487	487	(302)	-	185
Community and Enterprise Resources including Public Health and Local Plan	1,302	-	673	1,975	1,975	(970)	4,645	5,650
Temporary Homelessness / Community Safety (Specific funding)	1,575	-	355	1,930	1,930	(1,224)	123	829
New Initiatives (Multi-year)	912	-	-	912	912	(912)	-	-
Counselling in Schools	278	(278)	-	-	-	-	-	-
Additional Support for Learning	482	-	-	482	482	-	564	1,046
Grants to Voluntary Organisations - Area Grants c/f	207	-	106	313	313	(113)	-	200
Lanarkshire Valuation Joint Board - Scottish Government funding	118	-	-	118	118	(118)	-	-
Other Funding (inc. LACER)	2,320	(321)	40	2,039	2,039	(2,039)	-	-
Ukraine Resettlement	1,485	-	218	1,703	1,703	-	-	1,703
Miscellaneous Balances	552	(64)	30	518	518	-	290	808
Scotland Excel Contract	-	-	200	200	200	(100)	-	100
Office Accommodation	-	-	250	250	250	-	-	250
Hamilton Town Centre	-	-	898	898	898	(154)	-	744
Property Maintenance	-	-	350	350	350	-	-	350
Marmot Initiative	-	-	-	-	-	-	2,000	2,000
2027 Local Government Election	-	-	-	-	-	-	1,000	1,000
Transformational Residential Care	-	-	-	-	-	-	500	500
The Promise	-	-	-	-	-	-	750	750
Total Earmarked General Fund	96,730	(44,905)	54,131	105,956	105,956	(28,909)	63,619	140,666
Uncommitted General Fund								
Uncommitted General Fund	13,043	-	-	13,043	13,043	-	-	13,043
Total Uncommitted General Fund	13,043	-	-	13,043	13,043	-	-	13,043
Total General Fund	109,773	(44,905)	54,131	118,999	118,999	(28,909)	63,619	153,709

	2024/25 Opening Balance 1 April 2024 £000	Transfers Out 2024/25 £000	Transfers In 2024/25 £000	2024/25 Closing Balance 31 March 2025 £000	2025/26 Opening Balance 1 April 2025 £000	Transfers Out 2025/26 £000	Transfers In 2025/26 £000	2025/26 Closing Balance 31 March 2026 £000
Repairs and Renewals								
Fleet Sinking Fund	40	-	40	80	80	(14)	-	66
Waste	2,991	(120)	-	2,871	2,871	(50)	425	3,246
Repairs and Restorations (Various Projects)	1,893	(144)	-	1,749	1,749	(902)	50	897
Winter Maintenance	422	-	-	422	422	-	-	422
Total Repairs and Renewals	5,346	(264)	40	5,122	5,122	(966)	475	4,631
Capital Fund								
Education Capital Items Replacement Fund	2,035	-	-	2,035	2,035	-	325	2,360
Adoptions	279	-	-	279	279	-	-	279
IT Development Fund / Digital Transformation	1,289	(1,000)	-	289	289	(48)	-	241
Central Energy Efficiency Fund	372	(47)	856	1,181	1,181	(975)	297	503
Total Capital Fund	3,975	(1,047)	856	3,784	3,784	(1,023)	622	3,383
Total Usable Capital Receipts	1,178	(1,542)	7,775	7,411	7,411	(700)	610	7,321
Total Insurance Fund	195	(986)	2,603	1,812	1,812	(1,090)	300	1,022
Total Housing Revenue Account	13,221	(2,981)	200	10,440	10,440	(3,988)	208	6,660
Total Usable Reserves	133,688	(51,725)	65,605	147,568	147,568	(36,676)	65,834	176,726

Note 11 Balance Sheet – Unusable Reserves

Unusable Reserves are those that the council is not able to utilise to provide services. These reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the council.

The two reserves arising from the system of capital accounting are the Revaluation Reserve and the Capital Adjustment Account. The former represents the gains on revaluation of fixed assets not yet realised through sales and the latter relates to amounts set aside from capital resources to meet past expenditure.

The reserve arising from accounting for financial instruments is the Financial Instruments Adjustment Account. This is a balancing account to allow for differences in statutory requirements and proper accounting practices for lending and borrowing by the council.

The Pensions Reserve as limited by the assets ceiling cap under IFRIC 14, arises from IAS19 Accounting Disclosures for Retirement Benefits and recognises the council's share of actuarial gains and losses in the Strathclyde Pension Fund and the change in the council's share of the Pension Fund liability chargeable to the CIES.

The Accumulated Absences Reserve arises from IAS19 accounting disclosures for Short Term Accumulated Benefits and recognises the council's liability for compensated absences (annual leave) earned by staff but not taken in the year. The Statutory Arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Reserve.

Unusable Reserves						
2025/26						
	Revaluation Reserve £000	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Pension Reserve £000	Accumulating Compensated Absences Adjustment Account £000	Total £000
Opening Balance	1,509,742	1,026,150	(3,493)	(97,992)	(23,736)	2,410,671
Movement in Year	(118,306)	57,705	358	2,535	(1,917)	(59,625)
Closing Balance	1,391,436	1,083,855	(3,135)	(95,457)	(25,653)	2,351,046
Other Comprehensive Income and Expenditure	(81,551)					(81,551)
Adjustments to Usable Reserves Permitted by Accounting Standards						
Difference Between Fair Value and Historic Cost Depreciation	(32,535)	32,535				-
Adjustments Between Accounting Basis and Funding Basis Under Regulation						
Charges for Depreciation and Impairment of Non-Current Assets		(105,925)				(105,925)
Revaluation Gains / Losses on Property, Plant and Equipment		(1,079)				(1,079)
Amortisation of Intangible Assets		(1,162)				(1,162)
Non-Current Assets Written Off on Disposal or Sale		(1,363)				(1,363)
Accumulated Gains on Assets Sold or Scrapped	(4,220)					(4,220)
Use of Capital Receipts Reserve to Finance New Capital Expenditure		700				700
Capital Grants and Contributions		83,631				83,631
Statutory Charge for the Repayment of Debt		12,995				12,995
Statutory Provision for Financing of Capital Investment		9,524				9,524
Capital Expenditure Charged Against the General Fund and HRA Balance		27,849				27,849
Retrospective Benefit from applying revised Service Concession Guidance						-
Transfer Between Revaluation Reserve and Capital Adjustment Account						-
Premiums to be Charged Against the General Fund and HRA Balance			358			358
Reversal of Items Relating to Retirement Benefits				(27,122)		(27,122)
Employer's Pension Contribution Payable in Year				29,657		29,657
Amounts Accrued at the End of the Financial Year					(1,917)	(1,917)
Total Movement in Year	(118,306)	57,705	358	2,535	(1,917)	(59,625)

Unusable Reserves						
2024/25						
	Revaluation Reserve £000	Capital Adjustment Account £000	Financial Instruments Adjustment Account £000	Pension Reserve £000	Accumulating Compensated Absences Adjustment Account £000	Total £000
Opening Balance	1,333,554	996,027	(3,851)	(113,666)	(23,008)	2,189,055
Movement in Year	176,188	30,123	358	15,674	(728)	221,615
Closing Balance	1,509,742	1,026,150	(3,493)	(97,992)	(23,736)	2,410,671
Other Comprehensive Income and Expenditure	209,253	-	-	53,043	-	262,296
Adjustments to Usable Reserves Permitted by Accounting Standards						
Difference Between Fair Value and Historic Cost Depreciation	(32,923)	32,923	-	-	-	-
Adjustments Between Accounting Basis and Funding Basis Under Regulation						
Charges for Depreciation and Impairment of Non-Current Assets	-	(102,134)	-	-	-	(102,134)
Revaluation Gains / Losses on Property, Plant and Equipment	-	1,117	-	-	-	1,117
Amortisation of Intangible Assets	-	(224)	-	-	-	(224)
Non-Current Assets Written Off on Disposal or Sale	-	(365)	-	-	-	(365)
Accumulated Gains on Assets Sold or Scrapped	(142)	-	-	-	-	(142)
Use of Capital Receipts Reserve to Finance New Capital Expenditure	-	1,542	-	-	-	1,542
Capital Grants and Contributions	-	50,851	-	-	-	50,851
Statutory Charge for the Repayment of Debt	-	3,735	-	-	-	3,735
Statutory Provision for Financing of Capital Investment	-	7,567	-	-	-	7,567
Capital Expenditure Charged Against the General Fund and HRA Balance	-	35,111	-	-	-	35,111
Retrospective Benefit from applying revised Service Concession Guidance	-	-	-	-	-	-
Transfer Between Revaluation Reserve and Capital Adjustment Account	-	-	-	-	-	-
Premiums to be Charged Against the General Fund and HRA Balance	-	-	358	-	-	358
Reversal of Items Relating to Retirement Benefits	-	-	-	(66,598)	-	(66,598)
Employer's Pension Contribution Payable in Year	-	-	-	29,229	-	29,229
Amounts Accrued at the End of the Financial Year	-	-	-	-	(728)	(728)
Total Movement in Year	176,188	30,123	358	15,674	(728)	221,615

Note 12 Members Allowances

The council paid the following amounts to Members of the council during the year:

	2025/26 £	2024/25 £
Salaries	1,501,754	1,246,071
Mileage Allowance	13,010	14,564
Expenses	2,905	3,782
Total	1,517,669	1,264,417

Note 13 External Audit Costs

The council has incurred the following external audit costs:

	2025/26 £000	2024/25 £000
Fee payable to Audit Scotland for external audit services	661	633
Total	661	633

The council incurred these costs in relation to the audit of the Annual Accounts, the certification of grant claims and a contribution towards Audit Scotland's national work programme. Fees payable in respect of other services provided by the appointed auditor were nil (2024/2025: nil).

Note 14 Related Parties

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

Scottish Government

The Scottish Government has effective control over the general operations of the council – it is responsible for providing the statutory framework within which the council operates, provides the majority of its funding in the form of grants and prescribes the terms of many transactions that the council has with other parties (e.g. council tax bills, housing benefits). Grants received from government departments are set out in the subjective analysis in Note 5.

Officers

During 2025/2026, one senior officer of the council (Chief Executive) declared an interest in an organisation outwith those controlled or significantly influenced by the council, Improvement Service Company. No senior officer declared an interest of close family members in any organisations outwith those controlled or significantly influenced by the council.

The total remuneration paid to senior officers is shown in the Remuneration Report on page 37.

Members

Members of the council have direct control over the council's financial and operating policies. The total of members' allowances paid in 2025/2026 is shown in Note 12. During 2025/2026, works and services to the value of £6.591 million were commissioned from 12 companies in which 13 members had an interest (2024/2025 - £6.618 million). Contracts were entered into in full compliance with the council's standing orders. In addition, grants totalling £4.492 million were paid to 71 voluntary organisations in which members had an interest (2024/2025 - £4.872 million). The relevant members did not take part in any discussion or decision relating to the grants. Details of these transactions are recorded under each individual Councillor and can be found on the council's website ([Elected Members Interests](#)). As these payments relate to payments ledgered in the financial year, there are no outstanding balances to be disclosed.

The council has chosen a de minimis level of £0.100m as its threshold disclosure level for individual members interests in companies and voluntary organisations. In addition to the entities controlled or significantly influenced by the council (page 72), the council made individual payments above this threshold to the following companies and voluntary organisations in which members held an interest. These are detailed in the table overleaf.

Member	Organisation	Individual Payment Exceeding £0.100m
Cllr Maureen Devlin	Clyde Cycle Park Board (SCIO)	Two payments of £0.200m for Clyde Cycle Park Phase 2.
Cllr Margaret Cowie	Clyde Gateway Urban Regeneration Company	One payment of £0.800m as contribution to core funding for support of activities in South Lanarkshire.
Cllr Maureen Chalmers Cllr Joe Fagan	COSLA	One payment of £0.225m for Local Authority Subscriptions.
Cllr Gavin Keatt	General Teaching Council for Scotland	One payment of £0.300m. Deduction at source Registration Fees from 1 April 2025 - 31 March 2026.
Cllr John Anderson Cllr Catherine McClymont	Routes to Work South	Four Payments of £0.125m relating to the delivery of Making it Work. Two payments of £0.100m for WIN service delivery. Four invoices relating to Gateway to Employment; two for £0.260m, one for £0.257m and one for £0.236m.
Cllr Graeme Horne Cllr Susan Kerr	SEEMiS Group LLP	One Payment of £0.338m. Membership Fee for 2025/26.

Receipts and Payments Between the Council and Entities Controlled or Significantly Influenced by the Council

	2025/26 Receipts £000	2025/26 Payments £000	2024/25 Receipts £000	2024/25 Payments £000
Subsidiaries:				
Common Good Fund	37	0	43	-
Routes to Work South	0	2,765	-	2,844
South Lanarkshire Leisure and Culture Limited	2,093	15,513	2,053	15,626
Total Subsidiaries	2,130	18,278	2,096	18,470
Joint Ventures:				
South Lanarkshire HSCP Integration Joint Board	239,557	192,293	229,891	182,365
Total Joint Ventures	239,577	192,293	229,891	182,365
Joint Boards:				
Lanarkshire Valuation Joint Board	174	1,582	172	1,814
Strathclyde Partnership for Transport	0	15,731	-	16,488
Strathclyde Concessionary Travel Scheme Joint Committee	0	625	-	611
Total Joint Boards	174	17,938	172	18,913
Other Entities:				
Clyde Valley Learning and Development Joint Committee	59	12	59	12
Regen FX Youth Trust	0	254	-	509
SEEMIS Group LLP	232	353	226	353
Total Other Entities	291	619	285	874
Total	242,172	229,128	232,444	220,622

The amounts due (to) / from related parties are detailed below:

	2025/26 £	2024/25 £
Strathclyde Partnership for Transport	-	-
South Lanarkshire Leisure and Culture Limited	-	-
South Lanarkshire Health and Social Care Partnership	(6,742)	(3,629)

Subsidiaries

Common Good Fund

The Common Good Fund is for the benefit of the geographical areas of the former burghs and is administered by the council.

Routes to Work South

Established in 1998, Routes to Work South's main activity is supporting unemployed and workless residents in South Lanarkshire into employment, training, or further education. Routes to Work South delivers services to, and is funded by, the council. South

Lanarkshire Council is the sole member of Routes to Work South and is included in the council's group financial statements as a 100% subsidiary.

South Lanarkshire Leisure and Culture Limited

South Lanarkshire Leisure and Culture Limited was established as a Charitable Trust on 1 April 2002, became South Lanarkshire Leisure and Culture Limited in October 2010 and from 3 April 2023, the status of South Lanarkshire Leisure and Culture Limited changed from a Charitable Trust to a Scottish Charitable Incorporated Organisation (SCIO). The SCIO provides the council with a full range of leisure and cultural activities within the South Lanarkshire area. Whilst the Trust is entirely independent of the council under law and for taxation purposes, its activities are directed by means of contractual arrangements with the council, and, in recognition of this, South Lanarkshire Leisure and Culture Limited is treated as a 100% subsidiary, and included in the council's group financial statements.

Joint Ventures

South Lanarkshire Health and Social Care Partnership Integration Joint Board

The South Lanarkshire HSCP Integration Joint Board was established on 6 October 2015 as a partnership between South Lanarkshire Council and NHS Lanarkshire and is responsible for planning and seeing the delivery of a full range of community health and social work / social care services. In the year 2024/2025, the following financial transactions were made between South Lanarkshire Council and South Lanarkshire HSCP Integration Joint Board relating to the integrated and social care functions:

	2025/26 £000	2024/25 £000
Contribution made to South Lanarkshire HSCP Integration Joint Board	192,293	182,365
Commissioning income received from South Lanarkshire HSCP Integration Joint Board	239,577	229,891
South Lanarkshire HSCP Integration Joint Board due (from)/to South Lanarkshire Council	(6,742)	(3,629)

Joint Boards

The council is represented on a number of joint boards which are independent public bodies formed by an Act of Parliament. These bodies are Lanarkshire Valuation Joint Board, Strathclyde Concessionary Travel Scheme and Strathclyde Partnership for Transport. All local government functions that relate to these bodies have been delegated from the constituent councils that comprise the area of each board. The members of each board are elected councillors and appointed by the councils in proportions specified in the legislation.

The council has no shares, or ownership of any of these boards. Nevertheless, these boards are included within the council's group accounts as associate, as the council is represented on the board and participate in policy making processes. The council's share of each board's net assets is calculated on its percentage share of the aggregate contributions made by the constituent councils.

Other entities

Details of all other public bodies in which the council has a significant interest are explained in the group accounts at Notes 4 to 7.

Note 15 Leases

Council as Lessee

Finance Leases

The council currently has obligations in relation to Glasgow Southern Orbital infrastructure and secondary schools. These are classed as PPP/PFI finance leases and are reported under Note 26 – Public Private Partnerships and Similar Contracts.

The Council adopted IFRS 16 from 1 April 2024. IFRS 16 applies to service concession arrangements i.e. Public Private Partnerships (PPP) and similar schemes, in addition to right of use assets below.

The table below outlines the value of liabilities resulting from service concession arrangements at each Balance Sheet date, and an analysis of the movement in those values.

Service Concession Arrangements

	£000
Balance as at 31 March 2025	299,814
Remeasurement per IFRS16	10,396
Principal Repaid	(14,309)
Balance as at 31 March 2026	295,901

Right of Use Assets

The Council adopted IFRS 16 from 1 April 2024, to recognise all right of use assets. IFRS 16 will mean that the majority of leases where the Council acts as lessee will come onto the balance sheet and lessor accounting is effectively unchanged. Right-of-use assets and lease liabilities will have been calculated as if IFRS 16 had always applied but recognised in 2024/2025 and not by adjusting prior year figures.

The main impact of the new requirements is that, for arrangements previously accounted for as operating leases (i.e. without recognising the leased vehicles, plant, equipment, property and land as an asset and future rents as a liability), a right-of-use asset and a lease liability are now on the balance sheet at 1 April 2024. Leases for items of low value (below £0.010m assets) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

A weighted average incremental borrowing rate, in line with the time period of the lease, has been applied to lease liabilities as at 1 April 2024.

As a lessee, the Council has previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Council. Under IFRS 16, the Council recognises right-of-use assets and lease liabilities for most leases.

The Council has decided to apply recognition exemptions to short-term leases and has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a term of 12 months or less and leases of low value assets. The Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

This table shows the change in the value of right-of-use assets held under leases by the Council. These are included within overall Property, Plant and Equipment in Note 18.

Right of Use Assets	2025/2026		
	Land and Buildings	Vehicles, Plant and Equipment	Total
	£000	£000	£000
Value at 1 April	21,365	1,410	22,775
Additions	3,669	11,379	15,048
Revaluations	-	-	-
Depreciation	(3,362)	(2,344)	(5,706)
Disposals	-	-	-
Value at 31 March	21,672	10,445	32,117

The Council incurred the following expenses and cashflows in relation to leases.

Transactions under Leases	2025/2026
	£000
Comprehensive Income and Expenditure Statement	
Interest Expense on Lease Liabilities	1,535
Expense relating to short-term leases	-
Expense relating to exempt leases of low-value items	772
Cashflow Statement	
Total cashflow for leases	7,027
Minimum lease payments	4,720

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

Maturity Analysis of Lease Liabilities	2025/2026		
	Finance Lease Liability £000	Service Concession Arrangements Liability £000	Total Liability £000
Not later than one year	6,263	14,298	20,561
Later than one year and not later than five years	14,658	56,582	71,240
Later than five years	8,999	225,021	234,020
Total Undiscounted Liabilities	29,920	295,901	325,821

Analysed by:			
Current	6,263	14,298	20,561
Non-Current	23,657	281,603	305,260
Total	29,920	295,901	325,821

Council as Lessor

Operating Leases

The council leases out property under operating leases. The purpose of the Lease Portfolio is principally Socio Economic – by supporting the wider corporate objectives of the council as stated in the Council Plan, Connect 2022-27, through strategic influence, control, occupational use and management of lease agreements. In particular, but not exclusively, to 'support the local Economic Development by providing the right conditions for growth, improving skills and employability'.

The future minimum lease payments receivable under non-cancellable leases in future years are:

	2025/26 £000	2024/25 £000
Not later than one year	3,292	4,707
Later than one year and not later than five years	8,365	11,729
Later than five years	27,664	91,470
Total	39,321	107,906

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2025/2026, no contingent rents were receivable by the council (2024/2025 – nil).

Note 16 Grant Income

The council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2025/2026:

	2025/26 £000	2024/25 £000
Credited to Taxation and Non Specific Grant Income		
Council Tax	172,137	161,060
Non Ring Fenced Government Grants	452,333	411,592
Non Domestic Rate Redistribution	371,110	366,018
Total	995,580	938,670
Credited to Services		
Scottish Government	36,117	34,808
European Grant Funding	(191)	-
Skills Development Scotland	787	264
Central Government	47,648	69,196
Lottery	10	43
Creative Scotland	410	414
NHS (incl. Resource Transfer)	51,232	49,893
Other Grants	985	1,196
Total	136,998	155,814

Note 17 Events After the Balance Sheet Date

The unaudited Annual Accounts were authorised for approval by the Executive Director (Finance and Corporate Resources) on 23 June 2026.

There are no events that occurred between 1 April 2026 and the date that the audited Accounts were authorised for issue, that would have an impact on the financial statements.

Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 18 Property, Plant and Equipment

Movements on Balances

Movements in 2025/2026:

	Council Dwellings £000	Other Land And Buildings £000	Vehicles, Plant And Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PPP assets Included in Property, Plant and Equipment £000	Infrastructure Assets (Note 1) £000
Cost or Valuation									
As at 1 April 2025	1,668,237	2,109,787	56,544	2,016	11,098	21,898	3,869,580	633,622	
Recognition of Right of Use Assets	-	3,669	11,379	-	-	-	15,048	-	-
Additions	68,371	17,443	4,440	498	-	31,960	122,712	10,410	22,249
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(218,476)	49,239	-	-	433	-	(168,804)	(12,993)	-
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	-	(4,596)	(6)	(86)	(403)	-	(5,091)	-	-
De-recognition – Disposals	-	(5,660)	(7,068)	-	-	-	(12,728)	-	-
Assets reclassified from Held for Sale	-	-	-	-	(2,086)	-	(2,086)	-	-
Other movements in Cost or Valuation (Reclassifications)	13,908	5,991	1,400	974	691	(23,302)	(338)	163	2,695
At 31 March 2026	1,532,040	2,175,873	66,689	3,402	9,733	30,556	3,818,293	631,202	

	Council Dwellings £000	Other Land And Buildings £000	Vehicles, Plant And Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Constructio n £000	Total Property, Plant and Equipment £000	PPP assets Included in Property, Plant and Equipment £000	Infrastructure Assets (Note 1) £000
Accumulated Depreciation and Impairment									
As at 1 April 2025	-	80,345	29,127	10	29	-	109,511	6,934	
Depreciation Charge	40,003	44,511	9,131	3	12	-	93,660	461	12,264
Depreciation written out to the Revaluation Reserve	(40,003)	(47,249)	-	-	-	-	(87,252)	(11,440)	-
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	(3,963)	(4)	-	(46)	-	(4,013)	-	-
Impairment losses / (reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-
De-recognition – Disposals	-	(246)	(7,067)	-	-	-	(7,313)	-	-
Eliminated on reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-	-
Other movements in Depreciation and Impairment (Reclassifications)	-	(59)	-	-	59	-	-	-	-
At 31 March 2026	-	73,339	31,187	13	54	-	104,593	(4,045)	

Net book value									
At 31 March 2026	1532,040	2,102,534	35,502	3,389	9,679	30,556	3,713,700	635	363,638
At 31 March 2025	1,668,237	2,029,442	27,417	2,006	11,069	21,898	3,391,246	627	353,315

Movements on Balances

Movements in 2024/2025:

	Council Dwellings £000	Other Land And Buildings £000	Vehicles, Plant And Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PPP assets Included in Property, Plant and Equipment £000	Infrastructure Assets (Note 1) £000
Cost or Valuation									
As at 1 April 2024	1,477,115	1,941,604	55,394	1,626	10,250	24,790	3,510,779	515,933	
Recognition of Right of Use Assets	-	24,544	2,021	-	-	-	26,565	-	-
Additions	59,019	2,585	3,975	111	1	28,745	94,436	189	19,036
Revaluation increases / (decreases) recognised in the Revaluation Reserve	129,415	129,781	-	0	(1,968)	32	257,260	116,952	-
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(56)	1,604	-	(10)	(2,621)	-	(1,083)	-	-
De-recognition – Disposals	(304)	(130)	(5,098)	(5)	-	-	(5,537)	(304)	(130)
Assets reclassified from Held for Sale	-	-	-	-	-	-	-	-	-
Other movements in Cost or Valuation (Reclassifications)	3,048	9,799	252	294	5,436	(31,669)	(12,840)	548	2,695
At 31 March 2025	1,668,237	2,109,787	56,544	2,016	11,098	21,898	3,869,580	633,622	

	Council Dwellings £000	Other Land And Buildings £000	Vehicles, Plant And Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total Property, Plant and Equipment £000	PPP assets Included in Property, Plant and Equipment £000	Infrastructure Assets (Note 1) £000
Accumulated Depreciation and Impairment									
As at 1 April 2024	-	94,294	25,208	10	21	-	119,533	38,284	
Depreciation Charge	39,317	42,158	8,948	-	8	-	90,431	10,453	11,702
Depreciation written out to the Revaluation Reserve	(39,317)	(53,819)	-	-	(85)	-	(93,221)	(41,803)	-
Depreciation written out to the Surplus / Deficit on the Provision of Services	-	(2,089)	-	-	(113)	-	(2,202)	-	-
Impairment losses / (reversals) recognised in the Revaluation Reserve	-	-	-	-	-	-	-	-	-
Impairment losses / (reversals) recognised in the Deficit on the Provision of Services	-	-	-	-	-	-	-	-	-
De-recognition – Disposals	-	(1)	(5,029)	-	-	-	(5,030)	-	-
Eliminated on reclassification to Assets Held for Sale	-	-	-	-	-	-	-	-	-
Other movements in Depreciation and Impairment (Reclassifications)	-	(198)	-	-	198	-	-	-	-
At 31 March 2025	-	80,345	29,127	10	29	-	109,511	6,934	

Net book value									
At 31 March 2025	1,668,237	2,029,442	27,417	2,006	11,069	21,898	3,760,069	626,688	353,315
At 31 March 2024	1,477,115	1,847,310	30,186	1,617	10,231	24,790	3,391,246	477,649	343,286

Note 1:

Infrastructure asset values have been disclosed in accordance with the Scottish Government's Finance Circular 9/2022 Statutory Override - Accounting for Infrastructure Assets. The council has applied both statutory overrides set out in the circular which are as follows:

- For accounting periods commencing from 1 April 2021 until 31 March 2026, a local authority is not required to report the gross carrying amount and accumulated depreciation for infrastructure assets.
- For the accounting periods from 1 April 2021 to 31 March 2026, the carrying amount to be derecognised in respect of a replaced part of an infrastructure asset is to be accounted for as a nil amount, and no subsequent adjustment can be made to the carrying amount of the asset with respect to that part.

The approach is set out in Note 39: Accounting Policies.

Capital Commitments

At 31 March 2026, the council has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment for housing and non-housing projects in 2026/2027 and future years. The major commitments for both Housing and General Services are as follows:

Housing Projects	£000	Non-Housing Projects	£000
New Build Housing	40,331	Cathcart Road Net Zero	2,055
Housing Investment projects including Heating Projects, Windows and Doors, Fire Doors, External Fabric Upgrades, Roofing and Environmental Works	16,984	Renewal of Play parks - Hamilton/Blantyre	403
		Lanark Interchange	464
		Stonelaw Road, Rutherglen	208
		East Kilbride Cycle Track, A726 Strathaven Road	229
		Hairmyres P&R/Redwood Dr	350
		Improvements to Accessibility - Electronic Gates	451
		South Lanarkshire Lifestyle, Fairhill - Gym Extension	353
		Overtoun Park Bandstand - Refurbishment Phase 3	362
		Lanark Memorial Hall - Refurbishment Phase 2	334
		Town Hall Refurbishments	702
		First Stop Accommodation - Conversion of Clydesdale Hotel	280
		East Kilbride Town Centre Masterplan	4,269
		Schools ICT	11,700

Revaluations

The council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All valuations were carried out internally. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant and equipment are based on current prices where there is an active second-hand market or latest list prices adjusted for the condition of the asset.

Vehicles, plant and equipment, despite being valued in the Balance Sheet at current costs are not included in the five year revaluation programme as any changes in valuation are considered to be immaterial. Council dwellings are revalued every year.

The significant assumptions applied in estimating the fair values are:

- All valuations are prepared in accordance with the current edition of the RICS Valuation Standards.
- All valuations are provided by a Valuer directly employed by South Lanarkshire Council and are accordingly defined as internal valuations.

Valuation Assumptions

Unless the Appointed Valuer is advised or reports to the contrary, the following valuation assumptions shall apply to all asset valuations provided under this service:

- It is assumed that the Local Authority shall continue to provide the services to which the assets relate;
- It is assumed that the property valued, is not at the date of valuation, affected by any mining subsidence and will not be affected in the future;
- It is assumed that the site is stable and will not occasion any extraordinary costs with regard to mining subsidence;
- It is assumed that the title to the subject contains no onerous burdens and restrictive conditions and that it has not been ascertained what minerals, rights of support and compensation is attached to the land nor whether rights of use and re-entry have been reserved;
- It is assumed that the property and its value are unaffected by any matters which would be revealed by local search and replies to the usual enquiries or by inspection of any register and that its condition, use, or intended use was, is or will be lawful;
- It is assumed that the property has the necessary statutory consents for the current buildings and use and that

- there are no policies or proposals by statutory authorities that could impact positively or adversely on the value;
- No investigation shall be undertaken, or information provided regarding the use of hazardous or deleterious materials or techniques in the construction of the property. It is assumed that no such materials or techniques have been used;
- No investigation shall be undertaken, or information provided regarding the presence of contamination or hazardous substances in the property (including the site) and neighbouring properties. It is assumed that no such contamination or hazardous substances are present;
- No environmental assessment shall be carried out or information provided on the presence of naturally occurring radon gas. It is assumed that no radon gas is present in the property;
- It is assumed that adequate repairs and maintenance is being undertaken; and
- Unless otherwise stated, the date of valuation shall be 1 April of the specified financial year.

Revaluation Programme

The table below shows the progress of the council's programme for the revaluation of Property, Plant and Equipment that ensures that all its PPE assets required to be measured at fair value are revalued at least every five years, which are supported by annual indexation in the intervening years. The measurement basis used for determining the gross carrying amount, and the significant assumptions applied in estimating the fair values are disclosed above and in Note 39 Accounting Policies under Section P 'Property, Plant and Equipment'.

	Council Dwellings £000	Other Land and Buildings £000	Vehicles, Plant and Equipment £0000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Total £000
Carried at historical cost	-	-	25,064	363,638	3,389	-	30,556	422,647
Valued at fair value								
2025/26	1,532,040	545,212	-	-	-	4,776	-	2,082,028
2024/25	-	723,310	-	-	-	1,635	-	724,945
2023/24	-	283,486	-	-	-	327	-	283,813
2022/23	-	278,351	-	-	-	924	-	279,275
2021/22	-	250,500	-	-	-	2,017	-	252,517
5 years ago, and greater	-	-	-	-	-	-	-	-
Total Cost or Valuation	1,532,040	2,080,059	25,064	363,638	3,389	9,679	30,556	4,045,225

Note 19 Other Assets – Intangible, Heritage and Assets Held For Sale

	Intangible Assets	Intangible Assets	Heritage Assets	Heritage Assets	Assets Held for Sale	Assets Held for Sale
	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000	2025/26 £000	2024/25 £000
Cost or Valuation						
Balance at 1 April	10,447	302	3,853	3,853	168	168
Additions	-	-	-	-	-	-
Revaluation increases / (decreases) recognised in the Revaluation Reserve	-	-	-	-	-	-
De-recognition – Disposals	(272)	-	-	-	(168)	-
Assets reclassified (to) / from Assets Held for Sale	-	-	-	-	2,086	-
Assets reclassified (to) / from Asset Under Construction	-	10,145	-	-	-	-
Balance at 31 March	10,175	10,447	3,853	3,853	2,086	168
Accumulated Depreciation						
Balance at 1 April	388	164	3,853	3,853	-	-
Depreciation charge	1,162	224	-	-	-	-
Depreciation – Disposals	(272)	-	-	-	-	-
Balance at 31 March	1,278	388	-	-	-	-
Net Book Value at 31 March	8,897	10,059	3,853	3,853	-	168

Note 20 Capital Expenditure and Capital Financing

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

	General Fund 2025/26 £000	HRA 2025/26 £000	Total 2025/26 £000	General Fund 2024/25 £000	HRA 2024/25 £000	Total 2024/25 £000
Opening Capital Financing Requirement	1,268,007	323,679	1,591,686	1,102,027	307,217	1,409,244
Capital Investment						
Property, Plant and Equipment	48,784	85,782	134,566	41,928	71,544	113,472
Intangible Assets	-	-	-	-	-	-
Decrease in PPP Finance Lease Liability	-	-	-	-	-	-
Increase in PPP Finance Lease Liability	2,745	-	2,745	151,221	-	151,221
Impact of Applying Service Concession Flexibility	9,496	-	9,496	9,007	-	9,007
Sources of Finance						
Capital Receipts	(700)	-	(700)	(1,340)	(202)	(1,542)
Government Grants and Other Contributions	(36,754)	(44,205)	(80,959)	(29,501)	(21,369)	(50,870)
Sums set aside from revenue:						
▪ Direct Revenue Contributions	(1,042)	(25,815)	(26,857)	(1,605)	(33,506)	(35,111)
▪ Loans Fund Principal	(8,590)	(4,405)	(12,995)	(3,730)	(5)	(3,735)
Closing Capital Financing Requirement	1,281,946	335,036	1,616,982	1,268,007	323,679	1,591,686
Explanation of movements in year:						
Increase in Underlying Need to Borrow	10,288	15,762	26,050	9,482	16,467	25,949
Loans Fund Repayments	(8,590)	(4,405)	(12,995)	(3,730)	(5)	(3,735)
Decrease in PPP Finance Lease Liability	-	-	-	-	-	-
Increase in PPP Finance Lease Liability	2,745	-	2,745	151,221	-	151,221
Impact of Applying Service Concession Flexibility	9,496	-	9,496	9,007	-	9,007
Increase / (Decrease) in Capital Financing Requirement	13,939	11,357	25,296	165,980	16,462	182,442

Note 21 Short Term Debtors

	31 March 2026 £000	31 March 2025 £000
Trade Receivables	45,816	31,099
Prepayments	7,610	8,220
Other Receivable Amounts	26,375	60,787
Total	79,801	100,106

Note 22 Debtors for Local Taxation

The past due but not impaired amount for local taxation and non-domestic rates can be analysed by age as follows:

	31 March 2026 Council Tax £000	31 March 2026 NDR £000	31 March 2025 Council Tax £000	31 March 2025 NDR £000
Less than one year	2,557	1,124	2,329	237
One to two years	1,021	130	854	345
Two to five years	196	150	-	-
More than five years	-	-	-	-
Total	3,774	1,404	3,183	582

Note 23 Short Term Creditors

	31 March 2026 £000	31 March 2025 £000
Trade Payables	126,504	109,667
Other Payables	133,897	125,620
Total	260,401	235,287

Note: Included within the Other Payables balance of £133.897m are balances held on behalf of third parties totalling £7.095m. They relate to Lanarkshire Valuation Joint Board, Clyde Valley Learning and Development Joint Committee, SEEMIS LLP, Regen FX Youth Trust, Supplier Development Programme, Common Good and Trust Funds whose financial transactions are hosted in the Council's Financial Management System.

Note 24 Provisions

	Injury and damage compensation claims £000	Other provisions (1) £000	Total £000
Balance at 31 March 2025	0	608	608
Additional provisions made in 2025/26	0	144	144
Amount used in 2025/26	0	(608)	(608)
Unused amounts reversed in 2025/26	0	0	0
Unwinding of discounting in 2025/26	0	0	0
Balance at 31 March 2026	0	144	144

The above provisions can be further analysed into Short Term and Long Term as follows:

	Injury and damage compensation claims £000	Other provisions (2) £000	Total £000
Short Term	0	144	144
Long Term	0	0	0
Balance at 31 March 2026	0	144	144

(1) The majority of this amount relates to provisions in respect of orders for bespoke adaptations.

Note 25 Receipts in Advance

The council has received a number of grants and contributions that have yet to be recognised as income. This is because they have conditions attached to them which requires the monies or property to be returned to the giver if these conditions are not met. These monies are committed to spend in 2026/2027.

The balances at 31 March 2026 are as follows:

	31 March 2026 £000	31 March 2025 £000
Revenue Grants and Contributions		
Big Lottery	-	-
UK Government	-	219
Clyde Gateway	85	85
National Health Service	-	30
Scottish Coal	498	498
Scottish Government	653	1,046
North Lanarkshire Council Business Gateway	-	300
North Lanarkshire Council ERDF	-	1,121
Wind Turbine Construction Compensation (Various)	140	140
Other	-	37
Total	1,376	3,476

Note 26 Public Private Partnership and Similar Contracts

The Council has two PPP or similar contracts: Secondary Schools PPP and Glasgow Southern Orbital.

Secondary Schools PPP: The council entered the PPP agreement in June 2006 for the provision of 17 new build schools (which includes 2 named Additional Support Needs schools) as well as the major refurbishment of Stonelaw High School and Hamilton Grammar. The Unitary Charge is index linked with the inflation rate in the January of the preceding financial year used to agree the charge for the new financial year. The agreement will last 30 years and will end in 2039/2040.

The unitary charge paid to the contractor includes the repayment of construction costs, interest and service charges and the projected payments due under the agreement, based on assumed RPI of 2.5% per annum.

Glasgow Southern Orbital: The council entered the PPP agreement in July 2006 for the Design, Build, Finance and Operate Contract which covered both the Glasgow Southern Orbital and the M77 Extension with a contract value of £130m. The agreement will last 30 years and will end in 2035/2036.

The actual payments made on PPP contracts are single sum unitary charge payments made to the contractor. For year-end accounting purposes we are required to calculate notional figures.

Payments remaining to be made under PPP contracts for both Schools and Glasgow Southern Orbital as at 31 March 2025 (assuming an inflation rate of 2.5% for Schools PPP and excluding any estimation of availability/ performance deductions) are as follows:

	Payment For Services £000	Reimbursement Of Capital Expenditure £000	Interest £000	Contingent Rents £000	Total £000
Payable in 2026/2027	21,469	7,593	8,251	14,742	52,055
Payable within two to five years	91,433	30,058	29,149	62,429	213,069
Payable within six to ten years	127,891	63,770	24,811	115,115	331,587
Payable within eleven to fifteen years	95,948	55,626	6,076	95,946	253,596
Total	336,741	157,047	68,287	288,232	850,307

The impact of a 1% movement in inflation on the 2025/2026 Unitary charge payment would be £0.490m.

The liability outstanding to pay the contractor for capital expenditure incurred is as follows:

	2025/26 £000	2024/25 £000
Balance outstanding at start of year	164,646	172,036
Payments during year	(7,599)	(7,390)
Capital expenditure incurred in the year	-	-
Reduction in liability for prepaid assets	-	-
Balance outstanding at year end	157,047	164,646

Implementation of PPP Service Concession Flexibilities

In accordance with Accounting Policy S on page 107 and in line with Finance Circular 10/2022, the Council implemented the permitted PPP Service Concession flexibility in financial year 2022/2023 on a retrospective annuity basis with a useful life of 50 years. The flexibility being applied is consistent with current Council Loans Fund arrangements and is considered prudent, sustainable, and affordable over the life of the asset. The implementation of this arrangement has no impact on the payments made to the contractor.

The current notional repayments noted above have been compared against an annuity repayment profile based on the estimated useful asset lives for the each of the two PPP or similar arrangements, over the contract period. The most appropriate asset life is considered to be 50 years which replicates the useful asset life of other similar type assets held on the Council's balance sheet (schools and roads). By applying the flexibility, a one-off combined retrospective saving of £59.733m was achieved. In addition to the one-off retrospective element, in-year savings have been realised in the scheduled debt repayments up to 2025/2026 of £27.576m. This will be followed by a reduction in the annual charges for further 15 years and then the continuation of the statutory charges after the PPP and similar contracts have been repaid. Over the full asset life of the arrangement, the total repayment for the debt liability remains the same.

PPP debt repayment	Original repayment £000	Revised repayment £000	Benefit / (Cost) £000
Pre 2025/2026	112,989	35,179	77,810
Paid in 2025/2026	14,310	4,811	9,499
Payable within one to five years	70,880	28,227	42,653
Payable within six to ten years	120,097	36,677	83,420
Payable within eleven to fifteen years	104,924	47,657	57,267
Payable within sixteen to twenty years	-	61,924	(61,924)
Payable within twenty-one to twenty-five years	-	80,204	(80,204)
Payable within twenty-six to thirty years	-	104,203	(104,203)
Payable within thirty-one to forty-five years	-	24,318	(24,318)
Total	423,200	423,200	-

Further information on the movement in value of PPP assets held under service concession arrangements can be found in Note 18.

Note 27 Pension Schemes Accounted for as Defined Contribution Schemes

Teachers employed by the council are members of the Teachers' Pension Scheme, administered by the Scottish Government. The Scheme provides teachers with specified benefits upon their retirement, and the council contributes towards the costs by making contributions based on a percentage of members' pensionable salaries.

The Scheme is technically a defined benefit scheme. However, the Scheme is unfunded and the Scottish Government uses a notional fund as the basis for calculating the employers' contribution rate paid by local authorities. The council is not able to identify its share of underlying financial position and performance of the Scheme with sufficient reliability for accounting purposes. For the purposes of the Financial Statements, it is therefore accounted for on the same basis as a defined contribution scheme.

South Lanarkshire Council's level of participation in the scheme is 5.37% based on the proportion of employer contributions paid in 2024/2025.

In 2025/2026, the council paid £50.261 million into the Teachers' Pension Scheme in respect of employer contributions, being

26.0% of pensionable pay. The figures for 2023/2024 were £48.420 million and 26.0% of pensionable pay.

The council is responsible for the costs of any additional benefits awarded upon early retirement outside of the terms of the teachers' scheme. These costs are accounted for on a defined benefit basis and detailed in Note 28.

Note 28 Pension Schemes Accounted for as Defined Benefit Schemes

The post-employment scheme for employees other than teachers is the Local Government Pension Scheme (LGPS) and is administered in the West of Scotland by Glasgow City Council in respect of all local authorities and admitted bodies in the former Strathclyde area. This is a multi-employer scheme in which it is possible for an employer to identify its share of the assets and liabilities on a consistent and reasonable basis. Employer's liabilities can be evaluated directly by the Actuary at any time on membership data. Individual employer assets have been apportioned to each employer since 2002. Prior to that date, each employer was considered to have the same funding as the whole Fund.

Benefits

- It is a defined benefit final salary scheme, meaning that the council and employees pay contributions into a fund, calculated at a level to balance the pensions liability with investment assets.
- A new Career Average Related Earnings (CARE) pension scheme has been introduced from 1 April 2015. The pension accrual rate guarantees a pension that is built up at a rate of 1/49th of the pensionable pay in the financial year. The amount built up in the year is transferred to the member's pension account and at the end of each financial year the total in the member's pension account is adjusted in line with the cost of living to ensure it retains its purchasing power.
- For pension contributions from 2009 to 2015, the pension is based on 1/60th of final pensionable salary and years of service, and prior to 2009, the accrual rate guarantees a pension based on 1/80th and a lump sum based on 3/80th of final pensionable pay and years of pensionable service.
- There is no automatic entitlement to a lump sum. Members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004. The scheme's retirement age is the normal age for the state pension. Pensions are increased annually in line with changes to the Pensions (Increase) Act 1971 and Section 59 of the Social Security Pensions Act 1975.

Governance

- The Strathclyde Pension Fund is operated under the regulatory framework for the LGPS in Scotland and the governance of the scheme is the responsibility of the Strathclyde Pension Fund Committee. This committee is comprised solely of Elected Members of Glasgow City Council. Employing authorities (including South Lanarkshire Council) are represented at the Strathclyde Pension Fund Representative Forum.
- Policy is determined in accordance with the Local Government Pension Scheme (Scotland) Regulations. Management of the Fund's investments is carried out by the Fund's Investment Advisory Panel which selects and appoints a number of external investment managers/partners and monitors their investment performance.
- Under the Regulations, employers fall into three categories, scheme employers (also known as schedule bodies) such as South Lanarkshire Council, community admission bodies and transferee admission bodies. Admission agreements are generally assumed to be open-ended. However, either party can voluntarily terminate the admission agreement by giving an appropriate period of notice to the other parties. Any deficit arising from the cessation valuation will usually be levied on the departing admission body as a capital payment.

Principal Risks

- The principal risks to the scheme are the longevity assumptions, statutory changes to the scheme, changes to inflation, bond yields and the performance of the investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge the General Fund the amount due by statute as described in the accounting policy note.

Discretionary Post-employment Benefits

- Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when an award is made. There are no plan assets built up to meet these pension liabilities.

Legal and Regulatory Uncertainty

Section 37 confirmations (Virgin Media vs NTL Pension Trustees II Limited ruling)

The actuary has advised on an initial legal judgement from July 2023 regarding Section 37 confirmations. The actuary has made no additional allowance within the accounting balance sheet for this because at the time of writing the ruling only applies to the above-named private sector pension scheme; the legal judgement was subject to appeal; it is unknown whether there would be any potential remedy required to public service schemes (including the LGPS); it is unknown what the impact of any potential remedy would be and it is unknown whether Section 37 certificates exist for prior scheme amendments. Accordingly, no provision has been made in the accounts.

Guaranteed Minimum Pension Equalisation / Indexation Treatment (Lloyd's Ruling)

Guaranteed Minimum Pension (GMP) was accrued by members of the Local Government Pension Scheme (LGPS) between 6 April 1978 and 5 April 1997. Strathclyde Pension Fund's actuary has allowed for the impact of full GMP indexation in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance for full GMP indexation has already been included in the accounting disclosure.

Guaranteed Minimum Pension Equalisation - Historical Transfers (Further Lloyd's Ruling)

A further ruling was passed in relation to historical transfers and it is the opinion of Strathclyde Pension Fund's actuary that this is unlikely to have a significant impact on the pension obligations of a typical employer. In addition, the historic individual member data to assess the impact is not readily available, therefore no allowance has been made in the calculations.

McCloud / Sargeant Treatment Ruling – Age Discrimination

When the Local Government Pension Scheme (LGPS) Scotland benefit structure was reformed in 2015, transitional protections were applied to certain older members close to retirement age. The benefits accrued from 1 April 2015 by these members are subject to an 'underpin' which means that they cannot be lower than what they would have received under the previous benefit structure.

In December 2018, the Court of Appeal upheld a ruling (McCloud case) that similar transitional protections were unlawful on the grounds of age discrimination. This means that the LGPS Scotland benefits accrued from 2015 may need to be enhanced so that all eligible members, regardless of age, will benefit from the underpin. The impact of this will depend on the compensation awarded, members' future salary increases, length of service, retirement age and whether (when) members withdraw from active service.

In 2019, Strathclyde Pension Fund's actuary included an estimate of the impact of this in their IAS19 reports and the Pension Liability reported in the council's Balance Sheet. In July 2020, the Government published a consultation covering Scotland which proposed amendments to the Local Government Pension Scheme in order to provide a remedy for the McCloud and Sargeant legal rulings and actuaries reviewed their assumptions in the IAS19 reports. The actuary has allowed for the McCloud judgement in the calculation of the latest funding valuation results. The Employer's funding valuation results are used as the starting point for the accounting roll forward calculations and therefore an allowance is included in the accounting disclosure.

Goodwin Treatment

Scottish Public Pension Agency circular (Local Government Pension Scheme 2020/04), refers to a ruling that same-sex survivors were originally entitled to survivor benefits, taking into account the member's service from 6 April 1978. Following the Goodwin Tribunal, regulatory amendments will now need to be made with effect from the same date to extend that entitlement to male spouse survivors of female members.

Previously, the male spouse survivor's entitlement was based on service accrued from 6 April 1988. The change is backdated to 5 December 2005, therefore affects the pension of male spouse survivors where their entitlement arose on or after 5 December 2005.

While there is still uncertainty surrounding the potential remedy to the Goodwin judgement, Strathclyde Pension Fund's actuary has carried out analysis in order to understand the potential impact of implementing a solution to correct the past underpayment of spouses' benefits and have ascertained that they feel the impact is very small for a typical fund (c0.1% of obligations), therefore no allowance has currently been made in the calculations.

Other Cases (Walker and O'Brien)

The actuary has also highlighted 2 other court cases which may impact on Local Government Pension Scheme benefits in the future. The first was the Walker case where it was ruled that surviving spouses in same sex marriages should be entitled to the same benefits as those in different sex marriages and also the O'Brien case where it was ruled that recognition of part time benefits should apply to service for the period prior to 7 April 2000.

The Actuary's view remains unchanged from previous years and is that they are unlikely to be significant judgements in terms of impact on pension obligations. Until further guidance is released from the relevant governing bodies in the LGPS, no allowance has been made for the potential remedies for these judgements.

Transactions Relating to Post-Employment Benefits

The cost of retirement benefits is recognised in the reported Cost of Services when they are earned by the council's employees, rather than when the benefits are eventually paid as pensions. However, the charge that is statutorily required to be made against the Council Tax is based upon the pension contributions payable by the council in the year, and an adjustment is made in the Movement in Reserves Statement to achieve this.

The following transactions have been made in the accounting statements in 2025/2026 and the prior year 2024/2025.

	31 March 2026 £000	31 March 2025 £000
Comprehensive Income and Expenditure Statement (CIES)		
Cost of Services:		
Service cost comprising:		
• current service cost	46,896	60,313
• past service costs	3,685	-
• unfunded benefits	-	-
Financing and Investment Income and Expenditure		
• net interest expense	6,233	6,285
Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services	56,814	66,598
Other Benefits Charged to the CIES		
Re-measurement of the net defined liability comprising:		
• Expected return on pension fund assets	(102,059)	37,946
• Actuarial (gains) or losses arising on changes in demographic assumptions	11,802	(3,614)
• Actuarial (gains) or losses arising on changes in financial assumptions	(72,671)	(314,469)
• Actuarial (gains) or losses arising on changes in other experiences	16,799	(22,890)
• Actuarial (gains) or losses arising on de-recognition of Pension Asset	116,472	249,984
Total Post Employment Benefit Charged to the CIES	(29,657)	(53,043)
Net charge to the Surplus / Deficit on the Provision of Services brought forward	56,814	66,598
Movement in Reserves Statement (MIRS)		
• Reversal of net charges made to the Surplus or Deficit on the Provision of Services for post-employment benefits in accordance with the Code	(27,122)	(37,369)
Actual amount charged against the General Fund balance for pensions in the year:		
Employers' contributions payable to Strathclyde Pension Fund	29,692	29,229

Pensions Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plans is per the table below. The net asset arising from the Council's involvement in the defined benefit scheme totals £1,398,538m at 31 March 2026. However, this has been limited to £nil in line with the accounting requirements of IFRIC 14 to limit the recognition of a pension asset to the extent to which the Council can recover the benefits through either refunds or reduced contributions. As the Council is not able to withdraw from the scheme or recover funds directly, the asset is therefore limited to the forecast reductions in contributions as compared to the forecast future service costs. This has limited the recognition of the pension asset to £nil.

Separately the Council has continued to recognise the unfunded element of its pension liabilities as there are no scheme assets to cover the future costs of these liabilities as they are due going forward.

	31 March 2026 £000	31 March 2025 £000
Present Value of Funded Obligations	(1,841,527)	(1,784,877)
Fair Value of Pension Fund Assets	3,240,065	2,996,706
De-Recognition of Pension Fund Assets (Surplus) to Asset Ceiling	(1,398,538)	(1,211,829)
Net Asset / (Liability) arising from Funded Obligations	0	0
Teachers' Unfunded Pensions	50,776	(51,939)
Unfunded Liabilities for Pension Fund	36,387	(37,021)
Unfunded Liabilities Prior to 1996 Local Government Reorganisation	8,294	(9,032)
Present Value of Unfunded Obligations Accounted for Separately	95,457	(97,992)

A reconciliation of South Lanarkshire Council's share of the present value of Strathclyde Pension Fund's defined benefit obligation (liability) is as follows:

	31 March 2026 £000	31 March 2025 £000
Opening balance at 1 April	(1,882,869)	(2,122,392)
Current service cost	(46,896)	(60,313)
Interest cost	(108,900)	(102,831)
Contributions by Pension Fund participants	(18,936)	(18,309)
Re-measurement gains and (losses)		
• Actuarial gains and losses arising on changes in demographic assumptions	(11,802)	3,614
• Actuarial gains and losses arising on changes in financial assumptions	72,671	314,469
• Actuarial gains and losses arising on changes in other experiences	(16,799)	22,890
Past service costs (including curtailment)	(3,685)	-
Settlements		-
Benefits paid	80,232	80,003
Closing balance at 31 March	(1,936,984)	(1,882,869)
Less Present Value of Unfunded Obligations Accounted for Separately	95,457	97,992
Present Value of Funded Obligations	(1,841,527)	(1,784,877)

A reconciliation of South Lanarkshire Council's share of the fair value of Strathclyde Pension Fund's assets is as follows:

	31 March 2026 £000	31 March 2025 £000
Opening fair value of pension fund assets	2,996,706	2,926,079
Interest Income	172,904	141,038
Re-measurement gains and (losses)		
• Expected rate of return on pension fund assets	102,059	(37,946)
• Actuarial gains and (losses)	-	-
• Actuarial losses arising on changes in other experiences	-	-
The effect of changes in foreign exchange rates	-	-
Contributions from employers	29,692	29,229
Contributions from employees into the scheme	18,936	18,309
Benefits paid	(80,232)	(80,003)
Closing balance at 31 March	3,240,065	2,996,706

Analysis of Pension Fund's Assets

	31 March 2026			31 March 2025		
	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000	Quoted Prices in Active Markets £000	Prices not quoted in Active Markets £000	Total £000
Cash and cash equivalents	-	104,487	104,487	-	72,914	72,914
Equity Instruments	681,338	2,342	683,680	620,802	1,937	622,739
Debt Instruments	-	-	-	-	-	-
Real Estate	-	224,598	224,598	-	226,095	226,095
Derivatives	-	-	-	-	(2)	(2)
Private Equity	-	777,034	777,034	-	692,693	692,693
Investment Funds	-	1,450,266	1,450,266	10,972	1,371,295	1,382,267
Total Assets	681,338	2,558,727	3,240,065	631,774	2,364,932	2,996,706

Basis for Estimating Assets and Liabilities

The council's share of the net obligations of the Strathclyde Pension Fund is an estimated figure based on actuarial assumptions about the future and is a snapshot at the end of the financial year. The net obligation has been assessed using the "projected unit method", that estimates the pensions that will be payable in future years dependent upon assumptions about mortality rates, salary levels and so on.

The Fund's obligation has been assessed by Hymans Robertson, an independent firm of actuaries, and the estimates are based on the latest full valuation of the Fund at 31 March 2023. The significant assumptions used by the actuary are shown in the table below. Note 2 includes a sensitivity analysis for the pension obligation based on reasonably possible changes of these assumptions occurring at the reporting date.

	31 March 2026 £000	31 March 2025 £000
Long term expected rate of return on assets in the Fund		
• Equity investment		4.85%
• Bonds		4.85%
• Property		4.85%
• Cash		4.85%
Mortality Assumptions (years):		
• Men	20.0	19.6
• Women	22.5	22.3
Longevity at 65 for future pensioners (years):		
• Men	20.7	20.4
• Women	24.3	24.1
Rate of inflation		2.75%
Rate of increase in salaries	3.70%	3.45%
Rate of increase in pensions	3.00%	2.75%
Rate for discounting Fund liabilities	6.30%	5.80%
Take-up option to convert annual pension into retirement lump sum		
- Pre April 2009 service	75.0%	75.0%
- Post April 2009 service	75.0%	75.0%

Asset and Liability Matching (ALM) Strategy

The main fund (Fund 1) of Strathclyde Pension Fund does not have an asset and liability matching strategy [ALM] as this is used mainly by mature funds. The Fund does match, to the extent possible, the types of assets invested to the liabilities in the defined benefit obligation. As is required by the pensions and investment regulations, the suitability of various types of investment has been considered, as has the need to diversify investments to reduce the risk of being invested in too narrow a range. The Fund invests in equities, bonds, properties and in cash.

Impact of High Inflationary Environment

The Fund's actuary had advised that the CARE, deferred pensioner and pensioner obligations are increased each April in line with previous September rate of CPI, and the April 2026 Pension Increase Order of 3.8% has been applied to the obligations within the 31 March 2026 closing Balance Sheet figures.

Impact on the Authority's Cash Flow

The objectives of the Fund are to keep employers' contributions at as constant a rate as possible. The Fund has agreed a strategy to achieve a funding rate of 100% in the longer term. The Scheme is a multi-employer defined benefit plan and employers' contributions have been determined so that employee and employer rates are standard across all participating Local Authorities. Following the completion of the triennial valuation as at 31 March 2023, employers' contribution rates were set at a reduced rate of 6.5% for 2024/2025 and 2025/2026. They are due to increase up to 17.5% in 2026/2027.

The total contributions expected to be made by the council to Strathclyde Pension Fund in the year to 31 March 2027 is £55.829 million.

The assumed weighted average duration of the defined benefit obligation for scheme members is 17.0 years.

Note 29 Contingent Assets and Liabilities

As at 31 March 2026 the council has the following material contingent liabilities:

Historical Childhood Abuse

The council recognises the potential for compensation claims deriving from the Scottish Government's Limitation (Childhood Abuse) Scotland Act 2017. At this stage the extent of the council's potential liability is unknown. The Government introduced a Redress Scheme in December 2021. This may have an impact on the extent of the Council's liability. This cannot be quantified.

Strathclyde Regional Council Intromissions

Glasgow City Council are the accounting authority for any intromissions in relation to claims/litigation for the former Strathclyde authorities. The Council has included confirmed liabilities to date in the 2025/2026 Accounts, however, at this stage the extent of any further potential liability of the council is unknown.

Pensions

A ruling was passed in relation to historical transfers and it is the opinion of Strathclyde Pension Fund's actuary that this is unlikely to have a significant impact on the pension obligations of a typical employer. In addition, the historic individual member data to assess the impact is not readily available, therefore no allowance has been made in the calculations. Given the uncertainty and the immaterial nature of any potential impact, no provision has been made in the Accounts.

A circular from the Scottish Public Pensions Agency (Local Government Pension Scheme 2020/04) refers to a ruling that same-sex survivors were originally entitled to survivor benefits, taking into account the member's service from 6 April 1978. Previously, the male spouse survivor's entitlement was based on service accrued from 6 April 1988. The change is backdated to 5 December 2005, therefore affects the pension of male spouse survivors where their entitlement arose on or after 5 December 2005. Following the Goodwin Tribunal, regulatory amendments will now need to be made with effect from the same date to extend that entitlement to male survivors of female members.

While this could have a financial impact on future years' costs, and the impact cannot yet be quantified, current information from the Strathclyde Pension Fund actuary suggests that this is likely to be minimal. Given the uncertainty, and the immaterial nature of any potential impact, no provision has been made in the Accounts.

In addition, the actuary also highlighted an awareness of 2 other court cases which may impact on pension benefits in the future. The first was the Walker case where it was ruled that surviving spouses in same sex marriages should be entitled to the same benefits as those in different sex marriages and also the O'Brien case where it was ruled that recognition of part time benefits should apply to service for the period prior to 7 April 2000. The actuary's understanding is that these are unlikely to be significant judgements in terms of impact on future pension obligations of Employers. Again, given the uncertainty, the immaterial nature of any potential impact, and as no further guidance has been released from the relevant governing bodies in the LGPS no provision has been made in the Accounts.

Finally, the actuary has advised on an initial legal judgement from July 2023 (Virgin Media vs NTL Pension Trustees II Limited ruling) regarding Section 37 confirmations. The actuary has made no additional allowance within the accounting balance sheet for this because at the time of writing the ruling only applies to the above-named private sector pension scheme; the legal judgement was appealed however, the Court of Appeals dismissed the case and the original decision stands; it is unknown whether there would be any potential remedy required to public service schemes (including the LGPS); it is unknown what the impact of any potential remedy would be and it is unknown whether Section 37 certificates exist for prior scheme amendments. Accordingly, no provision has been made in the accounts.

Contractor Claims

There are no outstanding claims that have not been accounted for in the Accounts.

Legal Action

The Council is involved in an ongoing legal claim involving an alleged data breach. Matters are ongoing, therefore any potential liability cannot be determined.

Note 30 Financial Instruments

Categories of Financial Instruments

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

	31 March 2026			31 March 2025		
	Long Term £000	Current £000	Total £000	Long Term £000	Current £000	Total £000
Financial Assets						
Fair value through profit and loss	-	-	-	-	-	-
Amortised Cost	-	60,153	60,153	-	23,836	23,836
	-	60,153	60,153	-	23,836	23,836
Total Financial Assets						
Financial Liabilities						
Fair value through profit and loss	-	-	-	-	-	-
Amortised cost	(1,076,478)	(244,243)	(1,320,721)	(1,146,593)	(193,054)	(1,339,647)
Total Financial Liabilities	(1,076,478)	(244,243)	(1,320,721)	(1,146,593)	(193,054)	(1,339,647)

Income, Expense, Gains and Losses

	2025/26			2024/25		
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Total £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Total £000
Net Gains/Losses on:						
Financial Assets Measured at Fair Value Through Profit and Loss	-	-	-	-	-	-
Financial Assets Measured at Amortised Cost	-	-	-	-	-	-
Investments in Equity Instruments Designated at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-
Financial Assets Measured at Fair Value Through Other Comprehensive Income	-	-	-	-	-	-
Financial Liabilities Measured at Amortised Cost	-	-	-	-	-	-
Total Net Gains/Losses	-	-	-	-	-	-
Interest Revenue						
Financial Assets Measured at Amortised Cost	(4,330)	-	(4,330)	3,711	-	3,711
Other Financial Assets Measured at Fair Value Through Other Comprehensive Income	-			-		
Total Interest Revenue	(4,330)	-	(4,330)	3,711	-	3,711
Interest Expense	40,291	-	40,291	(38,921)	-	(38,921)
Fee Income						
Financial Assets or Financial Liabilities that are not at Fair Value Through Profit and Loss	-	-	-	-	-	-
Trust and Other Fiduciary Activities	-	-	-	-	-	-
Total Fee Income	-	-	-	-	-	-
Fee Expense						
Financial Assets or Financial Liabilities that are not at Fair Value Through Profit and Loss	-	-	-	-	-	-
Trust and Other Fiduciary Activities	-	-	-	-	-	-
Total Fee Expense	-	-	-	-	-	-

Fair Value of Financial Assets

There are no financial assets held at fair value.

Transfers Between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year.

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for the financial instruments.

The Fair Values of Financial Assets and Financial Liabilities that are not Measured at Fair Value (but for which Fair Value Disclosures are Required)

All financial assets and liabilities held by the authority are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loans Board (PWLB), premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For non PWLB loans, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- Where an instrument has a maturity of less than 12 months the fair value is taken to be the principal outstanding.

The fair values calculated are as follows:

	2025/26 Carrying Amount £000	2025/26 Fair Value £000	2024/25 Carrying Amount £000	2024/25 Fair Value £000
Financial Liabilities				
Financial Liabilities held at amortised cost: PWLB Debt	860,236	813,246	(980,907)	(949,737)
Financial Liabilities held at amortised cost: Non PWLB Debt	160,670	161,091	(58,926)	(59,501)
PFI and Finance Lease Liabilities	299,814	299,814	(299,814)	(299,814)
Total Financial Liabilities	1,320,720	1,274,151	(1,339,647)	(1,309,052)
Financial Assets				
Financial Assets held at amortised cost	60,153	60,153	23,836	23,836
Total Financial Assets	60,153	60,153	23,836	23,836

The fair value of the liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the rates available for similar loans in the market at the balance sheet date. This shows a notional future loss (based on economic conditions at 31 March 2026) arising from a commitment to pay interest to lenders above current market rates.

The fair value of Public Works Loan Board (PWLB) loans of £813.246m measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB redemption interest rates. The difference between the carrying amount and the fair value measures the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

However, the authority has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates. A supplementary measure of the fair value as a result of its PWLB commitments for fixed rate loans is to compare the terms of these loans with the new borrowing rates available from the PWLB. If a value is calculated on this basis, the carrying amount of £860.236m would be valued at £760.323m. But, if the authority were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption of £46.990m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £813.246m.

Fair Value Hierarchy for Financial Assets and Financial Liabilities that are not Measured at Fair Value as at 31 March 2026:

	Quoted Prices in Active Markets for Identical Assets (Level 1) £000	Other Significant Observable Inputs (Level 2) £000	Significant Unobservable Inputs (Level 3) £000	Total £000
Recurring fair value measurements using:				
Financial Liabilities				
Financial Liabilities held at amortised cost: PWLB Debt	-	(813,246)	-	(813,246)
Financial Liabilities held at amortised cost: Non PWLB Debt	-	(161,091)	-	(161,091)
PFI and Finance Lease Liabilities	-	(299,814)	-	(299,814)
Financial Assets				
Financial Assets held at amortised cost	-	-	-	-
Total Assets / Liabilities		(1,274,151)	-	(1,274,151)

Fair Value Hierarchy for Financial Assets and Financial Liabilities that are not Measured at Fair Value as at 31 March 2025:

	Quoted Prices in Active Markets for Identical Assets (Level 1) £000	Other Significant Observable Inputs (Level 2) £000	Significant Unobservable Inputs (Level 3) £000	Total £000
Recurring fair value measurements using:				
Financial Liabilities				
Financial Liabilities held at amortised cost: PWLB Debt	-	(949,737)	-	(949,737)
Financial Liabilities held at amortised cost: Non PWLB Debt	-	(59,501)	-	(59,501)
PFI and Finance Lease Liabilities	-	(299,814)	-	(299,814)
Financial Assets				
Financial Assets held at amortised cost	23,836	-	-	23,836
Total Assets / Liabilities	23,836	(1,309,052)	-	(1,285,216)
	-	(949,737)	-	(949,737)

Note 31 Disclosure of Nature and Extent of Risks Arising From Financial Instruments

Key Risks

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

- Credit Risk – the possibility that other parties might fail to pay amounts due to the council
- Liquidity Risk – the possibility that the council might not have funds available to meet its commitments to make payments
- Refinancing Risk – the possibility that the council might be required to renew a financial instrument on maturity at disadvantageous interest rates or terms
- Market Risk – the possibility that financial loss might arise for the council as a result of changes in such measures as interest rates or stock market movements.

Overall Procedures for Managing Risk

The procedures for risk management are set out through a legal framework set out in the Local Government (Scotland) Act 2003 and the associated regulations. These require the council to comply with the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice. Overall these procedures require the Council to manage risk in the following ways:

- by approving an investment strategy for the forthcoming year setting out its criteria for both investing and selecting investment counterparties;
- by formally adopting the requirements of the Code of Practice;
- by approving annually in advance prudential indicators for the following three years limiting:

The council's overall borrowing

Its maximum and minimum exposures to fixed and variable rates

Its maximum and minimum exposures of the maturity structure of its debt

Its maximum annual exposures to investments maturing beyond a year

These are required to be reported and approved at, or before, the council's annual Council Tax budget setting. These items are reported within the Annual Treasury Management Strategy which outlines the detailed approach to managing risk in relation to the council's financial instrument exposure. Actual performance is also reported quarterly to Members.

These policies are implemented by a central treasury team. The council maintains written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk, and the investment of surplus cash through Treasury Management Practices (TMPs).

Nature and Extent of Risks – Credit Risk

Credit Risk

Credit Risk arises from deposits with banks and financial institutions, as well as credit exposures to the council's customers. The council manages this risk by ensuring that investments are placed with the Debt Management Office, other local authorities or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy.

The table below summarises the nominal value of the Council's investment portfolio at the end of 31 March 2025 into the relative credit ratings.

Balance Invested as at 31 March 2026

Counterparty/Country	Long Term Rating (Fitch)	Up to 1 month £000	Greater than 1 month and up to 3 months £000	Greater than 3 months and up to 6 months £000	Greater than 6 months and up to 9 months £000	Greater than 9 months and up to 12 months £000	Greater than 12 months £000	Total £000
Debt Management Office	AA-	14,960	-	-	-	-	-	14,960
Total UK Government		14,960	-	-	-	-	-	14,960
Local Authorities	NR*	45,000	-	-	-	-	-	45,000
Total UK Local Authorities		45,000	-	-	-	-	-	45,000
Bank of Scotland	AA-	83	-	-	-	-	-	83
The Royal Bank of Scotland	AA-	65	-	-	-	-	-	65
Total UK Banks		148	-	-	-	-	-	148
Total		60,108	-	-	-	-	-	60,108

*NR = Not Rated

The Ratings are as at 31 March 2026 and are intended to provide an indication of credit risk. These are not necessarily the ratings of institutions at the time deposits were placed.

The Ratings above are from Fitch ratings. The Long-Term Rating is the benchmark measure of probability of default.

Amounts Arising from Expected Credit Losses

The council's investments have been assessed and it has been concluded that the expected credit loss is not material and therefore no allowances have been made.

The following analysis summarises the council's potential maximum exposure to credit risk on the level of default on debtors.

	2025/26 £000	Bad Debt Provision £000	2024/25 £000	Bad Debt Provision £000
Debtors	78,282	8,171	82,003	(7,961)

The Debtors figure above does not include debtors for Council Tax, Non-Domestic Rates and Council House Rents as these are not considered to be financial assets.

Of the gross Debtors figure included in the note, £20.109m (2023/2024: £14.504m) is considered to be past its date for payment. This past due amount can be analysed by age as follows:

	2025/26 £000	2024/25 £000
Less than three months	6,189	11,251
Three to six months	1,813	1,790
Six months to one year	1,268	915
More than one year	6,874	6,153
Total	16,144	20,109

Nature and Extent of Risks – Liquidity Risk

Liquidity Risk

As the council has ready access to borrowings from the Public Works Loans Board, there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. There may be a risk that the council will be bound to replenish a significant proportion of its borrowings at a time of unfavourable interest rates.

The approved prudential indicator sets limits on the maturity structure of debt, and the council's approved treasury and investment strategies address the main risks, and the central Treasury team address the operational risks within the approved parameters. This includes:

- Monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of existing debt.
- Monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow requirements.

The maturity analysis of financial liabilities is as follows:

	2025/26 £000	2024/25 £000
Less than one year	230,412	179,224
Between one and two years	70,112	70,115
Between two and five years	244,527	213,468
More than five years	475,856	577,026
Total	1,020,907	1,039,833

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

Nature and Extent of Risks – Market Risk

Interest Rate Risk

The council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the council.

For instance, a rise in interest rates would have the following effects:

- **borrowings at variable rates** – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise
- **borrowings at fixed rates** – the fair value of the liabilities borrowings will fall
- **investments at variable rates** – the interest income credited to the Comprehensive Income and Expenditure Statement will rise
- **investments at fixed rates** – the fair value of the assets will fall

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate borrowings would not impact on the surplus or deficit on the provision of services or other comprehensive income and expenditure. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the surplus or deficit on the provision of services and affect the General Fund balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in the other comprehensive income and expenditure.

The council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together the council's prudential indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a prudential indicator is set which provides maximum and minimum limits for fixed and variable interest rate exposure. The central Treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately.

A sensitivity analysis has been carried out to assess the financial effect of a 1% variance in interest rates as suggested in the Code Guidance Notes 2025/2026.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	80
Increase in interest receivable on variable rate investments	1,102
Impact on Comprehensive Income and Expenditure Statement	1,182
Share of overall impact credited to the HRA	296
Decrease in fair value of fixed rate investment assets	0
Impact on Comprehensive Income and Expenditure Statement	0
Decrease in fair value of fixed rate borrowing liabilities (no impact on Comprehensive Income and Expenditure Statement)	(102,074)

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed. These assumptions are based on the same methodology as used in the Note – Fair Value of Assets and Liabilities carried at Amortised Cost.

Price Risk

The council does not invest in equity shares and is therefore not exposed to losses arising from movements in the price of shares.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore, has no exposure to loss arising from movements in exchange rates.

Note 32 Cash Flow Statement Non-Cash Movements

The balance of non-cash movements is made up of the following elements:

31 March 2025 £000		31 March 2026 £000
101,241	Depreciation, impairment and amortisation of assets	108,165
30,494	Movement in creditors	21,744
4,869	Movement in debtors	22,296
635	Movement in inventories	(78)
37,369	Movement in pension liability	27,122
507	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	5,583
-	Other non-cash items charged to the net surplus / deficit on the provision of services	-
175,115	Net cash flows from the provision of services for non-cash movements	184,832

Note 33 Cash Flow Statement Operating Activities Items Included in Net Surplus / (Deficit) on the Provision of Services That are Investing and Financing Activities

The cash flows for these activities include the following items:

2024/25 £000		2025/26 £000
(50,851)	Capital grants and contributions	(87,907)
(7,775)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(610)
(58,626)	Net cash flows from items included in the net surplus / (deficit) on the provision of services that are investing and financing activities	(88,517)

Note 34 Cash Flow Statement Investing Activities

2024/25 £000		2025/26 £000
(113,472)	Purchase of property, plant and equipment and intangible assets	(134,566)
(40,000)	Purchase of short-term investments	-
7,775	Proceeds from the sale of property, plant and equipment and intangible assets	-
40,000	Proceeds from short term investments	611
49,144	Other receipts from investing activities	82,892
(56,553)	Net cash flows from investing activities	(51,063)

Note 35 - Cash Flow Statement Financing Activities

2024/25 £000		2025/26 £000
145,000	Cash receipts of short term and long term borrowing	336,500
(16,575)	Cash payments for the reduction of the outstanding liabilities relating to finance leases for PPP contracts	(19,018)
(148,770)	Repayments of short term and long term borrowing	(355,154)
(20,345)	Net cash flows from financing activities	(37,672)

Note 36 - Cash Flow Statement Cash and Cash Equivalents

31 March 2025 £000		31 March 2026 £000
101	Cash held by officers	105
9,024	Bank current accounts	(6,126)
15,906	Short term deposits	60,059
25,031	Total cash and cash equivalents	54,038

Note 37 Common Good

Common Good funds are for the benefit of the geographical areas of the former burghs and the council's Finance and Corporate Resources Committee considers the uses to which funds can be put.

Summary of Common Good Funds

2024/25 Total £000		Lanark £000	Biggar £000	Hamilton £000	Rutherglen £000	2025/26 Total £000
	Income and Expenditure Accounts					
1,000	Income for Year	41	1	147	5	194
(811)	Expenditure for Year	(71)	(230)	(327)	-	(628)
189	Surplus / (Deficit) To Balance Sheet	(30)	(229)	(180)	5	(434)
	Balance Sheet					
	Fixed Assets					
3,176	Property, Plant and Equipment	1,594	3,323	1,506	-	6,423
	Investments					
-	General	-	-	-	-	-
1,252	Advances to South Lanarkshire Council Loans Fund	302	27	613	138	1,080
-	Debtors	-	-	-	-	-
4,428	Total Assets	1,896	3,350	2,119	138	7,503
	Current Liabilities					
(21)	Creditors	(2)		(16)		(18)
4,407	Total Assets less Current Liabilities	1,894	3,350	2,103	138	7,485
	Represented by:					
2,886	Common Good Account	1,181	26	1,690	133	3,030
188	Surplus / (Deficit)	(30)	(229)	(180)	5	(434)
14	Amortisation of Revaluation Reserve	5	12	7	-	24
(58)	Gain / Loss on Disposal of Fixed Assets	-	-	-	-	-
3,030		1,156	(191)	1,517	138	2,620
	Revaluation Reserve					
1,383	Opening Balance	792	0	585	-	1,377
8	Gain / Loss on Revaluation	(49)	3,553	8	-	3,512
(14)	Amortisation of Revaluation Reserve	(5)	(12)	(7)	-	(24)
1,377	Closing Balance	738	3,541	586	-	4,865
4,407		1,894	3,350	2,103	138	7,485

Note 38 Trust Funds

The Council administers a total of 3 Trust Funds, all of which are historically significant and some of which are financially significant.

The most significant fund is the Loudon Bequest (shown within the Social Work section) which is used to finance holiday projects for elderly people. The balance of the fund as at 31 March 2026 was £1.029m.

These Trust Funds do not represent assets of the Council and as a result are not included in the Council's Balance Sheet. The individual funds have not been subject to a separate audit or audit opinion; however, they have been considered in overall terms, in the context of those materiality levels which apply to the Council's Financial Statements.

Summary of Trust Funds

2024/25 Total £000		Charitable £000	The South Lanarkshire Charitable Trust £000	The South Lanarkshire Educational Trust £000	2025/26 Total £000	Note
	Income and Expenditure Account					
45	Income for Year	47	5	4	56	
(30)	Expenditure for Year	(7)	(12)	(9)	(28)	
15	Surplus / (Deficit) to Balance Sheet	40	(7)	(5)	28	
	Balance Sheet					
824	Investments - General	813	10	-	822	
380	Investments - South Lanarkshire Council	216	97	95	408	
1,204	Net Assets	1,029	107	95	1,231	
	Represented by:					
827	Capital Account as at 1/4/2025	814	10	-	824	
(3)	Movement During Year	(1)	-	-	(2)	1
824	Capital Account as at 31/3/2026	813	10	-	823	
363	Revenue Account as at 1/4/2025	176	104	100	380	
17	Movement During Year	40	(7)	(5)	28	2
380	Revenue Account as at 31/3/2026	216	97	95	408	
1,204	Total Reserves	1,029	107	95	1,231	

Note 1 The movement on the Capital Account represents the net purchase and sale of investments on the Loudon Bequest during the year.

Note 2 The movement on the Revenue Account represents the income and expenditure of the trust fund.

Note 39 Accounting Policies

A General Principles

The Annual Accounts summarise the council's transactions for the 2025/2026 financial year and its position at the year-end of 31 March 2026. The council is required to prepare Annual Accounts by the Local Authority Accounts (Scotland) Regulations 2014, which section 12 of the Local Government in Scotland Act 2003 requires to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/2026, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

The accounting convention adopted in the Annual Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

The accounting policies have been applied consistently.

B Accruals of Income and Expenditure

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

- Revenue from contracts is recognised reflecting the transfer of goods or services to the recipient at the amount which the council expects to be entitled to in exchange for those goods or services.
- Other revenue is recognised when the council can measure reliably the percentage of completion of the transaction and it is probable that economic benefits or service potential associated with the transaction will flow to the council.
- Supplies are recorded as expenditure when they are consumed – where there is a difference between the date supplies are received and their consumption, they are carried as stock on the council's Balance Sheet.
- Expenses in relation to services received are recorded as expenditure when the services are received, rather than when payments are made.
- The Corporate i-Procurement system operates across the council's service areas.
 - For all purchases made via the i-Procurement system, sundry creditors were accrued on the basis of all goods and services received by 31 March 2026, regardless of value and materiality. During the financial year, period end accruals have also been made on a similar period by period basis.
 - For any residual purchases, not made via the i-Procurement System sundry creditors are accrued on the basis of payments made during the first 3 weeks of April, together with specific accruals in respect of further material items.
- Interest payable on borrowings and receivable on investments is accounted for respectively as expenditure and income 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 yet been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

- Where revenue relating to a contract has been recognised but cash has not yet been received, this is recorded in the Balance Sheet as a contract asset.
- Where cash relating to a contract has been received in advance of the transfer of goods or services, this is recorded in the Balance Sheet as a contract liability.
- Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the council is acting as an agent for another party (for example in the collection of National Non-Domestic Rates and Council Tax), income and expenditure are recognised only to the extent that commission is receivable by the council for the agency services rendered or the council incurs expenses directly on its own behalf in rendering the services.

C Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in three 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 Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the council's cash management.

D Charges to Revenue for Non- Current Assets

Services are debited or credited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service
- the reversal of a revaluation or impairment loss previously charged to the Surplus or Deficit on the Provision of Services.

The council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to contribute towards the reduction in its overall borrowing requirement through loans fund principal charges. Depreciation, revaluation and impairment losses and amortisations are therefore replaced by a statutory adjustment in 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.

E Employee Benefits

Benefits Payable During Employment

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave and any non-monetary benefits for current employees, are recognised as an expense in the year in which employees render service to the council. An accrual is made against services in the Surplus or Deficit

on the Provision of Services for the cost of holiday entitlements earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. Any accrual made is required under statute to be reversed out of the General Fund Balance by a debit / credit to the Accumulating Compensated Absences Account in the Movement in Reserves Statement.

In February 2018, the Scottish Government issued Financial Circular 2/2018 (replacing FC 3/2010), that amends the absences covered by the statutory mitigation. From 1 April 2018, the flexi and time in lieu absences are no longer covered by the statute and therefore cannot be reversed out.

In terms of the teachers Statutory Accumulated Compensated Absences, the methodology for 2024/2025 reflects the changes to teachers' terms and conditions as per SCNT 11/26 (12 July 2011).

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy and are charged on an accruals basis to the Comprehensive Income and Expenditure Statement when the council is demonstrably committed to either terminating the employment of an officer or group of officers or making an offer to encourage voluntary redundancy.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the council to the pension fund or pensioner in the year. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post Employment Benefits

Employees of the council are members of two separate pension schemes:

- The Local Government Pension Scheme (Strathclyde Pension Fund), administered by Glasgow City Council.
- Teachers Pension Scheme administered by the Scottish Pension Agency (Scottish Government).

Both schemes provided defined benefits to members (retirement lump sums and pensions), earned as employees worked for the council.

However, the arrangements for the teachers' scheme mean that liabilities for these benefits cannot be identified specifically to the council. The scheme is therefore accounted for as if it were a defined contributions scheme – no liability for future payment of benefits is recognised in the Balance Sheet and the Education Service line in the Comprehensive Income and Expenditure Statement is charged with the employer's contributions payable to Teachers' Pensions in the year.

The Local Government Pension Scheme

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

- The liabilities of the Strathclyde Pension Fund are included in the Balance Sheet on an actuarial basis using the projected unit method – that is an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.

- Liabilities are discounted to their value at current prices, using a discount rate based on an average of high-quality corporate bonds.
- Assets of the Strathclyde Pension Fund are ordinarily included in the Balance Sheet at their fair value (current bid prices as required under IAS19), principally the bid price for quoted securities, estimated fair value for unquoted securities and market price for property. However, while the requirements of IAS19 have been applied in the current year, the significant nature of the Asset has been reviewed, and in line with IFRIC14, the asset has been de-recognised to equate to the level of the asset ceiling, provided by the Fund's actuary. This reflects the net present value of future service costs less the net present value of future obligations over the future working lifetime as at 31 March 2026.

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 replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

F Events After the Reporting Period

There are events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Annual Accounts is authorised for issue.

An adjustment is made to the financial statements where there is evidence that the event relates to the reporting period, otherwise the financial statements are not adjusted, and where the amount is material, a disclosure is made in the notes.

Events taking place after the date of authorisation for issue are not reflected in the Annual Accounts.

G Material Items of Income and Expenditure

When items of income and expenditure are material, their nature and amount is disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the financial statements, depending on how significant the items are to an understanding of the council's financial performance.

H Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and initially measured at fair value and carried at their amortised cost.

For most of the borrowings that the council has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest) and interest charged to the Comprehensive Income and Expenditure Statement is the amount payable for the year according to the loan agreement.

Costs associated with debt restructuring (premiums and discounts) are charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repayment of the original debt in accordance with accounting regulations.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations permit the costs of restructuring to be released to revenue over the period of the replacement loan. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

I Statutory Repayment of Loans Fund Advances

The repayment of loans fund advances ensures that the council makes a prudent provision each year to pay off an element of the accumulated loans fund advances made in previous financial years.

The policy for the repayment of loans fund advances is to use the most appropriate method of repayment for individual capital scheme or projects from the following methods:

- Asset Life Method – loans fund advances will be repaid with reference to the life of an asset on an annuity basis.
- Funding/Income Profile Method – loans fund advances will be repaid by reference to an associated income stream.

For loans fund advances repaid using the annuity basis, the annual repayment will be calculated using an appropriate interest rate based on an average cost of funding capital advances to services.

The council's strategy for managing debt includes making additional voluntary repayments. These repayments will be used as a tool to reduce interest costs in the short to medium term by lowering the council's need to borrow. These additional voluntary repayments will be retained and used to offset higher loans fund repayments in the long term. All of this helps to ensure that charges to the revenue account remain prudent and affordable in the long term.

J Financial Assets

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market.
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

Loans and Receivables

Loans and receivables are recognised on the Balance Sheet when the council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value, then at amortised cost. For most of the loans that the council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a

charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Available-for-Sale Assets

Available for sale assets are assets that have a quoted market price and / or do not have fixed or determinable payments and 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. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g. dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the council.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following principles:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations.

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.

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

K Government Grants and Contributions

Government grants, third party contributions and donations are recognised as due to the council when there is reasonable assurance that:

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

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as Receipts in Advance. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non-Specific Grant Income (non-ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement. Where capital grants

are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement.

Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied.

L Intangible Assets

Expenditure on non-monetary assets that do not have physical substance but are controlled by the council as a result of past events (for example, software licences) is capitalised when it is expected that it will bring benefits to the council for more than 12 months.

Intangible assets are measured initially at cost. Amounts are not revalued as the fair value of the assets held cannot be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. The useful life of these assets is deemed to be five years.

M Interests in Companies and Other Entities

The council has material interests in companies and other entities that have the nature of associates and jointly controlled entities and require it to prepare group accounts. More information about these entities is detailed in the Group Accounts and Notes to the Group Accounts (pages 115-127).

N Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The value of work in progress has been made at cost plus an appropriate proportion of overheads, with allowances for foreseeable losses.

O Leases

The Council adopted IFRS 16 (Leases) with effect from 1 April 2024. The main impact of the requirements of IFRS 16 is that, for arrangements previously accounted for as operating leases (where any leased equipment and property were not recognised as an asset, and future rents were not recognised as a liability), a right-of-use asset and a lease liability are now included on the balance sheet from 1 April 2024. The Council has elected to apply recognition exemptions to low value assets (below £10,000 when new) and to short-term leases (existing leases that expire on or before 31 March 2026), and new leases with a duration of less than 12 months. A contract is, or contains a lease, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

In transitioning to IFRS16 the Council elected to use the Modified Retrospective Approach. This approach allows entities to adopt the standard without restating prior periods, recognizing the cumulative effect of the new leases standard as an adjustment to opening balances.

This approach involved:

- Calculating lease liabilities at the transition date, typically as the present value of remaining lease payments discounted at the incremental borrowing rate.
- Recognising a right-of-use asset, which may equal the lease liability (adjusted for prepayments/accruals) or be measured retrospectively from lease commencement, less accumulated depreciation and impairment.

- Recognize any difference between assets and liabilities in opening reserves (typically, the General Fund or equivalent).

P Overheads and Support Services

The 2016/2017 Code removed the requirement for councils to report on a total cost basis per the CIPFA Service Reporting Code of Practice. Councils are only required to reallocate overheads and support costs if this is how they treat/report these services in their management reports throughout the year.

The council reports these as services during the year and does not allocate them in the management reports, therefore the only overhead and support allocation will be to the Housing Revenue Account, where appropriate.

Q Property, Plant and Equipment

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

Recognition

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure that merely maintains the condition of an asset e.g. repairs and maintenance is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

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

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

- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- other land and buildings – current value, determined by the amount that would be paid for the asset in its existing use (existing use value – EUV)
- vehicles, plant and equipment – where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value
- infrastructure, community assets and assets under construction – depreciated historical cost
- surplus assets – current value based on market value in highest and best use.

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

Council Dwellings and non-operational lease portfolio are valued annually. The remainder of the land and property assets are valued through a five year rolling programme. The programme is prioritised by asset type to ensure consistency. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, the revaluation loss is accounted for as follows:

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

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

The values for land and property assets in the accounts are based upon certificates produced by the council valuer who is MRICS qualified (Member of Royal Institute of Chartered Surveyors) and issued in the name of the council's Executive Director of Housing and Technical Resources.

Impairment or Revaluation Loss

Assets are assessed at each year end as to whether there is any indication that an asset may be impaired.

Where indications of impairment exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

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

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

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

Assets Held for Sale

Property, land and buildings are classified as 'Held for Sale' when the following criteria are met:

- The property is available for immediate sale in its present condition;
- The sale must be highly probable and an active programme to locate a buyer and complete the plan must have been initiated;
- The asset must be actively marketed for sale at a price that is reasonable in relation to its current fair value;
- The sale should be expected to qualify for recognition as a completed sale within one year (although events or circumstances, may extend the period to complete the sale beyond one year)

When these criteria are met, assets within the category 'Property, Plant and Equipment' will be reclassified to 'Assets Held for Sale'.

Disposals

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value costs to sell, the loss is taken to the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the Surplus or Deficit in Provision of Services.

Disposal and Derecognition of Infrastructure Assets

When a component of an infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of the disposal).

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

Where any part of infrastructure assets are replaced, an adaptation provided in a separate update to the Code assumes that from the introduction of the IFRS based Code when parts of an asset are replaced or restored the carrying amount of the derecognised part will be zero because parts of infrastructure assets are rarely replaced before the part has been fully consumed.

Depreciation

Depreciation is provided for on all Property, Plant and Equipment assets. An exception is made for assets without a determinable finite useful life (that is freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer (dwellings 40 years, other buildings 10 – 50 years).
- vehicles, plant and equipment – straight line allocation over the useful life of the asset (3 – 20 years).
- infrastructure – straight line allocation over 40 years.

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately, if the component has a different useful life or depreciation method that differs significantly from the remainder of the asset.

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

R Heritage Assets

South Lanarkshire Council's heritage assets comprise collections held within the Museum Service, Archives and Information Service and the Library Service.

These collections reflect different aspects of our culture, identity and history.

Heritage Assets, where the cost or value of the asset are known, are recognised on the balance sheet at valuation and no depreciation is charged on these assets. A de-minimis level of £10,000 has been applied. Assets which have a value of less than £10,000 will not be recorded on the Balance Sheet.

Heritage assets will only be revalued where there is specific evidence that a revaluation is required and where the costs of the revaluation do not outweigh the benefit to users of the Annual Accounts.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment, for example where doubts arise as to its authenticity.

Any impairment is recognised and measured in accordance with the council's general policies on impairment.

As a result of the cultural and education value of these assets, disposals of heritage assets tend to be rare. The proceeds of such disposals are accounted for in accordance with the council's general provisions relating to the disposal of property plant and equipment and disclosed separately in the Notes to the Accounts.

S Public Private Partnership (PPP) and Similar Contracts

PPP and similar contracts are agreements to receive services, where the responsibility for making available the property, plant and equipment needed to provide the services passed to the PPP contractor. As the council is deemed to control the services that are provided under its PPP schemes and as ownership of the property, plant and equipment will pass to the council at the end of the contracts for no additional charge, the council carries the assets used under the contracts on its Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value (based on the cost to purchase the property, plant and equipment) was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment. For Secondary Schools' Modernisation Programme – Public Private Partnership (PPP), the liability was written down by an initial capital contribution of £48.050m.

The amounts payable to the PPP operators each year 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 is debited to the Financing and Investment Income and Expenditure line 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 the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.
- payment towards liability – applied to write down the Balance Sheet liability towards the PPP operator (the profile of write-downs is calculated using the same principles as for a finance lease).
- lifecycle replacement costs – there have been no

lifecycle costs to date.

The Scottish Government's 2022 Resource Spending Review contained details of a Service Concession flexibility that related to the Council's PPP schools. The flexibility permits councils to undertake internal accounting changes that extend the period over which the principal repayment of the unitary charge can be made which results in a one-off credit to the General Fund and ongoing annual savings for a period of time. In the remaining years following the end of the SCAs, the rescheduled debt repayments continue until the debt liability has been extinguished. The Council has applied the permitted change in the calculation of the statutory charge in 2025/2026 and the adopted approach has been applied across all three such arrangements held by the Council in line with the key accounting principle of consistency.

The annual unitary charge will continue to be paid to the contractor over the contract period. The guidance applies to principal and not to interest, service charge costs or grant. These will continue to be accounted for over the contract period.

The Council has applied the permitted change in 2025/2026 and has been applied to the Secondary Schools PPP and the Glasgow Southern Orbital financial arrangement.

Annuity method for revised repayment of debt liability

The recalculation of the debt liability charges applies the annuity method to calculate the revised repayments. This method best represents the consumption of the assets over their useful lives.

This methodology is applied within the Councils current Loans Fund repayment policy. The use of an annuity method for the writing down of the PPP debt liability therefore ensures a consistent approach for the writing down of all debt which is financing capital expenditure, in that;

- The annuity method provides a fairer charge than equal instalments as it takes account of the time value of money, whereby paying £100 in 10 years' time is less of a burden than paying £100 now.
- The schedule of charges produced by the annuity method thus results in a consistent charge over an asset's life, considering the real value of the amounts when they fall due.
- The annuity method is a prudent basis for providing for assets that provided a steady flow of benefits over their useful life.'

Useful Economic Life

The most appropriate asset life for the calculation is considered to be 50 years which replicates the useful asset life of other similar type assets held on the Council's balance sheet i.e. schools. The Council's Loans Fund methodology use a Useful Economic Life of 50 years when calculating the repayment of debt liability for borrowing to support capital expenditure for similar types of assets. The proposed application a useful economic life of 50 years for the council's 2 PPP or similar arrangement is therefore considered consistent with current council methodology.

Capital Financing Requirement

The reprofiling of the debt liability repayments over the life of the asset rather than the life of the contract increases the Capital Financing Requirement as at 1 April 2022. The increase in the Capital Financing Requirement will continue to be reduced by the revised repayments after each PPP or similar contract has expired until the end of the revised period.

Accounting Treatment

The statutory adjustment can be made as at 1 April in the year the revised repayments are applied. This option was implemented

in 2022/2023 and applied retrospectively. Being a cumulative statutory adjustment there was no prior year restatement of statutory adjustments in the Annual Accounts. The statutory adjustment up to 31 March 2022 resulted in a retrospective debit to the Capital Adjustment account in 2022/2023 with a corresponding credit in the Movement in Reserves Statement within the General Fund. Further in year annual reductions will be applied along similar lines as the retrospective adjustment until the end of the contract period for each of the three SCAs. Thereafter the revised charges will result in higher cost being charged to the General fund that the current repayment profile until the end of the Useful Economic Life.

T Provisions, Contingent Liabilities and Contingent Assets Provisions

Provisions are made where an event has taken place that gives the council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the council becomes aware of the obligation, and measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

Contingent Assets and Liabilities

A contingent asset or liability arises where an event has taken place that gives the council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the council. Contingent assets and liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent assets and liabilities are not recognised in the Balance Sheet but disclosed in a Note to the Accounts.

U Reserves

Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Usable Reserves

The council has several reserve funds within this category. The Insurance Fund covers the main classes of insurance and is earmarked for insurance purposes. The Repairs and Renewals Fund provides for the upkeep of specific assets held by the council. The Capital Fund is used to meet the costs of capital investment and for the repayment of the principal element of borrowing.

Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments and retirement benefits and that do not represent usable resources for the council. These reserves are explained in Note 11 on pages 68-70.

V Revenue Expenditure Funded from Capital under Statute

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

W VAT

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

Note 40 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in Note 39, the council has had to make certain judgments about complex transactions or those involving uncertainty about future events.

The critical judgements made in the Annual Accounts are:

- The council has entered into a Public Private Partnership (PPP) for the provision of secondary schools, their maintenance and related facilities. The annual unitary charge payable by the council in respect of this contract is allocated across the various expenditure headings. In the main, these transactions reflect the detailed financial model which is in line with the assumptions made within the service provider's operating model. Further details are provided in Note 26.
- In assessing potential liabilities arising from legal claims against the council, legal opinion has been sought. The council has considered and assessed its exposure to potential liabilities and made provision where it is probable that an outflow of resources will occur and where the amount of liability can be reliably quantified. Where it is not possible to measure the liability or is not probable in the council's opinion that there will be a liability to meet, the contingent liability is disclosed in Note 29.
- The accounts have been prepared on a going concern basis as it is expected that despite the uncertainty around future finance settlements, that the council's process of delivering efficiency savings will provide sufficient resources to finance future liabilities.
- Assets held at current value are revalued on a 5 year rolling basis. The council asserts that at any point in time, the carrying amount does not differ materially from that which would be determined using current value.

Note 41 Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

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:

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability – Actuarial Assumptions	Estimation of the liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged by Strathclyde Pension Fund, to provide the council with expert advice about the assumptions to be applied. Following decisions in relation to Age Discrimination and Guaranteed Minimum Pensions, the Actuary has included the estimated impact of these in the reported pension liability figure. However, the actual impact is influenced by a number of factors and therefore the actual impact could vary from the impact currently estimated and included in the liability.	The effects on the pension liability of changes in individual assumptions can be measured. For instance, a 0.1% decrease in the discount rate assumption would result in an increase in the pension liability of £32.182m. However, the assumptions interact in complex ways. During 2025/2026, the council's actuaries advised that the net pension liability had increased by £37.946m as a result of the return on assets, and decreased by £340.973m attributable to changes in demographic and financial assumptions and estimates being corrected through experience. For 2025/2026, the liability is far outweighed by the asset, however due to the pension asset in the balance sheet being capped under IFRIC 14, these figures do not tie to the difference between the 24/25 pension liability and the 25/26 pension asset as stated in the balance sheet.
Property, Plant and Equipment – Valuation	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repair and maintenance, bringing into doubt the useful lives assigned to assets. Assets are valued on a five-year rolling basis, supported by indexation adjustments in years where assets are not valued. Where the authority is unable to obtain a suitable index, a desktop revaluation of	If the useful life of assets is reduced, depreciation increase and the carrying amount of the asset falls. It is estimated that the annual depreciation for buildings would increase by £12.20m for every year that useful lives had to be reduced. Based on the assets that were valued in the year as part of the five-year rolling revaluation programme, the average increase in the value of the asset was 26.35%. For those assets where indexation was applied, the average increase in the value of the asset was %.

Item	Uncertainties	Effect if actual results differ from assumptions
	the asset is carried out in year three of the five-year cycle.	If the valuation percentage was applied to the assets valued using indices, this would increase their Balance sheet value by £, compared to an indexation increase of £.

This list does not include assets and liabilities that are carried at fair value based on a recently observed market price.

Supplementary Statement No 1

Housing Revenue Account Income and Expenditure Statement

This statement reflects the statutory requirement to account for local authority housing provision, as defined in the Housing (Scotland) Act 1987.

It shows the elements of expenditure incurred in the management and investment of the council's housing stock and the funding of this by rents, and other income.

The council has a duty to cover any deficit, and any accumulated surplus is carried forward to future years for use in the management and investment of its council housing stock.

Housing Revenue Account Income and Expenditure Statement

2024/25 £000		£000	2025/26 £000
	Expenditure		
42,937	Repairs and Maintenance	44,695	
25,025	Supervision and Management	36,513	
39,730	Depreciation and Impairment on Non-Current Assets	41,424	
1,022	Movement in the Allowance for Bad Debts	1,089	
5,050	Other Expenditure	4,870	
113,764	Total Expenditure		128,591
	Income		
(110,672)	Dwelling Rents	(119,213)	
(3,601)	Non-Dwelling Rents	(3,300)	
-	Housing Support Grants	-	
-	Other Income	-	
(114,273)	Total Income		(122,513)
(509)	Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement		6,078
105	HRA Services share of Corporate and Democratic Core		205
-	HRA Share of Other Amounts included in the Whole Council Net Cost of Services but not Allocated to Specific Services		-
(404)	Net Cost for HRA Services		6,283
	HRA share of the operating income and expenditure included in the Comprehensive Income and Expenditure Statement:		
102	(Gain) or Loss on the Disposal of Non-Current Assets		12
12,374	Interest Payable and Similar Charges		9,497
(1,807)	Interest and Investment Income		(1)
214	Pension Interest Cost and Expected Return on Pension Assets		218
(21,360)	Capital Grants and Contributions Receivable		(44,198)
(10,881)	(Surplus) / Deficit for the Year on HRA Services		(28,189)

Note: The expenditure in the table above is lower than that included in the Comprehensive Income and Expenditure Statement (page 51) by £0.073 million (2024/2025: £0.189 million higher). This reflects the CIPFA Code of Practice requirement to transfer the movement in bad debt from the Net Cost of Services in the CIES to the Financing and Investment Income line, whilst in the Housing Revenue Account it remains part of the Net Cost of Services figure.

Statement of Movement on the Housing Revenue Account Balance

2024/25 £000		Notes	2025/26 £000
(13,221)	Balance on the HRA at the end of the Previous Year		(10,440)
(10,881)	Surplus / (Deficit) for the Year on HRA Income and Expenditure Statement		(28,189)
(17,810)	Adjustments Permitted by Accounting Standards	1	(17,494)
31,672	Adjustments between Accounting Basis and Funding Basis Under Statute	2	49,668
2,981	Net (Increase) / Decrease Before Transfers to or from Reserves		3,985
(200)	Transfers (to) or from Reserves		(208)
2,781	(Increase) / Decrease in the Year on the HRA		3,777
(10,440)	Balance on the HRA at the end of the Current Year		(6,663)

Housing Revenue Account Disclosures

1. Adjustments Permitted by Accounting Standards

2024/25 £000		2025/26 £000
(17,810)	Charge for Depreciation and Impairment of Non-Current Assets	(17,494)
(17,810)	Total	(17,494)

2. Adjustments Between Accounting Basis and Funding Basis Under Statute

2024/25 £000		2025/26 £000
-	Adjustment involving Revaluation Reserve	-
(21,920)	Charge for Depreciation and Impairment of Non-Current Assets	(23,930)
(304)	Adjustment involving Capital Adjustment Account	-
21,350	Capital Grants and Contributions	44,188
5	Statutory Provision for the Financing of Capital Investment	4,405
33,506	Capital Expenditure funded by the HRA	25,815
202	Adjustment involving Capital Receipts Reserve	(12)
88	Adjustments involving Financial Instruments Adjustment Account	90
(1,275)	Adjustments involving the Pension Reserve	(825)
20	Adjustments involving the Statutory Accumulated Compensated Absences Account	(63)
31,672	Total	49,668

3. Housing Stock

The council's housing stock at 31 March 2026 was 26,169 (25,923 at 31 March 2025) in the following categories:

2024/25 Number		2025/26 Number	Average Weekly Rent
12,236	Houses	12,371	£100.53
1,353	High Rise	1,358	£81.30
5,544	Tenements	5,614	£74.18
4,697	4 in a block	4,730	£90.08
2,093	Maisonettes	2,096	£74.54
25,923	Total	26,169	

4. Rent Arrears

Rent Arrears at 31 March 2026 were £8.458 million (£7.795 million at 31 March 2025).

5. Impairment of Debtors

In 2025/2026 an impairment of £12.761 million has been provided in the Balance Sheet for irrecoverable rents, which is the same provision as in 2024/2025.

6. Exceptional or Prior Year Adjustments

There were no exceptional items or prior year adjustments not disclosed in the statement.

7. Void Rent Loss

The figures above include rent loss on void properties of £2.542 million (£2.625 million for 2024/2025).

Supplementary Statement No 2

National Non-Domestic Rates Income and Expenditure Statement

National Non-Domestic Rates (NNDR) income is collected by councils, but all income is then remitted to the Scottish Government, where it is pooled nationally, and re-distributed back to councils along with the General Revenue Grant. The table below details the actual levels of NNDR collected by the council, and the overall increase/decrease between the rates collected and the amount that the council is entitled to receive under the National Pooling arrangement.

2024/25 £000		2025/26 £000	Note
408,051	Gross rates levied and contributions in lieu	426,747	1
	Less:		
(33,336)	Reliefs and other deductions	(31,810)	
(483)	Payments of interest	(337)	
(3,055)	Provision of bad and doubtful debts	(6,304)	
371,177	Net Non-Domestic Rate Income	388,296	
-	Adjustment for years prior to the introduction of the pool	-	
371,177	Contribution to the National Non-Domestic Rate pool	388,296	
(5,159)	Net contribution (to) / from National Non-Domestic Rate pool	(17,186)	
366,018	Gross Non-Domestic Rate Income to the Comprehensive Income and Expenditure Statement	371,110	
-	Non-Domestic Rate income retained by council (BRIS)	-	2
366,018	Non-Domestic Rate Income per the Comprehensive Income and Expenditure Statement	371,110	

Note 1 In 2025-2026, the gross rates levied amount of £426.747m includes an amount of £246.629m in relation to NDR Utilities which South Lanarkshire Council collected on behalf of the Scottish Government. This has resulted in a net contribution TO the NDRI pool FROM the Council of £17.186m.

Note 2 The Business Rate Incentivisation Scheme (BRIS) permits the Council to retain half of the NDR income which exceeds the income target set by the Scottish Government. In 2025/2026, the Council did not receive any additional funding from BRIS.

	2025-2026 £
Analysis of Rateable Values:	
Rateable Value at 01/04/25	780,177,309
Running Roll (Full Year Rateable Value)	94,276,951
Rateable Value at 31/03/26	874,454,260
Less: Wholly Exempt	(2,716,610)
Net Rateable Value at 31/03/26	871,737,650

Net Rateable Value Calculation

The amount paid for Non-Domestic Rates is determined by the rateable value placed on the property by the Assessor multiplied by the Rate per £ (poundage) announced each year by the Scottish Government. The Scottish Government previously introduced three different property rates linked to the rateable value of properties. The 2024/25 rates are as follows:

- Basic Property Rate (£0.498)
- Intermediate Property Rate (£0.554)
- Higher Property Rate (£0.568)

Larger businesses with a Rateable Value between £51,001 and £100,000 pay an additional supplement of 5.6 pence in the pound and businesses with a Rateable Value over £100,000 pay an additional supplement of 7.0 pence in the pound, which contributes towards the cost of the Small Business Bonus Scheme. The Small Business Bonus Scheme provides a discount of between 0.5% and 100% to businesses in Scotland on individual properties with a rateable value of up to £20,000, with a maximum combined rateable value of £35,000.

For information, South Lanarkshire Council's Rateable Values at 1 April 2025:

	£
Commercial	124,996,664
Industrial and Freight Transport	63,059,035
Public Undertakings	513,497,525
Other	78,624,085
Total	780,177,309

Supplementary Statement No 3

Council Tax Income and Expenditure Statement

Local Councils raise taxes from residents by way of a property tax - the Council Tax - which is based on property values. Each dwelling house in a local authority area is placed into one of eight valuation bands A to H. The Council declares a tax for band D properties and all other properties are charged a proportion of this, lower valued properties pay less, higher valued properties pay more.

The council tax income account (Scotland) shows the gross income raised from council taxes levied and deductions made under statute. The resultant net income is transferred to the Comprehensive Income and Expenditure Statement of the authority.

2024/25 £000		2025/26 £000
210,831	Gross Council Tax levied and contributions in lieu	225,834
2,178	Adjustments for prior years Council Tax	1,564
<u>213,009</u>		<u>227,398</u>
	Adjusted for:	
(23,613)	Council Tax Reduction	(24,976)
(23,651)	Other discounts and reductions	(25,255)
(4,685)	Provision for Non-collection	(5,030)
<u>161,060</u>	Transfer to General Fund	<u>172,137</u>

From 1 April 2013, the Council Tax Reduction Scheme replaced Council Tax Benefit, with the resultant decrease in Council Tax Income shown in the Taxation and Non-Specific Grant Income line in the Comprehensive Income and Expenditure Statement. Council Tax Benefit grant and payments were previously disclosed as part of General Fund Housing in the Net Cost of Services.

The calculation of the Council Tax Base 2025/26

	No. of Dwellings	No. of Exemptions	Disabled Relief	Discount 25%	Discount 50%	C Tax Reduction	Total Dwellings	Ratio to Band D	Band D Equivalent
Band A (discount)	-	-	(112)	12	-	-	100	5/9	56
Band A	37,788	1,651	(41)	5,356	240	10,918	19,664	6/9	13,110
Band B	32,425	1,182	(26)	4,185	190	6,628	20,266	7/9	15,762
Band C	28,491	714	7	2,853	133	3,803	20,981	8/9	18,650
Band D	23,930	432	(93)	1,907	103	1,689	19,892	9/9	19,892
Band E	22,273	316	97	1,305	53	731	19,771	473/360	25,977
Band F	15,240	135	78	570	26	295	14,136	585/360	22,971
Band G	7,768	57	79	250	18	93	7,271	705/360	14,239
Band H	631	8	12	17	2	3	589	882/360	1,443
							Class 18 Dwellings		-
							<u>122,670</u>	Total	<u>132,100</u>
							Provision for non-collection (2.875%)		3,798
							Council Tax Base		<u>128,302</u>

Dwellings fall within a valuation band between A to H which is determined by the Assessor. The Council Tax charge is calculated using the Council Tax Base i.e. Band D equivalents. This value is then increased or decreased depending on the band. Based on the Council Tax base available to South Lanarkshire Council, the Band D charge for 2025/2026 was £1,378.85.

South Lanarkshire Council £ per year for 2025/2026

Band A	919.23	Band E	1,811.66
Band B	1,072.44	Band F	2,240.63
Band C	1,225.64	Band G	2,700.25
Band D	1,378.85	Band H	3,378.18

GROUP ACCOUNTS

Group Comprehensive Income and Expenditure Statement

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with the CIPFA Accounting Code of Practice, rather than the amount to be funded from taxation. The council raises taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Expenditure and Funding Analysis and Movement in Reserves Statements.

2024/25				2025/26		
Restated Gross Expenditure £000	Restated Gross Income £000	Restated Net Expenditure / (Income) £000		Gross Expenditure £000	Gross Income £000	Net Expenditure / (Income) £000
233,706	77,155	156,551	Community and Enterprise Resources	249,821	89,668	160,153
513,697	20,327	493,370	Education Resources	524,046	20,177	503,869
111,769	66,529	45,240	Finance and Corporate Resources	105,548	53,310	52,238
			Housing and Technical Resources			
113,953	114,283	(330)	- Housing Revenue Account	128,644	122,522	6,122
75,047	52,904	22,143	- Housing Other	77,616	50,970	26,646
509,487	265,185	244,302	Social Work Resources	531,519	276,791	254,728
1,864	-	1,864	Joint Board	1,635	-	1,635
987	509	478	Corporate Items	(6,871)	1,637	(8,508)
105	-	105	Corporate and Democratic Core (HRA)	201	-	201
-	-	-	Non-Distributed Costs – Non-Operational Assets (HRA)	-	-	-
812	1,000	(188)	Common Good	628	194	434
1,561,427	597,892	963,535	Net Cost of Services	1,612,787	615,269	997,518
(7,268)	-	(7,268)	Other Operating Expenditure	4,973	-	4,973
72,597	12,287	60,310	Financing and Investment (Income) and Expenditure (Note 8)	61,832	(300)	62,132
-	989,521	(989,521)	Taxation and Non-Specific Grant Income (Note 9)	-	1,083,487	(1,083,487)
1,626,756	1,599,700	27,056	(Surplus) on Provision of Services	1,679,592	1,698,456	(18,864)
		(7,132)	Share of the (Surplus) or Deficit on the provision of services by associates			(13,092)
		19,924	Group (Surplus) / Deficit			(31,956)
		(209,203)	(Surplus) / Deficit on Revaluation of Fixed Assets			163,102
		(55,718)	Re-measurement of the Pension Liability / (Asset)			(34,734)
		(637)	Share of Other Comprehensive (Income) and Expenditure of Associates and Joint Ventures			(2,277)
		(265,558)	Other Comprehensive (Income) and Expenditure			126,091
		(245,634)	Total Comprehensive (Income) and Expenditure			94,135

Group Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the council. The net assets of the council (assets less liabilities) are matched by the reserves held by the council. Reserves are reported in two categories.

- The first category of reserves are usable reserves, that is those reserves that the council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt).
- The second category of reserves is those that the council is not able to use to provide services.

This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

Restated Group 31 March 2025 £000		Single Entity 31 March 2026 £000	Group Adjustments 31 March 2026 £000	Group 31 March 2026 £000
4,116,800	Property, Plant and Equipment	4,077,338	6,622	4,083,960
3,853	Heritage Assets	3,853	-	3,853
10,059	Intangible Assets	8,897	-	8,897
97,030	Investments in associates and joint ventures	-	112,378	112,378
1,910	Long Term Debtors	1,794	-	1,794
-	Other Long Term Assets (Pension)	-	-	-
4,229,652	Non Current Assets	4,091,882	119,000	4,210,882
-	Short Term Investments	-	-	-
4,368	Inventories	4,257	166	4,423
102,156	Short Term Debtors	79,801	2,095	81,896
168	Assets Held for Sale	2,086	-	2,086
34,089	Cash and Cash Equivalents (see cash flow notes)	54,038	9,917	63,955
140,781	Current Assets	140,182	12,178	152,360
(179,224)	Short Term Borrowing	(281,468)	-	(281,468)
(240,282)	Short Term Creditors	(260,401)	(6,895)	(267,296)
-	Contract Liability – IFRS15	-	-	-
(17,142)	Other Short-Term Liabilities (PPP / Finance Leases)	(20,673)	-	(20,673)
(608)	Provisions	(144)	-	(144)
(3,476)	Receipts in Advance	(1,376)	-	(1,376)
(440,732)	Current Liabilities	(564,062)	(6,895)	(570,957)
(667)	Long Term Creditors	-	(694)	(694)
(251)	Long Term Provisions	-	(251)	(251)
(860,609)	Long Term Borrowing	(739,437)	-	(739,437)
-	Liabilities in Associates and Joint Ventures	-	-	-
(306,113)	Other Long-Term Liabilities (PPP / Finance Lease)	(305,336)	-	(305,336)
(99,299)	Other Long-Term Liabilities (Pension)	(95,457)	(1,302)	(96,759)
(1,266,939)	Long Term Liabilities	(1,140,230)	(2,247)	(1,142,477)
2,662,762	Net Assets	2,527,772	122,036	2,649,808
147,568	Usable Reserves	176,726	-	176,726
2,410,671	Unusable Reserves	2,351,046	-	2,351,046
104,523	Group Reserves	-	122,036	122,036
2,662,762	Total Reserves	2,527,772	122,036	2,649,808

The notes on pages 121 to 127 form part of the group financial statements.

Jackie Taylor
Executive Director (Finance and Corporate Resources)

Group Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the council, analysed into 'usable reserves' (those that can be applied to fund expenditure or reduce local taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the true economic cost of providing the council'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 the 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.

	Revenue Statutory Funds									Council's Share of Usable Reserves of Subsidiaries and Associates £000	Council's Share of Unusable Reserves of Subsidiaries and Associates £000	Total Group Reserves £000
	General Fund Balance £000	Housing Revenue Account £000	Repairs and Renewals Fund £000	Insurance Fund £000	Capital Statutory Fund £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000			
Balance at 1 April 2025	118,997	10,440	5,123	1,812	3,784	7,412	147,568	2,410,671	2,558,239	51,136	53,387	2,662,762
<u>Movement in reserves during 2025/26</u>												
Total Comprehensive Expenditure and Income	(6,759)	28,186	-	-	-	-	21,427	(51,894)	(30,467)	15,858	2,025	(12,584)
Adjustments permitted under accounting standards	15,041	17,494	-	-	-	-	32,535	(32,535)	-	-	-	-
Adjustments between accounting basis and funding basis under regulations	24,954	(49,668)	-	-	-	(90)	(24,804)	24,804	-	(3,174)	3,174	-
Adjustments for Changes in Council's share of associates	-	-	-	-	-	-	-	-	-	(149)	128	(21)
Net Increase / (Decrease) before Transfers to Reserves	33,236	(3,988)	-	-	-	(90)	29,158	(59,625)	(30,467)	12,535	5,327	(12,605)
Transfers to/ (from) Reserves	1,474	208	(491)	(790)	(401)	-	-	-	-	-	-	-
Increase / (Decrease) in Year	34,710	(3,780)	(491)	(790)	(401)	(90)	29,158	(59,625)	(30,467)	12,535	5,327	(12,605)
Balance at 31 March 2026 carried forward	153,707	6,660	4,632	1,022	3,383	7,322	176,726	2,351,046	(30,467)	63,670	58,713	2,650,155

Revenue Statutory Funds

	General Fund Balance £000	Housing Revenue Account £000	Repairs and Renewals Fund £000	Insurance Fund £000	Capital Statutory Fund £000	Capital Receipts Reserve £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's Share of Usable Reserves of Subsidiaries and Associates £000	Council's Share of Unusable Reserves of Subsidiaries and Associates £000	Total Group Reserves £000
Balance at 1 April 2024	109,772	13,221	5,347	195	3,975	1,179	133,689	2,189,055	2,322,744	123,353	48,212	2,494,309
Restatement*	-	-	-	-	-	-	-	-	-	(78,439)	-	(78,439)
Restated Balance at 1 April 2024	109,772	13,221	5,347	195	3,975	1,179	133,689	2,189,055	2,322,744	44,914	48,212	2,415,870
<u>Movement in reserves during 2024/25</u>												
Total Comprehensive Expenditure and Income	(37,682)	10,881	-	-	-	-	(26,801)	262,296	235,495	9,876	263	245,634
Adjustments permitted under accounting standards	15,113	17,810	-	-	-	-	32,923	(32,923)	-	-	-	-
Adjustments between accounting basis and funding basis under regulations	33,196	(31,672)	-	-	-	6,233	7,757	(7,757)	-	(4,091)	4,091	-
Adjustments for Changes in Council's share of associates	-	-	-	-	-	-	-	-	-	437	821	1,258
Net Increase / (Decrease) before Transfers to Reserves	10,627	(2,981)	-	-	-	6233	13,879	221,616	235,495	6,222	5,175	246,892
Transfers to/ (from) Reserves	(1,402)	200	(224)	1,617	(191)	-	-	-	-	-	-	-
Increase / (Decrease) in Year	9,225	(2,781)	(224)	1,617	(191)	6233	13,879	221,616	235,495	6,222	5,175	246,892
Balance at 31 March 2025 carried forward	118,997	10,440	5,123	1,812	3,784	7,412	147,568	2,410,671	2,558,239	51,136	53,387	2,662,762

Group Cash Flow Statement

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

2024/25		2025/26
£000		£000
(27,056)	Net surplus / (deficit) on the provision of services	19,025
175,684	Adjust net surplus / deficit on the provision of services for non cash movements	188,322
(58,626)	Adjust for items included in the net surplus / deficit on the provision of services that are investing and financing activities	(88,445)
90,002	Net cash flows from Operating Activities	118,902
(56,254)	Investing Activities	(50,855)
(20,345)	Financing Activities	(37,542)
13,402	Net increase / (decrease) in cash and cash equivalents	30,505
20,686	Cash and cash equivalents at the beginning of the reporting period	33,867
34,089	Cash and cash equivalents at the end of the reporting period	64,372

Cash Flow Statement Note – Non-Cash Movements

The balance of non-cash movements is made up of the following elements:

31 March		31 March
2025		2026
£000		£000
101,363	Depreciation, impairment and amortisation of assets	108,281
28,582	Movement in creditors	23,330
4,767	Movement in debtors	22,185
598	Movement in inventories	(55)
39,871	Movement in pension liability	28,998
507	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	5,583
(4)	Other non-cash items charged to the net surplus / deficit on the provision of services	-
175,684	Net cash flows from the provision of services for non-cash movements	188,322

Cash Flow Statement Note – Operating Activities – Items Included in Net Surplus / (Deficit) on the Provision of Services That are Investing and Financing Activities

The cash flows for these activities include the following items:

2024/25		2025/26
£000		£000
(50,851)	Capital contributions and grants	(87,907)
(7,775)	Capital receipts applied	(610)
(58,626)	Net cash flows from items included in the net surplus / (deficit) on the provision of services that are investing and financing activities	(88,517)

Cash Flow Statement Note – Investing Activities

2024/25 £000		2025/26 £000
(113,510)	Purchase of property, plant and equipment and intangible assets	(134,623)
(40,000)	Purchase of short term investments	-
7,775	Proceeds from the sale of property, plant and equipment and intangible assets	611
40,000	Proceeds from short term investments	-
49,481	Other receipts from investing activities	83,157
(56,254)	Net cash flows from investing activities	(50,855)

Cash Flow Statement Note – Financing Activities

2024/25 £000		2025/26 £000
145,000	Cash receipts of short term and long term borrowing	336,500
(16,575)	Cash payments for the reduction of the outstanding liabilities relating to finance leases for PPP contracts	(19,018)
(148,770)	Repayments of short term and long term borrowing	(355,154)
(20,345)	Net cash flows from financing activities	(37,672)

Cash Flow Statement Note – Cash and Cash Equivalents

31 March 2025 £000		31 March 2026 £000
101	Cash held by officers	105
18,082	Bank current accounts	3,962
15,906	Short term deposits	60,059
34,089	Total cash and cash equivalents	64,126

The credit figures shown against Bank Accounts in 2025 relate to balances in the financial ledger. This is due to timing differences in posting transactions in the ledger. Actual balances held at bank are not in an overdraft position.

The group cash flow statement represents the single entity cash flow for South Lanarkshire Council adjusted for its subsidiaries, Routes to Work South, Common Good and South Lanarkshire Leisure and Culture Trust.

The adjusted figures are as follows:

	South Lanarkshire Council £000	Routes to Work South £000	Common Good £000	South Lanarkshire Leisure & Culture Trust £000	Total £000
Net surplus / (deficit) on provision of services	21,427	(6)	434	(2,830)	19,025
Adjust net surplus / (deficit) on the provision of services for non-cash movements	184,832	167	34	3,289	188,322
Adjust for items included in the net surplus / (deficit) that are investing and financing activities	(88,517)	-	-	72	(88,445)
Net Cash Flows from Operating Activities	117,742	161	468	531	118,902
Investing Activities	(51,063)	18	-	190	(50,855)
Financing Activities	(37,672)	130	-	-	(37,542)
Net increase / decrease in cash and cash equivalents	29,007	309	468	721	30,505
Cash and cash equivalents at beginning of period	25,031	1,679	1,029	6,128	33,867
Cash and cash equivalents at end of reporting period	54,038	1,988	1,497	6,849	64,372

Notes to Group Financial Statements

Note 1 Group Expenditure and Funding Analysis

2024/25			
Net Expenditure Chargeable To the General Fund And HRA Balance £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000	
128,375	27,374	155,749	Community and Enterprise Resources
482,703	10,667	493,370	Education Resources
40,103	5,137	45,240	Finance and Corporate Resources
			Housing and Technical Resources
2,981	(3,311)	(330)	- Housing Revenue Account
15,972	6,171	22,143	- Housing Other
235,309	8,993	244,302	Social Work Resources
1,864	-	1,864	Joint Board
(8,870)	9,348	478	Corporate Items
	105	105	Corporate and Democratic Core (HRA)
-	-	-	Non-Distributed Costs – Non-Operational Assets (HRA)
(189)	-	(189)	Common Good
898,248	64,484	962,732	Net Cost of Services
(906,444)	(30,035)	(936,479)	Other (Income) and Expenditure
(8,196)	34,449	26,253	(Surplus) or Deficit
(7,436)	-	(7,436)	Share of Associates
(15,632)	34,449	18,817	

2025/26		
Net Expenditure Chargeable To the General Fund And HRA Balance £000	Adjustments between the Funding and Accounting Basis £000	Net Expenditure in the Comprehensive Income and Expenditure Statement £000
129,069	28,949	158,018
502,133	1,736	503,869
44,318	7,926	52,244
3,988	2,134	6,122
21,259	5,387	26,646
247,052	7,676	254,728
1,635	-	1,635
(18,041)	9,533	(8,508)
-	-	-
-	201	201
931,413	63,542	994,955
(960,661)	(55,721)	(1,016,382)
(29,248)	7,821	(21,427)

General Fund including Subsidiaries and HRA	General Fund Group Associates	Total Group General Fund including HRA		General Fund including Subsidiaries and HRA	General Fund Group Associates	Total Group General Fund including HRA
(128,212)	(92,316)	(220,528)	Opening General Fund and HRA Balance	(152,640)	(44,885)	(197,525)
(8,196)	(7,436)	(15,632)	Less/plus Surplus or Deficit on General Fund	(29,248)	-	(29,248)
(16,232)	54,867	38,635	Transfers to/from Other Reserves	(1,474)	(208)	(1,682)
(152,640)	(44,885)	(197,525)	Closing General Fund and HRA Balance	(183,362)	(45,093)	(228,455)

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement

2025/26				
	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments between Funding and Accounting Basis £000
Community and Enterprise Resources	25,056	3,641	252	28,949
Education Resources	25,585	6,010	(29,859)	1,736
Finance and Corporate Resources	2,466	5,260	200	7,926
Housing and Technical Resources				
- Housing Revenue Account	11,205	605	(9,676)	2,134
- Housing Other	3,432	1,741	214	5,387
Social Work Resources	3,947	3,632	97	7,676
Joint Board	-	-	-	-
Corporate Items	-	-	9,533	9,533
Corporate and Democratic Core (HRA)	-	-	201	201
Non-Distributed Costs – Non-Operational Assets (HRA)				
Net Cost of Services	71,691	20,889	(29,038)	63,542
Other Income and Expenditure from the Expenditure and Funding Analysis	(87,740)	6,233	25,786	(55,721)
Surplus or Deficit	(16,049)	27,122	(3,252)	7,821
Share of (Surplus) or Deficit on the Provision of Services by Associates				
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	(16,049)	27,122	(3,252)	7,821

2024/25				
	Adjustments for Capital Purposes £000	Net change for the Pensions Adjustments £000	Other Differences £000	Total Adjustments between Funding and Accounting Basis £000
Community and Enterprise Resources	21,085	6,437	(148)	27,374
Education Resources	28,423	11,012	(28,768)	10,667
Finance and Corporate Resources	1,876	3,174	87	5,137
Housing and Technical Resources				
- Housing Revenue Account	6,219	1,061	(10,591)	(3,311)
- Housing Other	928	3,157	2,086	6,171
Social Work Resources	4,859	6,243	(2,109)	8,993
Joint Board	-	-	-	-
Corporate Items	-	-	9,348	9,348
Corporate and Democratic Core (HRA)	-	-	105	105
Non-Distributed Costs – Non-Operational Assets (HRA)	-	-	-	-
Net Cost of Services	63,390	31,084	(29,990)	64,484
Other Income and Expenditure from the Expenditure and Funding Analysis	(62,239)	6,285	25,919	(30,035)
Surplus or Deficit	1,151	37,369	(4,071)	34,449
Share of (Surplus) or Deficit on the Provision of Services by Associates	-	-	-	-
Difference between General Fund Surplus or Deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	1,151	37,369	(4,071)	34,449

Note 2 Expenditure and Income Analysed by Nature (Group)

The group's expenditure and income are analysed below:

	2025/26 £000	2024/25 £000
Expenditure		
Employee Benefits Expenses	689,909	697,892
Other Services Expenditure	904,823	764,534
Support Services Recharges	0	-
Depreciation, Amortisation, Impairment	31,104	97,494
Interest Payment	55,644	68,065
Pension Net Interest Expense	6,355	6,285
Impairment on Financial Instruments	(45)	(1,752)
Loss on the Disposal of Assets	4,973	(7,268)
Total Expenditure	1,692,763	1,625,250
Income		
Fees and Charges and Other Service Income	493,203	439,840
Interest and Investment Income	1,160	14,441
Impairment on Financial Instruments	(54)	(618)
Gain on the Disposal of Assets	1	-
Income from Council Tax	172,137	161,060
Government Grants and Contributions	1,048,349	984,274
Total Income	1,714,795	1,598,997
(Surplus) or Deficit on the Provision of Services	(22,032)	26,253

Note 3 Investments / Liabilities in Associates and Joint Boards

The group's share of the net asset / liabilities by associate and joint board is shown below:

	31 March 2026 £000	31 March 2025 £000
Investments in associates and joint boards		
Strathclyde Partnership for Transport	85,133	78,457
Strathclyde Concessionary Travel Scheme Joint Committee	685	558
South Lanarkshire Integration Joint Board	25,880	16,991
Lanarkshire Valuation Joint Board	680	1,024
Total	112,378	97,030

Note 4 Disclosure of Interests in Other Entities

The council has adopted the recommendations of the Code in the United Kingdom 2025/2026, as supported by the International Financial Reporting Standard (IFRS), which requires local authorities to consider their interests in all types of entity to incorporate into Group Accounts.

A full set of Group Accounts, in addition to the council's accounts, has been prepared which incorporates material balances from identified associates and joint ventures.

The Financial Statements in the Group Accounts are prepared in accordance with the Accounting Policies set out in the Accounting Policies on pages 102 - 108.

Note 5 Financial Impact of Consolidation

By including the group entities (details of which are provided below), the effect on the Group Balance Sheet is an increase in both Reserves and Net Assets of £122.036M million. This represents the council's share of the net assets in these entities.

Note 6 Group Entities

The Group Accounts consolidate the results of the council with eight other entities – Common Good Fund, four joint boards, South Lanarkshire Leisure and Culture Limited, Routes to Work South and Clyde Valley Learning and Development Joint Committee. The joint boards are:

- Strathclyde Partnership for Transport
- Strathclyde Concessionary Travel Scheme Joint Committee
- Lanarkshire Valuation Joint Board
- South Lanarkshire Integration Joint Board.

South Lanarkshire Council holds no shares in the bodies governed by these Boards.

The joint boards have a wide range of functions to discharge, and members of each Board are elected councillors and are appointed by the councils in proportions specified in the legislation.

Under accounting standards guidance, South Lanarkshire Council can be seen to have significant influence over these statutory bodies, through nominated Council Member involvement in the bodies' governing Boards.

The Boards are included within the Group Accounts even when our interest in these bodies is less than the 20% that is normally presumed to represent significant influence.

Further details on each of the Boards and the Trust are provided below:

Common Good Fund

The Common Good Fund is for the benefit of the geographical areas of the former burghs and is administered by the council. The council's share of the year-end net asset of £7.485m is included in the Group Balance Sheet.

The Common Good Account is included within the council's core financial statements Note 37.

Strathclyde Partnership for Transport

Strathclyde Partnership for Transport is the statutory body responsible for formulating the public transport policy for the 12 local authorities in the former Strathclyde area of the West of Scotland. The accounting period for the Board is the twelve months to 31 March 2026.

In 2025/2026, South Lanarkshire Council contributed 14.63% of the entity's estimated running costs. This body has been included as an associate in the council's Group Accounts, with the council's share of the year-end net asset of £85.133m included in the Group Balance Sheet.

Copies of the Board's accounts may be obtained from the Treasurer to Strathclyde Partnership for Transport, 131 St Vincent Street, Glasgow, G2 5JF. The accounts of the Partnership have been subject to audit.

Strathclyde Concessionary Travel Scheme Joint Committee

Strathclyde Concessionary Travel Scheme Joint Committee comprises the 12 councils within the West of Scotland and oversees the operation of the concessionary fares scheme for public transport within its area. The Strathclyde Passenger Transport Executive administers the Scheme on behalf of the Joint Committee. The accounting period for the Joint Committee is the twelve months to 31 March 2026.

In 2025/2026, South Lanarkshire Council contributed 14.95% of the Committee's estimated running costs. This body has been included as an associate in the council's Group Accounts with the council's share of the year-end net assets of £0.685m included in the Group Balance Sheet.

Copies of the Board's accounts may be obtained from the Treasurer to Strathclyde Concessionary Travel Scheme Joint Committee, 131 St Vincent Street, Glasgow, G2 5JF. The accounts of the Committee have been subject to audit.

Lanarkshire Valuation Joint Board

Lanarkshire Valuation Joint Board was formed in 1996 at local government re-organisation. The Board maintains the Electoral, Council Tax and Non-Domestic Rates registers for North and South Lanarkshire. The Board's running costs are met by the two member councils. Surpluses or deficits on the Board's operations are shared between the councils. The accounting period for the Board is the twelve months to 31 March 2026.

In 2025/2026, South Lanarkshire Council contributed 50.00% of the Board's estimated running costs. This body has been included as an associate in the Group Accounts, with the council's share of the year-end net assets of £0.680m included in the Group Balance Sheet.

The following additional disclosures are required under accounting regulations for Lanarkshire Valuation Joint Board because the council's share of the net assets of the Board exceeds 25%. The figures below show the entity's position before group percentages have been applied.

	2025/26 £000	2024/25 £000
Expenditure	4,528	3,725
Total Comprehensive Income and Expenditure	688	(522)
Non-Current Assets	449	557
Long Term Pension Assets	-	-
Current Assets	1,974	2,653
Liabilities due within one year	(312)	(324)
Liabilities due after one year	(752)	(839)
Capital and reserves	1,359	2,047
Contingent liabilities	-	-
Capital commitments	-	-

Copies of the Board's accounts may be obtained from the Treasurer to the Lanarkshire Valuation Joint Board, Floor 4, Council Offices, Almada Street, Hamilton, ML3 0AB. The accounts of the Board are subject to audit.

South Lanarkshire Integration Joint Board

South Lanarkshire Integration Joint Board was established by South Lanarkshire Council with NHS Lanarkshire to formally integrate health and social care provision within South Lanarkshire.

South Lanarkshire Council delegated resources of £192.293 or 24.42% of the Board's income in

2025/2026. This body has been included as a joint venture in the Group Accounts, with the council's 50.00% share of the year end net asset of £25.880m included in the Group Balance Sheet.

	2025/26 £000	2024/25 £000
Expenditure	769,599	732,771
Total Comprehensive Income and Expenditure	(17,7770	(5,147)
Fixed Assets	-	-
Current Assets	51,759	33,982
Liabilities due within one year	-	-
Liabilities due after one year	-	-
Capital and Reserves	51,759	33,982
Contingent Liabilities	-	-
Capital Commitments	-	-

Copies of the Integration Joint Board accounts may be obtained from the Chief Financial Officer of the South Lanarkshire Integration Joint Board, Floor 8, Council Offices, Almada Street, Hamilton, ML3 0AB. The accounts of the Integration Joint Board have been subject to audit.

South Lanarkshire Leisure and Culture Limited

South Lanarkshire Leisure Limited was established as a Charitable Trust on 1 April 2002, changed to South Lanarkshire Leisure and Culture Limited in October 2010 and then became a SCIO on 3 April 2023.

It provides the council with a full range of leisure and cultural services within the South Lanarkshire area.

The Trust is entirely independent of the council under law and for taxation purposes. The council and the council's nominee company are the sole members of the SCIO. South Lanarkshire Council currently has 5 out of the 14 Board positions meaning 35.71% representation on the Board of Directors.

The SCIO meets the definition of a structured entity. This describes an entity that has been designed so that the relevant activities are directed by means of contractual arrangements. In recognition of this, South Lanarkshire Leisure and Culture SCIO is included in the Group Financial Statements as a 100% subsidiary.

The accounts of the SCIO are published separately and may be obtained from the Secretary, South Lanarkshire Leisure and Culture Limited, Floor 5, Council Offices, Almada Street, Hamilton, ML3 0AB. The accounts of the SCIO have been subject to audit.

The following additional disclosures are required under accounting regulations for South Lanarkshire Leisure and Culture Limited because the council's share of the net assets of the Board exceeds 25%.

	2025/26 £000	2024/25 £000		2025/26 £000	2024/25 £000
Expenditure	40,609	38,593	Expenditure	2,849	3,257
Total Comprehensive Income and Expenditure	(2,482)	(795)	Total Comprehensive Income and Expenditure	(6)	(7)
Fixed Assets	180	213	Fixed Assets	19	27
Long Term Assets	-	-	Current Assets	2,029	1,753
Current Assets	9,069	8,293	Liabilities due within one year	(1,189)	(928)
Liabilities due within one year	(5,715)	(4,393)	Liabilities due after one year	(251)	(251)
Liabilities due after one year	(694)	(667)	Capital and Reserves	608	602
Capital and Reserves	1,538	2,139	Contingent Liabilities	-	-
Contingent Liabilities	-	-	Capital Commitments	-	-
Capital Commitments	-	-			

On 3 April 2023, the status of South Lanarkshire Leisure and Culture Limited changed from a Charitable Trust to a Scottish Charitable Incorporated Organisation. This will have no impact on the relationship with the council moving forward.

Routes to Work South

Routes to Work South was established in 1998. Its main activity is supporting unemployed and workless residents of South Lanarkshire into employment, training or further education. Routes to Work South delivers services to the council and is funded by the council.

South Lanarkshire Council is the sole member of Routes to Work South. In recognition of this, Routes to Work South is included in the Group Financial Statements as a 100% subsidiary.

The accounts of Routes to Work South are published separately and may be obtained from the Secretary, Routes to Work South, 1-5 Main Street, Cambuslang, Glasgow G72 7EX. The accounts have been subject to audit.

The following additional disclosures are required under accounting regulations for Routes to Work South because the Councils' share of the net assets exceeds 25%.

Clyde Valley Learning and Development Joint Committee

Clyde Valley Learning and Development Joint Committee was established, with the backing of the Scottish Government's Efficiency and Reform Fund, to provide procurement of training activities to each of its member councils. South Lanarkshire Council is the lead authority for this project and its constituent membership totalled 20.00% in 2025/2026. This body has been included as an associate in the council's Group Accounts, however, as the Joint Committee net assets at 31 March 2026 are nil, there has been no financial impact on South Lanarkshire's Single Entity Accounts.

The accounts of Clyde Valley Learning and Development Joint Committee are published separately and may be obtained from the Treasurer, Finance and Corporate Resources, Floor 4, Almada Street, Hamilton, ML3 0AB. The Accounts of the Joint Committee are subject to audit.

Note 7 Non-Material Interest in Other Entities

The council also has an interest in:

- Scotland Excel (previously Authorities Buying Consortium) is a Joint Committee established to serve the buying requirements of the councils within the former Strathclyde area. South Lanarkshire Council contributed 5.3% of Scotland Excel's estimated running costs in 2025/2026, but the financial results of this organisation have not been consolidated into the council's Group Accounts as the amounts are not material.
- West of Scotland Archaeology Service is a Joint Service established to provide planning related archaeological advice to its 11 member councils. South Lanarkshire Council contributed 9.45% of the estimated running costs of the Joint Service in 2025/2026, however, the financial results of this organisation have not been consolidated into the council's Group Accounts as the amounts are not material.

- Continuing Education Gateway is a consortium of 10 local authorities in the West of Scotland. It was formed in April 2000 to further the provision of careers and educational guidance services. South Lanarkshire Council contributed 14.50% of the consortium's estimated running costs in 2025/2026, however, the financial results of this organisation have not been consolidated into the council's Group Accounts as the amounts are not material.
- SEEMIS Group LLP is a not-for-profit body whose principal activity is the provision of education related information technology solutions to its member councils. South Lanarkshire Council contributed 6.21% of the organisation's estimated running costs in 2024/2025, however, the financial results of this organisation have not been consolidated into the council's Group Accounts as the amounts are not material.
- Glasgow City Region – City Deal Cabinet was established on 20 January 2015. The purpose of the committee is to determine the Strategic Development Priorities for the Clyde Valley Region and to monitor and ensure delivery of the City Deal Programme as agreed between member authorities and the UK and Scottish Governments. The City Deal aims to deliver a £1.1 billion investment programme, including delivery of labour market and innovation programmes. South Lanarkshire Council contributed 17.7% of the organisation's running costs in 2024/2025, however, the financial results have not been consolidated into the council's Group Accounts as the amounts are not material.
- The Rural Development Trust is based in South Lanarkshire and works with local communities to deliver innovative solutions including resolving transport problems in rural areas and developing market towns. The council supports the Rural Development Trust. The financial results have not been consolidated into the council's Group Accounts as the amounts are not material.
- Regen: FX Youth Trust was established as a Charitable Trust on 1 April 2007. It serves the council by developing and co-ordinating out of school diversion activities within the South Lanarkshire area. The Trust is entirely independent of the council under law and for taxation purposes. The council has neither any shares in, nor ownership of the Trust. The financial results have not been consolidated into the council's Group Accounts, as the amounts are not material.
- Clyde Gateway was established to re-develop large sections of the East End of Glasgow extending into Shawfield and Rutherglen in South Lanarkshire. The key stakeholders are Glasgow City Council, Scottish Enterprise and South Lanarkshire Council, with the two council partners providing land holdings on a phased basis over the anticipated 20-year lifetime of the project as well as capital funding. The financial results have not been consolidated into the council's Group Accounts as the amounts are not material.

Audit Arrangements

Under arrangements approved by the Commission for Local Authority Accounts in Scotland ("The Accounts Commission") the auditor with overall responsibility for the audit of the accounts of South Lanarkshire Council for the year ended 31 March 2026 is:

Audit Scotland
4th Floor
102 West Port
Edinburgh
EH3 9DN

Glossary of Terms

Much of the terminology used in this report is intended to be self-explanatory, however, the following additional definition and interpretation of terms may be helpful:

- 1. Current Service Cost (Pensions)**
The increase in the current value of a defined benefit scheme's liabilities, expected to arise from employee service in the current financial year.
- 2. Past Service Costs (Pensions)**
For a defined benefit scheme, the increase in the present value of the scheme's liabilities relating to employee service in prior years arising in the current financial year as a result of the introduction of, or improvement to, retirement benefits.
- 3. Interest Cost (Pensions)**
For a defined benefit scheme, the expected increase during the financial year of the scheme's liabilities because the benefits are one year closer to settlement.
- 4. Actuarial Gains and Losses (Pensions)**
For a defined benefit scheme, the changes in actuarial deficits or surpluses that arise because events have not coincided with the actuarial assumptions made for the last valuation (experience gains and losses) or the actuarial assumptions have changed.
- 5. Pension Scheme Liabilities**
The liabilities of a defined benefits pension scheme for outgoings due after the valuation date. The scheme's liabilities, measured using the 'projected unit method', reflect the benefits that the employer is committed to provide for service up to the valuation date.
- 6. Pension Reserve**
The Pension Reserve recognises the council's share of the actuarial gains and losses in the Strathclyde Pension Fund and the change in the council's share of the net liability chargeable to the Comprehensive Income and Expenditure Statement.
- 7. Asset**
An item having value to the council in monetary terms. Assets are categorised as either current or non-current. A current asset will be consumed or cease to have material value within the next financial year (e.g. cash and stock). A non-current asset provides benefit to the council and the services it provides for a period of more than one year.
- 8. Liability**
A liability is where the council owes payment to an individual or another organisation. A current liability is an amount which will become payable within the next financial year. A non-current liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over the period of time.
- 9. Contingent Liability**
A contingent liability is either:
 - A possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the council's control, or
 - A present obligation arising from past events where it is not probable that a transfer of economic benefits will be required, or the amount of the obligation cannot be measured with sufficient reliability.
- 10. Capital Expenditure and Financing**
This is expenditure incurred in creating, acquiring or improving assets. Expenditure is normally financed by borrowing (with repayment over a period of years), income from the sale of existing assets, revenue funds or external grants and contributions.
- 11. Capital Financed from Current Revenue**
This is expenditure incurred in creating, acquiring or improving assets where that expenditure is funded directly from the revenue account in the year in which it is incurred.
- 12. Non-Current Assets**
Fixed Assets are created as a result of the capital expenditure incurred by the council. As such, they comprise buildings, property, vehicles, plant and machinery, and computer equipment etc.

13. Property, Plant and Equipment

These are assets with physical substance (tangible assets) 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 during more than one year. These are further analysed in the Notes to the Accounts as follows:

- a) Council Dwellings – these are council houses
- b) Other Land and Buildings
- c) Vehicles, Plant and Equipment
- d) Infrastructure Assets – these are assets where there is no prospect of sale or alternative use
e.g. roads, bridges, tunnels, water supply and drainage systems
- e) Community Assets – assets that the council intends to hold in perpetuity that have no determinable useful life and may have restrictions on their disposal e.g. open land and public parks.
- f) Surplus Assets – assets that are not being used to deliver services, but which do not meet the criteria to be classified as either investment properties or non-current assets held for sale.
- g) Assets Under Construction

14. Heritage Assets

Heritage assets are assets that have cultural, environmental, or historical association that make their preservation for future generations important. Heritage assets are maintained principally for their contribution to knowledge and culture, and it is this which distinguishes them from other assets e.g. museum artefacts.

15. Assets Held for Sale

These are assets where the carrying value of the asset will be realised through its sale rather than continued use.

16. Intangible Asset

These are assets which do not have a physical substance (e.g. IT software and licences)

17. Depreciation

The measure of the cost of wearing out, consumption or reduction in the useful economic life of the council's non-current assets during the financial year, whether from use, the passage of time or obsolescence through technical or other changes.

18. Impairment

A reduction in the value of non-current asset to below its carrying value in the Balance Sheet.

19. Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction, less where applicable, any grants receivable towards the purchase or use of the asset.

20. Net Carrying Value

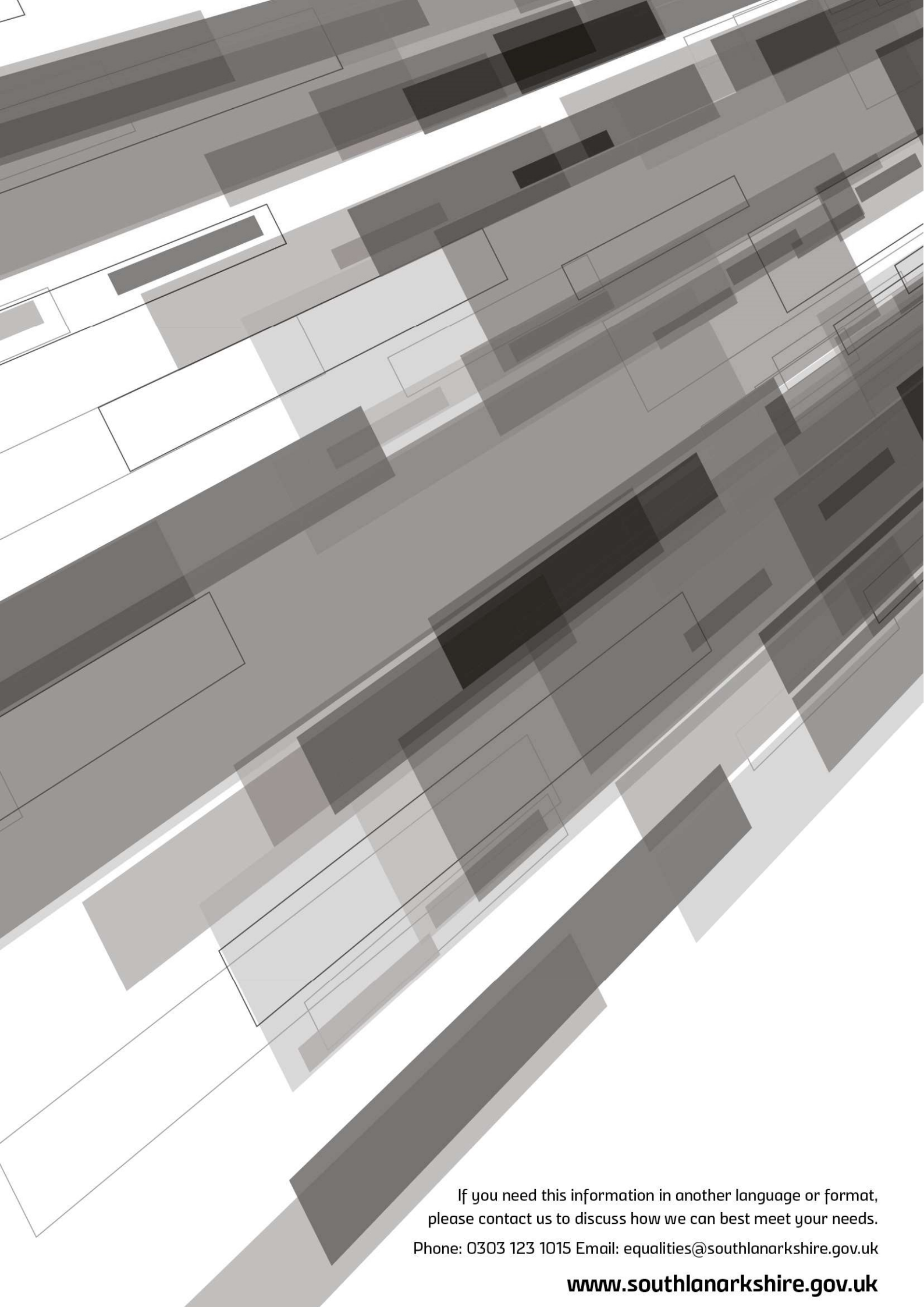
The amount at which non-current assets are included in the Balance Sheet, i.e. historical cost or current value less the cumulative amounts provided for depreciation.

21. Accrual

The concept that income and expenditure are recognised as they are earned or incurred, not as the money is paid or received.

22. Provision

An amount put aside in the accounts for future liabilities or losses which are certain or very likely to occur but the amounts or dates or when they will arise are uncertain.



If you need this information in another language or format,
please contact us to discuss how we can best meet your needs.

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www.southlanarkshire.gov.uk