




# Draft Statement of Accounts 2021/22

Uttlesford District Council

 Uttlesford District Council  
London Road  
Saffron Walden  
Essex  
CB11 4ER

**INDEX**

<b>Narrative Statement</b>	<b>3-18</b>
<b>Statement of Responsibilities</b>	<b>18</b>
<b>Section A – Statement of Accounting Policies</b>	<b>19-36</b>
<b>Section B – Movement in Reserves Statement</b>	<b>37-38</b>
<b>Section C – Comprehensive Income and Expenditure Statement</b>	<b>39</b>
<b>Section D – Balance Sheet</b>	<b>40</b>
<b>Section E – Cash Flow Statement</b>	<b>41</b>
<b>Section F – Supplementary Notes to the Core Financial Statements</b>	<b>42-110</b>
<b>Section G – Supplementary Financial Statements – Housing Revenue Account</b>	<b>111-117</b>
<b>Section H – Supplementary Financial Statements – Collection Fund</b>	<b>118-123</b>
<b>Section I – Group Accounts</b>	<b>124-128</b>
<b>Section J – Appendix - Annual Governance Statement (attached)</b>	

## NARRATIVE REPORT

### Introduction

The Statement of Accounts presents the financial results of the Council's activities for the year ended 31 March 2022 and summarises the overall financial position of the Council as of 31 March 2021. This Narrative Report sets out the key issues and is intended to give the reader an insight into the Council's performance during 2021/22.

The Council is required by law to complete its accounts in line with the CIPFA Code of Practice on Local Authority Accounting and constitutes a 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The Code is based upon International Financial Reporting Standards (IFRS). The Code reconciles IFRS with the statutory local government finance framework. This is necessary because there are material differences between what IFRS states should be included in the accounts, and what legislation states should be financed by a local authority and local Council taxpayers.

### Uttlesford – The District

Uttlesford is a thriving, predominantly rural district in north-west Essex encompassing Saffron Walden, Great Dunmow, Stansted Mountfitchet and Thaxted with about 100 villages and hamlets in between. Geographically Uttlesford is the largest district in Essex and has a population of approximately 85,000.

It is home to London Stansted Airport and major road and rail networks with links to London to the south and the historic city of Cambridge to the north. Uttlesford offers a good quality of life with both new development and an historic and rural environment existing in harmony.

The Council offices are based in the market town of Saffron Walden, with its array of independent and unique boutique shops, cafes, restaurants, and galleries, surrounded by fields and picturesque villages.

### Uttlesford – The Council

The Council is governed by 39 elected members, with two seats being vacant during the 2021/22 year, the Pandemic safety restrictions meant the Council was unable to hold elections to appoint new members. The following table sets out the changes to the political balance over the last 12 months and includes the most up to date position following the elections on the 6 May 2021 and the member for Takeley leaving the Residents for Uttlesford and joining the Green Party.

Political Party	31 March 2020	31 March 2021	18 May 2021
Resident for Uttlesford	23	24	24
Liberal Democrats	5	5	5
Conservatives	4	4	5
Green Party	2	2	3
Independent Group for Great Chesterford	2	2	2
Independents for Thaxted and Great Easton	2	0	0
Vacant Seats	1	2	0
<b>Total Seats</b>	<b>39</b>	<b>39</b>	<b>39</b>

The Council operates a Cabinet system, with The Leader having responsibility for the appointment of members to the Cabinet, allocation of portfolios and delegation of executive functions.

The key services and activities of the Council are the provision of Council housing, refuse collection & recycling, litter picking, planning, building control, economic development, environmental health, housing and Council tax benefits, Council Tax and Business Rates collection, off street car parking, community safety, healthy lifestyles and wellbeing, and voluntary sector support, leisure centres, museum, and licensing. Other key local authority services such as social care, education and roads are provided by Essex County Council. For more information about Uttlesford District Council please visit the Council's website at [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

### Corporate Plan

The Corporate Plan is the key document that sets out the Council's vision and priorities for the next four years and forms part of a wider strategic planning framework directing how and where Council resources are allocated. It is accompanied by a delivery plan setting out the activities and milestones to measure performance against the priorities. The Corporate Plan is reviewed annually to ensure it remains fit for purpose and reflects the needs and priorities of the residents, local communities and businesses in the District.

The Corporate Plan was presented by the Cabinet to all members and adopted at the Full Council meeting on 22 February 2022, full details can be found at the following link: [Corporate Plan 2022 to 2026](#).

The vision is to '**Make Uttlesford the best place to Live, Work and Play**' and the key priorities are summarised below:

- **Putting Residents First**

We will: be a council that listens and acts for residents; delivers outstanding levels of transparency and accountability; be responsible with residents' money and mitigate the impact of government cuts.

- **Active Place-Maker for our Towns and Villages**

We will: masterplan new communities for and with residents; support neighbourhood planning; secure greater benefits for our community from new development; work with the airport on issues of concern to communities; nurture employment and retail areas to create jobs and retain businesses; enforce good business standards in our district; deliver more affordable homes and protect those in need in our district; promote healthy lifestyles in diverse and inclusive communities.

- **Progressive Custodian of our Rural Environment**

We will: take action on climate change; conserve our natural resources; protect and enhance our rural character and heritage; take strong action on dealing with pollution.

- **Champion for our District**

We will: improve Uttlesford's connectivity; support our students, schools and libraries; work with partners to keep the district safe; work to create a better local health service for residents.

The Council and its partners have worked hard on initiatives, partnerships and projects to bring the Corporate Plan priorities to life and deliver quality services in the most efficient way. The majority of work has focussed on the pandemic and ensuring that our residents and local economy were supported, but the Council has still maintained its commitment to the priorities they set out to achieve before the public emergency.

The key services and activities of the Council are the provision of Council housing, refuse collection & recycling, litter picking, planning, building control, economic development, environmental health, housing and Council tax benefits, Council Tax and Business Rates collection, off street car parking, community safety, healthy lifestyles and wellbeing, and voluntary sector support, leisure centres, museum, and licensing. Other key local authority services such as social care, education and roads are provided by Essex County Council. For more information about Uttlesford District Council please visit the Council's website at [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

## Uttlesford – The Establishment

The Chief Executive, Dawn French tendered her resignation in May 2021 after just over 5 years' service and left the Council on the 31 August. Council members have set up an appointments panel with at least one representative from each of the elected political parties, the panel have recommended an Interim replacement whilst a full recruitment process is carried out. The appointment of Robert Tinlin was approved at the Extraordinary Council Meeting held on the 10 June 2021.

Robert Tinlin has an established career in local government and was awarded an MBE for services to Local Government in 2017. He has extensive leadership experience in transformation and Planning which will help the Council continue with the Uttlesford Moving Forward (UMF) project. He was Chief Executive of Southend-on-Sea Borough Council for 12 years and during his tenure they won the prestigious LGC Council of the Year award.

There is a requirement under the Localism Act 2011 for the Council to publish a pay policy and to review it annually. The policy sets out the pay and remuneration schemes in place and sets the criteria for the forthcoming year. We review and republish the document on an annual basis to ensure that we take a consistent and fair approach to how we pay staff at all levels.

This document aims to provide our managers and employees with clear guidance on how our pay policies should be managed and maintained in the workplace. It also outlines our Pay Multiple and Gender Pay Gap data. [Uttlesford for jobs - Pay Policy](#)

In January 2015, the Living Wage Foundation accredited the Council as a Living Wage Employer. The Living Wage commitment will see that everyone working at the council, regardless of whether they are permanent employees or third-party contractors and suppliers, receive a minimum hourly wage of at least the Living Wage. The minimum hourly rate that we pay our employees is £10.41, which is significantly higher than the National Living Wage of £8.72 per hour and the Real Living Wage of £9.30 per hour.

## **Governance and Risk Management**

The Annual Governance Statement is included as a key document in the Statement of Accounts and can be viewed on pages 113 to 127, this sets out the Council's Governance Framework, reporting on its arrangements for ensuring its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. In addition, the Council maintains a Corporate Risk Register which is updated biannually and presented to the Governance, Audit and Performance Committee in [February 2022](#).

### **The immediate strategic and operational risks the Council are currently facing;**

- Recovery of the economy both locally and nationally from the Covid-19 pandemic and the possibility of new variants.
- Reforms of the Government funding methodology to Local Authorities
- Government outline proposals for a comprehensive reform of the planning system.
- Government proposals to transform the way waste and recycling is collected nationally

## Medium Term Financial Strategy

After taking into account all the above expenditure, income, funding and net reserves drawdowns the Council has achieved a balanced budget for 2022/23; in future years the strategy shows a deficit position and by the final year the deficit is £5.686m.

	2021/22 Budget £ '000	2022/23 Budget £ '000	2023/24 Forecast £ '000	2024/25 Forecast £ '000	2025/26 Forecast £ '000	2026/27 Forecast £ '000
Service Expenditure	15,736	17,341	17,328	17,152	17,757	18,317
Corporate Costs	(2,618)	(5,130)	(3,156)	(4,182)	(4,407)	(2,467)
<b>Net Service Expenditure</b>	<b>13,117</b>	<b>12,211</b>	<b>14,172</b>	<b>12,970</b>	<b>13,350</b>	<b>15,851</b>
Funding	(1,230)	(7,550)	(4,780)	(4,381)	(3,492)	(4,020)
Total Net Reserves (drawn)/addition	(5,729)	1,742	(337)	944	(59)	1,025
<b>Council Tax Requirement</b>	<b>6,159</b>	<b>6,404</b>	<b>9,056</b>	<b>9,533</b>	<b>9,800</b>	<b>12,856</b>
Council Tax Income	(6,159)	(6,404)	(6,587)	(6,776)	(6,970)	(7,170)
<b>(Surplus) / Deficit</b>			<b>2,469</b>	<b>2,757</b>	<b>2,830</b>	<b>5,686</b>

The earmarked reserves include dedicated funds to support Members priorities

- Climate Change - £1million over 3 years
- Economic Development - £1million over 3 years
- New Depot Site (Little Canfield) - £1million in 2020/21
- Emergency Response contingency - £0.5million
- Grant to support Sports Facilities in the District - £0.45million over 3 years

The Council's budget and associated strategies for 2022/23 including the Medium-Term Financial Strategy (MTFS) for the period 2022 – 2027 were approved at the Council meeting on the 22 February 2022. Full details of the MTFS and supporting budgets and strategies presented at the Council meeting can be viewed by following the link ([Budget 2022/23](#)). The meeting was also recorded and is available to watch via a link within the webpage.

## Financial Performance – 2021/22

The following are the key factors that can affect the Council's financial position:

### Income

- Fees and charges e.g. car park charges, garden waste income, planning fees
- Specific government grants e.g. benefits subsidy
- Rents and service charges (Housing Revenue Account only)
- Income generated from the investment in the Council's wholly owned company Aspire (CRP) Ltd.

### Expenditure

- Employee costs including salaries, national insurance and pensions
- Premises costs including energy costs, rates and building maintenance
- Transport costs including fuel and vehicle maintenance
- Inflationary increases in contracts
- Support payments such as Housing Benefit and Local Council Tax Support

A summary of the key operational financial results for 2021/22 are shown in the following tables. The figures shown are direct costs and income only, rather than the accounting basis used to produce figures for the Core Financial Statements. However, the bottom-line results are consistent with the movement in usable reserves as shown in the core accounting statements in the main body of this document.

Full and detailed outturn reports for the General Fund Revenue Account, Housing Revenue Account, Capital Programme and Treasury Management were presented on the 20<sup>th</sup> October 2022.

### **Collection Fund (Business Rates and Council Tax)**

The Collection Fund has a surplus of £0.459m made up of a business rate surplus of £1.175m and a council tax deficit of £0.716m.

### **General Fund Revenue Account**

The net operating expenditure is £4,777,223 against a budget of £13,183,503 this shows an overall underspend on the net of all income and expenditure of £8,406,280. After adjusting for the associated use of reserves, this gives an overall net underspend of £1,019,395. It is proposed that the surplus is allocated across two reserves as below.

- |                                  |          |
|----------------------------------|----------|
| • Medium Term Financial Strategy | £509,697 |
| • Transformation Reserve         | £509,698 |



The following table provides a summary of the budget outturn.:

£'000	2020/21	2021/22			
	Outturn	Original Budget	Current Budget	Outturn	Variance
Communities & Partnerships	1,041	1,097	1,097	1,076	(21)
Housing & Economic Development	1,557	2,677	2,677	1,489	(1,188)
Environmental Services	4,791	4,265	4,265	3,993	(272)
Finance & Administration	5,914	7,697	7,697	6,910	(787)
<b>Portfolio (Service) Budgets</b>	<b>13,303</b>	<b>15,736</b>	<b>15,736</b>	<b>13,468</b>	<b>(2,268)</b>
Net Corporate investment Income	(2,039)	(4,635)	(4,635)	(4,407)	229
Corporate Items	7,328	2,017	3,313	(1,026)	(4,339)
<b>Net Direct Expenditure</b>	<b>18,592</b>	<b>13,117</b>	<b>14,413</b>	<b>8,035</b>	<b>(6,379)</b>
Funding	(14,118)	(1,230)	(1,230)	(3,258)	(2,027)
<b>Net Operating Expenditure</b>	<b>4,474</b>	<b>11,888</b>	<b>13,184</b>	<b>4,777</b>	<b>(8,405)</b>
Transfers to/(from) Reserves	1,482	(5,729)	(7,025)	362	7,387
<b>OVERALL NET POSITION</b>	<b>5,957</b>	<b>6,159</b>	<b>6,159</b>	<b>5,139</b>	<b>(1,019)</b>

The forecast outturn position for quarter 3 presented to Cabinet in March was predicting a net overspend of £248,000. The final year end position is reporting an overall net underspend of £1,019,395, the changes from the quarter 3 forecast are set out in the table below.

<b>Forecast Outturn movements Quarter 3 to Final Outturn</b>			
	<b>Quarter 3 variance to Budget (31 December 2021) £'000</b>	<b>Final Outturn variance to Budget (31 March 2022) £'000</b>	<b>Variance movement £'000</b>
Normal Service Activity	(49)	(2,268)	(2,219)
<b>Direct Services Variance</b>	<b>(304)</b>	<b>(2,268)</b>	<b>(1,964)</b>
Investment Income	(933)	(1,261)	(328)
Cost of Borrowing	(556)	(471)	85
	<b>(1,489)</b>	<b>(1,732)</b>	<b>(243)</b>
Capital Financing	(1,031)	(2,250)	(1,219)
Net other corporate costs	3	(129)	(132)
<b>Corporate Services Variance</b>	<b>(1,728)</b>	<b>(2,379)</b>	<b>(651)</b>
Business Rates	(1,739)	(1,968)	(229)
Covid Impact funding	409	(58)	(467)
<b>Funding Variance</b>	<b>(1,330)</b>	<b>(2,026)</b>	<b>(696)</b>
Net Reduction in Reserves	4,402	7,387	2,985
<b>Movement in Reserves Variance</b>	<b>4,402</b>	<b>7,387</b>	<b>2,985</b>
<b>General Fund net variance</b>	<b>248</b>	<b>(1,019)</b>	<b>(1,266)</b>

The key factors attributing to the change in the outturn position which are not offset by a reserve transfer are:

- Increased service income and receipt of additional grants
- Increased investment income due to re-profiling on investment assets completion dates
- Capital financing reduction in revenue contributions reprofiled for investment assets completion
- Central Government funding of covid/support grant

### Direct Services Net Expenditure

Where the underspends and increased income relate to ongoing activities that span more than one year, these have been carried forward and will be held in ringfenced reserves, so have a net nil impact on the bottom line forecast.

The movement in reserves which directly impacts the net cost of direct service delivery, is a net transfer to reserves of £1000,000, these are set out in the following table. This can be where reserves have been used to support direct service delivery or where a grant has been received and held in reserve to match against spend for the specified service activities or initiatives.

The portfolio service budgets show a year end surplus of £1.568million with a net of £0.167million to be added back to reserves this leaves an actual net underspend for service delivery at £1.401million. The corporate items are reporting a year end overspend of £2.941million and the key factor is the capital financing costs of the Commercial Assets.

The Climate Change and Economic Recovery budgets are both 3 year programmes of which each have been allocated £1m. The spend is profiled equally across 3 years, although many of the activities and initiatives in each of the plans will span more than one year. This is reflected in the underspends and any unspent sums will be held in a ringfenced reserve to be released in line with actual spend.

In addition, the unused New Burdens grant and Covid grants where the spend is expected to continue into 2022/23 have been held in the reserves to match the associated spend.

The homelessness grant has specific criteria and has been used to offset the associated current spend in the service. The grant covers responsibilities/activities for 2021/22 and 2022/23 and any remaining grant will be held in the reserve to match future spend.

The predicted outturn for the delivery of direct services is a net underspend of £2,267,927, after adjusting for the reserves movements as set out in paragraph 18 this leaves an actual direct service net underspend of £1,267,440.

£'000	Reduced		Increased		Other Immaterial	Total Net Variance
	Costs/Additional		Costs/Reduced Income			
	One off	Ongoing	One off	Ongoing		
Communities & Partnerships	(222)	(16)	222	0	(5)	(21)
Housing & Economic Development	(1,449)	(114)	361	27	(14)	(1,188)
Environmental Services	(1,546)	(969)	1,641	616	(13)	(272)
Finance & Admin	(1,898)	(1,031)	1,074	1,061	7	(787)
<b>Direct Services</b>	<b>(5,115)</b>	<b>(2,130)</b>	<b>3,297</b>	<b>1,704</b>	<b>(25)</b>	<b>(2,268)</b>
Net reserves transfers						1,000
<b>Net Direct Service Expenditure</b>	<b>(5,115)</b>	<b>(2,130)</b>	<b>3,297</b>	<b>1,704</b>	<b>(25)</b>	<b>(1,267)</b>

## General Fund Reserves

The total reserves balance on 1 April 2021 was £22,441,000 and after applying the net movement to reserves, this increases reserves to a year-end balance of all reserves at £23,823,000

### Housing Revenue Account (HRA)

#### Covid-19 Impact

27. The housing services are currently not reporting any material impact for covid related pressures. There has been a significant increase in people presenting as homeless but the resources to manage this are supported in full by the Homelessness Grant received from DLUHC (formally MHCLG).

#### Service Delivery

28. The HRA operating surplus is £358,000 and after adjusting for funding contributions and reserves this gives a net surplus of £112,000. The following table provides a summary of the budget, and full details are set out in Appendix C.

£'000	2020/21	2021/22			Variance
	Outturn	Original Budget	Current Budget	Forecast Outturn	
Total Service Income	(16,139)	(16,170)	(16,170)	(16,056)	114
Total Service Expenditure	4,749	4,821	4,821	4,786	(34)
Total Corporate Costs	8,362	10,523	10,523	10,086	(438)
<b>OPERATING (SURPLUS)/DEFICIT</b>	<b>(3,028)</b>	<b>(827)</b>	<b>(827)</b>	<b>(1,184)</b>	<b>(358)</b>
Funding of Capital Programme from HRA	952	650	3,235	2,239	(996)
Use of Reserves	2,102	177	(2,408)	(1,166)	1,242
<b>Total Use of Reserves/Funding</b>	<b>3,054</b>	<b>827</b>	<b>827</b>	<b>1,073</b>	<b>246</b>
<b>(SURPLUS)/DEFICIT</b>	<b>26</b>	<b>0</b>	<b>0</b>	<b>(112)</b>	<b>(112)</b>

The above reserves table excludes the revenue surplus of £0.026million which is subject to allocation and approval by Cabinet on the 1 July 2021.

**Investments**

27. The Council has directly purchased six commercial properties and through its wholly owned company Aspire (CRP) Ltd purchased a 50% share in Chesterford Research Park, this was in line with the requirements of the Commercial Strategy approved by Members in February 2021.
28. The direct commercial property investments are listed in the table below along with the purchase price (excluding stamp duty, Land Registry fees and insurance) and the predicted income.

Commercial Asset	Purchase Price	Income	Income
	£'000	2021/22 £'000	Future Years £'000
Skyway House - Takeley	20,000	1,142	1,170
Veterinarian Practice - Livingstone, Scotland	5,925	332	373
Waitrose Distribution Centre - Chorley	55,000	2,272	2,508
Amazon - Gloucestershire	42,514	1,088	2,270
MOOG - Tewksbury	35,000	786	1,429
Stane Retail Park (phase 1), Colchester	30,424	0	1,784
<b>TOTAL</b>	<b>188,863</b>	<b>5,620</b>	<b>9,534</b>

29. The forward funding acquisition of the new build logistics unit at Gloucester, pre-let to Amazon, the tenant took occupation of the building in November 2021.
30. The forward funding acquisition of the new build headquarters for Moog Controls Ltd is on schedule to complete in May 2022.
31. Stane Retail Park located in Colchester is an out of town retail development, phase one is forward funding of the site and two stores have been pre-let to Aldi and B&Q. Completion was scheduled for October 2021, but this is now delayed and expected completion is late November.
32. All of the tenant leases have upward only increases in their leases, which in most cases are compounded five yearly and therefore will increase the rental income in 2025/26.

**Treasury Management**

Treasury Management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

The Council holds significant invested funds, representing income received in advance of expenditure plus cash balances and reserves held. During the year, the Council's investment was £10million. The average interest rate achieved for the year was 0.20%.

On 31 March 2022 the Council held £286.1 million of loans of this £120.1million was for long term borrowing (more than one year), as part of its strategy for funding previous and current years' capital programmes and the commercial investments. The average interest rate over the financial year for long term borrowing was 2.45% and 0.31% for short term borrowing.

	<b>31.03.21</b>	<b>2021/22</b>	<b>31.3.22</b>
	<b>Actual</b>	<b>Movement</b>	<b>Actual</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
General Fund CFR	13.4	4.6	18
HRA CFR	82.8	-2.2	80.6
Investments CFR	164.3	60.7	225.0
<b>Total CFR</b>	<b>260.5</b>	<b>63.1</b>	<b>323.6</b>
Less: Other debt liabilities *	-4.3	0.3	-4.0
<b>Borrowing CFR</b>	<b>256.2</b>	<b>63.4</b>	<b>319.6</b>
Less: Usable reserves	-31.4	-1.7	-33.1
Less: Working capital	-7.1	-16.9	-24.0
<b>Net borrowing</b>	<b>217.7</b>	<b>44.8</b>	<b>262.5</b>

Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Authority pursued its strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk and keep interest costs low.

The treasury management position at 31<sup>st</sup> March 2022 and the change during the year is shown in the table below.

	31.3.21 Balance £m	2021/22 Movement £m	31.3.22 Balance £m	31.3.22 Average Rate %
Long-term borrowing	120.4	-0.3	120.1	3.06
Short-term borrowing	109.5	56.5	166.0	0.31
<b>Total borrowing</b>	<b>229.9</b>	<b>56.2</b>	<b>286.1</b>	
Short-term investments	8.0	10.6	18.6	0.49
Cash and cash equivalents	4.2	0.8	5.0	0.26
<b>Total investments</b>	<b>12.2</b>	<b>11.4</b>	<b>23.6</b>	
<b>Net borrowing</b>	<b>217.7</b>	<b>44.8</b>	<b>262.5</b>	

### Going Concern Assessment

The policy of the Council is to maintain a prudent level of reserves. Local authority financial statements must be prepared on a going concern basis. This is because local authorities cannot be created or dissolved without statutory prescription and so they have no ability to cease being a going concern. The Covid-19 pandemic has impacted on a number of the Council's functions, including service delivery and the way our residents interact with us.

The Council has worked hard on generating additional income and has a strong and robust portfolio of commercial assets. If it had not invested in these assets the financial situation would have been much more difficult to manage and would have generated a significant budget deficit position a number of years ago.

The Medium-Term Financial Strategy 2022/23 shows a five-year schedule of the Authority's Investment Programme in its progress on generating additional investment income.

Additional incentives to drive forward the impact of service delivery include establishing a project team with the aim of addressing the deficit position. This project is known as Uttlesford 2027 and replaces Uttlesford Moving Forward. A number of future options are currently being considered, including selling a commercial asset and using the profit generated to fund Capital Financing Costs over the life of the MTFs.

The council has set a balanced budget for 2022/23, but the financial effects of the pandemic continue to be felt as well as inflationary pressures. Based on the assumptions within the MTFP, and the recovery of the majority of the councils sales, fees and charges income streams from the 1 April 2022, the council will need to identify further efficiency savings to balance the 2023/24 budget.

The intention underpinning the 2023/24 funding gap is the use of complex capital transactions as a mechanism for balancing the budget. These proposals are still be worked on but due to their innovative nature they do carry a level of risk in their use. This is recognised in the risk assessment of reserves carried out alongside the budget setting of 2022/23.

Although there are a number of external and internal challenges for the Council to face the assessment of the council is that despite these, its financial position is compatible with the status of a going concern.

## **Financial Statements and what they mean**

### **Group Accounts**

These statements and notes show the consolidated position of the Council with its wholly owned company trading as 'Aspire Ltd'. All group account information is now required to be incorporated into the main document and are shown red columns to help the reader separately identify them from the Council's accounts.

### **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 used to fund expenditure) and Unusable Reserves (those held to manage the accounting process). The (surplus)/deficit on the Provision of Services line shows the true economic cost of providing the Council's services, details of which are shown in the Comprehensive Income and Expenditure Statement. Adjustments between the accounting basis of measuring cost and the statutory basis are shown, to derive a net increase/decrease in usable and unusable reserves.

### **Comprehensive Income and Expenditure Statement**

This statement shows the cost of providing services in accordance with accounting rules, rather than the statutory amounts to be funded from taxation. Expenditure is categorised under standard headings that differ from the actual operational structure of the Council.

### **Balance Sheet**

This statement is fundamental to the understanding of the Council's financial position at the year-end. It shows the value as at 31 March of the Council's assets and liabilities. The Council's net assets (i.e. assets less liabilities) are matched by reserves held by the Council, analysed between Usable Reserves (available to fund expenditure) and Unusable Reserves (held to manage accounting items, not available to spend).

### **Cash Flow Statement**

This statement shows the changes in the cash flow position of the Council during the financial year and sets out the sources of funds and what they are spent on.

### **Notes to the Core Financial Statements**

These notes provide additional supporting information to the figures included within the core financial statements.

### **Housing Revenue Account (HRA) Comprehensive Income and Expenditure Account**

The HRA fulfils the statutory requirement to maintain a separate ring-fenced revenue account for local authority social housing provision. This statement shows in more detail the income and expenditure on HRA services included as a one-line summary in the Comprehensive Income and Expenditure Account.



### Collection Fund

This shows the transactions of the Council as a billing authority relating to Council Tax and Business Rates, and shows the distribution of this income between Central Government and local preceptors Essex County Council, Essex Fire Authority, Essex Police and Crime Commissioner and Town and Parish Councils. The Police and Crime Commissioner, Town and Parishes are preceptors for Council Tax only.

### Principal Risks and Uncertainties

The preparation of the Statement of Accounts requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for the revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

- Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible Assets respectively. This enables the assets to be written down over their estimated useful lives and show an appropriate cost of the asset in the Comprehensive Income and Expenditure Statement. Management judgements are based on independent external advice to determine the useful economic lives of the Council's property.
- Property, Plant and Equipment are reviewed for both economic and price impairment on an annual basis. As of 1 April each year the Council's valuers carry out a valuation review of the Council's assets. In addition, a year-end impairment review is also undertaken. The recoverable amount is then estimated having regard to the application of the concept of materiality.
- Pension liability estimation of future payments due depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase in the long term, changes in retirement ages, mortality rates and expected returns on pension fund assets. These judgements are completed by the Essex County Council Fund Actuaries.
- Business Rate appeals recognised in the provision are based on a calculation provided by our external valuers Analyse Local. This determines the likely effect of appeals in terms of effect on rateable value (RV), the timing of the losses expected and the overall percentage reduction in RV. Whilst the figure provided in the accounts is expected to be materially accurate a small variance in actual appeal costs incurred may arise.

### Audit of the Accounts

The final accounts will be published following completion of the audit by the External Auditor.

BDO LLP, 55 Baker Street,

London, W1U 7EU

## Further Information

The Council produces a detailed Budget Book, which sets out the financial plans for the following financial year. A copy of this may be obtained by contacting Gareth Robinson, Director of Finance, Revenues and Benefits, at Uttlesford District Council, Council Offices London Road, Saffron Walden, CB11 4ER. Email [grobinson@uttlesford.gov.uk](mailto:grobinson@uttlesford.gov.uk) For more information visit our website. <https://www.uttlesford.gov.uk/finance>

Adrian Webb, Director of Finance and Corporate Services, Section 151 Officer

### STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

#### THE COUNCIL'S RESPONSIBILITIES

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Director of Finance and Corporate Services.
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts (by delegation to the Performance and Audit Committee)

#### THE DIRECTOR OF FINANCE AND CORPORATE SERVICES – RESPONSIBILITIES

The Director of Finance and Corporate Services is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the 'Code').

In preparing this Statement of Accounts, the Director of Finance and Corporate Services has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority 'Code'.
- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I hereby certify that the Statement of Accounts presents a true and fair view of the financial position of Uttlesford District Council and its Income and Expenditure for the year ended 31 March 2022.

Signature:

Adrian Webb.

Director of Finance and Corporate

Services Date:

APPROVAL OF THE ACCOUNTS

I confirm that the Statement of Accounts was approved by a resolution of the Governance, Audit and Performance Committee on *[INSERT DATE]*

Signature:

Councillor Edward Oliver  
Chairman Governance, Audit and Performance Committee Uttlesford  
District Council

Date:

## SECTION A – Statement of Accounting Policies

### 1. GENERAL PRINCIPLES

The general principles adopted in compiling the Accounts summarises the Council's financial transactions for the 2019/20 financial year and its position at the year- end of 31<sup>st</sup> March 2020.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, and this requires the preparation to be in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2019/20, supported by International Financial Reporting Standards (IFRS) and statutory guidance.

The Statement of Accounts has been prepared on a 'going concern' basis. The accounting convention adopted is historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.

IAS 1 'Presentation of Financial Statements' specifies the information to be included in the financial statements but not the format. In addition, the standard specifies the information to be disclosed within the financial statements on the face of the statements or in the associated notes.

It is not the policy of the Council to adjust for rounding across the annual accounts.

### P2. ACCRUALS OF INCOME AND EXPENDITURE

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

- Fees, charges and rents due from customers are accounted for as income at the date the Council provides the relevant goods or services.
- Salaries, wages and employment related payments are recognised in the period in which the service is received from employees. The cost of the annual leave entitlement earned but not taken by employees at the end of the financial year is recognised in the Accounts to the extent that employees are permitted to carry forward the leave entitlement.
- Goods and Services are recorded as expenditure when they are consumed, and where there is a gap between the date supplies are received and their consumption, they are carried as stock on the balance sheet where the stock category value is more than £10,000.
- A minimum transaction value of £1,000 has been applied in determining whether to accrue income and expenditure in line with the first and third bullet points above.
- Capital works are charged as expenditure when the asset is under construction. They are carried as Assets under Construction on the Balance Sheet before being completed.
- Interest receivable on investments is accounted for on the cash flows fixed by the contract.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will 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 collection of NNDR and Council Tax), income and expenditure are recognised only for the Council's share of the income and as well as any administration costs that the Council is entitled to recover for the agency services performed.

### *P3. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS*

#### *Provisions*

Provisions are made where an event has taken place that gives the Council an obligation that has a high probability of a settlement being required by a transfer of economic benefits, but where the timing of the transfer is uncertain. For instance, the Council may be involved in a court case that could eventually result in the agreement of a settlement or the payment of compensation.

Provisions are charged to the appropriate service revenue account in the year that the Council becomes aware of the obligation, based on the best estimate of the likely settlement. When payments are eventually made, they are charged to the provision set up in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year; where it becomes more likely that a transfer of economic benefits will not now be required, (or a lower settlement than anticipated is made) the provision is reversed and credited back to the relevant service revenue account.

Where some or all the payment required to settle a provision is expected to be met by another party, (e.g. from an insurance claim) this is only recognised as income in the relevant service revenue account if it is virtually certain that reimbursement will be received if the obligation is settled.

#### *Contingent Liabilities*

A contingent liability arises where an event has taken place that gives the Council a possible obligation which will only be confirmed by the occurrence of an uncertain future event/s which is not wholly in the control of the Council. Contingent liabilities also arise where the amount of the obligation cannot be reliably measured.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the Accounts.

### *P4. RESERVES*

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts from the General Fund Balance into the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service revenue account in that year to score against the Net Cost of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against council tax for the expenditure.

Certain reserves (Unusable reserves) are held to manage the accounting processes for long-term assets, financial instruments, collection fund and retirement benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies below.

## *P5. GOVERNMENT GRANTS AND CONTRIBUTIONS*

Whether paid on account, by instalments or in arrears, government grants, third party contributions and donations are recognised as income at the date that the Council satisfies the conditions of entitlement to the grant/contribution, and there is reasonable assurance that the monies will be received and the expenditure for which the grant is given has been incurred. Revenue grants are matched in service revenue accounts with the service expenditure to which they relate.

Conditions specify the future use of the asset. For example, Disabled Facilities Grant is given to the Council to finance disabled adaptations within the community and if the grant is not spent on these items, it must be returned.

### *Government Grants and Contributions (Revenue)*

Revenue grants are matched in service revenue accounts with the service expenditure to which they relate. Revenue Grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. Where conditions are satisfied, the grants or contributions are credited to the Service line of the Comprehensive Income and Expenditure Statement.

Grants to cover general expenditure are credited to the Corporate Items section of the Comprehensive Income and Expenditure Statement after the Net Cost of Services.

### *Government Grants and Contributions (Capital)*

Capital grants and contributions without conditions are credited to the Comprehensive Income and Expenditure Statement and reversed out of the General Fund/Housing Revenue Account in the Movement in Reserves Statement. Where related expenditure is to be incurred after the end of the financial year the monies are credited to the Capital Grants Unapplied Account (usable reserve) in the Balance Sheet. Grants and Contributions in the Capital Grants Unapplied Account should eventually be transferred to the Capital Adjustment Account.

For Capital Grants and Contributions with conditions, if the conditions remain to be met, the monies are credited to Capital Grants Receipts in Advance Account (Creditor) and reviewed annually to determine whether the Grant or Contribution should be repaid. Where the Grant/Contribution can be applied, it is posted to the Capital Adjustment Account.

## *P6. RETIREMENT BENEFITS*

Employees and Councillors of the Council are members of The Local Government Pension Scheme, administered by Essex County Council. The Scheme provides defined benefits to members of the scheme (retirement lump sums and pensions), earned as employees/councillors work for the Council.

#### The Local Government Pension Scheme

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

- The liabilities of the Essex County Council Pension Scheme attributable to the Council are included in the balance sheet on an actuarial basis using the projected unit method- i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 3.5% (based on the indicative rate of return on high quality corporate bonds).
- The assets of the Essex County Council Pension Fund attributable to the Council are included in the balance sheet at their fair value as follows:
  - quoted securities – current bid price
  - unquoted securities - professional estimate
  - unitised securities - current bid price
  - property - market value

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

- Current Service Cost - the increase in liabilities as a result of years of service earned this year, allocated to the service line of the Comprehensive Income and Expenditure Statement.
- Past Service Costs - the increase in liabilities arising from current year decisions whose effect relates to years of service in earlier years charged to the Surplus/Deficit on provision of services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs.
- Net Interest on the defined benefit liability – this is the net interest expense for the Council. It represents the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income & Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the financial period whilst taking account of any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising: -

- Return on Plan Assets – excluding the amounts included in net interest on the net defined benefit liability. This is charged to the

Pensions Reserve as Other Comprehensive Income and Expenditure.

- Actuarial gains and losses - changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions. This is charged to the Pension Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Essex County Council Pension Fund – the cash paid by the Council as employer's contributions to the pension fund; which is not treated as an expense in the Council's Accounts.

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

The negative balance that arises on the Pension Reserve at the end of the relevant accounting period reflects the beneficial impact to the General Fund of being required to account for retirements on a cash basis rather than as benefits as earned by the employee.

#### 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 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.

#### P7. TERMINATION PAYMENTS

*Termination payments are amounts payable as a result of the Council's decision to terminate an employee's employment before the normal contractual (fixed term*

*contract) or retirement date or an employee's decision to accept voluntary redundancy.*

Termination payments are charged to the Comprehensive Income and Expenditure Statement on an accrual basis, on demonstration of the commitment to the termination arrangements.

For termination payments' involving enhanced pension payments, statutory legislation requires that the General Fund balances are charged with the amount payable by the Council to the Pension Fund, not the amount calculated according to relevant accounting standards. In line with the



Pension Fund accounting policy, arrangements are made through the Movement in Reserves Statement to replace the accounting arrangements with regulatory requirements.

*P8. VALUE ADDED TAX*

Income and expenditure within the Comprehensive Income and Expenditure Statement excludes any amount related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

*P9. INTANGIBLE FIXED ASSETS*

Expenditure on assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) is capitalised when it brings benefits to the Council for more than one financial year. The balance is amortised to the appropriate revenue account over either a five- or seven-year period, to reflect the assets consumption.

A de-minimis amount of £10,000 is applied to all intangible assets.

Internally generated assets are capitalised where it is demonstrated that the project is technically feasible and is intended to be completed, the costs are directly attributable to bringing the asset into operation and the costs can be reliably measured.

Since Intangible assets have short useful lives and are low in value, the council has elected to adopt a depreciated historic cost valuation for these assets.

*P10. PROPERTY, PLANT AND EQUIPMENT*

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

Plant and Equipment includes all vehicles but excludes all miscellaneous furniture and equipment with an individual value of less than £10,000, unless part of a larger project.

*Recognition*

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it yields benefits to the Council and the services that it provides for more than one financial year. Expenditure that secures but does not extend the previously assessed standards of performance of assets (e.g. repairs and maintenance) is charged to revenue as it is incurred.

A de-minimis amount of £10,000 is applied to all property, plant and equipment.

### Measurement

Assets are initially measured at cost, comprising all expenditure that is directly attributable to bringing the asset into working condition for its intended use. The Council does not capitalise borrowing costs.

Donated assets are measured at fair value. Any difference between the fair value and the consideration paid is credited to the Taxation and Non-Specific Grants line of the Comprehensive Income and Expenditure Statement, unless there is a condition on the donation. Should there be a condition, the gain is held in the Donated Assets Account until the condition is met or the asset is returned. Gains credited to the Comprehensive Income and Expenditure Statement is reversed out of the General Fund Balance to the Capital Adjustment account in the Movement in Reserves Statement.

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

- Dwellings- fair value, determined using the basis of existing use value for social housing (EUV/ SH).
- Infrastructure assets and community assets at depreciated historical cost.
- Assets under construction are held at historic cost.
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other property assets – fair value, determined by the amount that would be paid for the asset in its EUV.
- The council has elected to use the depreciated historic cost, as a proxy to fair value, for non-property assets with low value and short useful lives, for example furniture and equipment assets.
- It is assumed all assets are fully expended at the end of their useful life and therefore it is assumed there is no residual value.
- Where there is no market-based evidence of fair value because of the specialist nature (for example Leisure Centre, Day Centre's etc.) depreciated replacement cost (DRC) is used as a proxy for fair value.

Assets included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Account where they arise from the reversal of an impairment loss previously charged to a service revenue account.

Where there is a decrease in valuation, which is due to a price decrease and is directly attributable to one particular asset; the revaluation loss is accounted for as follows:

- Where there is a revaluation gain balance for the asset in the Revaluation Reserve, the loss is written against the balance up to the amount of the accumulated gain.
- Where there is no revaluation gain against the asset in the Revaluation Reserve or insufficient balance; the loss is written down against the

relevant service line 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.

#### Valuation

Asset valuations were carried out as at 1 April 2019 by Wilks, Head and Eve LLP and an end of year market review is undertaken as at 31 March 2020.

Valuations of General Fund Land and Buildings are carried out on an annual basis. Council dwellings will continue to be valued annually by assessing the value of Beacon properties. Several Beacon properties have been identified as being typical for a particular size and type of dwelling. These properties are valued, and the assessed value is applied to all properties of a similar size and type. This is the accepted method of valuation for Council dwellings under 'The Code'.

#### Impairment

Assets are assessed at each year's end as to whether there is an indication of impairment. Where impairment exists and differences in value are estimated to be material, an impairment loss is recognised.

Impairment losses are accounted for as follows:

- Where there is a balance on the Revaluation Reserve against the asset, the loss is written down against the balance up to the amount of the accumulated gains.
- Where there is no balance in the Revaluation Reserve or insufficient balance, the loss is written down against the relevant service line in the Comprehensive Income and Expenditure Statement.

Where a previous impairment loss is reversed, the reversal is credited to the relevant service line in the Comprehensive Income and Expenditure Statement, up to the amount of the original loss, adjusting for depreciation that would have been charged had the loss not been recognised.

Where the impairment is permanent the treatment is the same as disposal of assets at nil value.

#### Disposals – Assets Held for Sale

When it becomes probable that an asset will be disposed of or decommissioned, the asset is reclassified as an Asset Held for Sale – a current asset within the Balance Sheet. To be classified as an Asset Held for Sale, the following conditions need to be met:

- The asset must be available for immediate sale and the sale must be highly probable.
- An active marketing plan is being followed and supported by management.
- The asset should be marketed for sale at a price that is reasonable, relative to its fair value.

- The sale is expected to be concluded within 12 months.

If these conditions are not fulfilled the asset should be classified as a Surplus Asset.

The asset is revalued before reclassification and carried at fair value less than the cost of disposal. On disposal, any loss is recorded in the Other Operating Expenditure line of the Comprehensive Income and Expenditure Statement.

Assets which are abandoned or scrapped are not reclassified as Assets Held for Sale. The book value of such assets is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement; with receipts from the asset, if any, being credited to the same line. Any accumulated gains held in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received in excess of £10,000 are categorised as capital receipts.

A proportion of receipts relating to dwelling disposals are required to be credited to the Capital Receipts Reserve net of statutory deductions and allowances and up to a cap set by Central Government. An element of these receipts can only be used for capital investment in new social housing up to a maximum of 30% of total capital costs.

All other housing receipts and the remaining balance of the dwelling receipts are appropriated to the Capital Receipts Reserve within the Movement in Reserves Statement and are ring fenced to the Housing Revenue Account.

The written off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account within the Movement in Reserves Statement.

The Council will use the Net Book Value at the start of the year of disposal rather than revaluing the asset at the time of disposal to determine the profit or loss on the sale.

#### Depreciation:

Depreciation is provided for on all Property, Plant and Equipment with a determinable finite life by allocating the value of the asset in the balance sheet over the periods expected to benefit from their use. The estimated useful life of each asset is determined at the start of the year after the asset is brought in to use.

Assets that are not yet available for operational use, e.g. Assets under Construction, are not

depreciated. Depreciation is calculated on the following basis:

- Dwellings – straight line allocation over the life of the dwelling as estimated by the valuer no longer than 60 years.

- Other buildings – straight line allocation over the life of the property as estimated by the valuer no longer than 35 years.
- Vehicles, Plant and Equipment – straight line allocation over the life of the asset of between 5 and 7 years.
- Infrastructure – straight line allocation over a minimum of 20 years.

Where an item of Property, Plant and Equipment has major components with different estimated useful lives, these are depreciated separately (refer to policy on Componentisation).

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

### Componentisation

A component is a part of an asset, which has to be separately identified for the purposes of assisting more accurate financial reporting and asset management.

A component must have the following factors:

- A significantly different useful life from the parent asset.
- A significantly different cost to the parent asset.
- Provide an economic or service benefit to the Council's services, which is materially different to the rest of the asset.

Taking into account the above, the following guidelines have been applied in order to implement the accounting requirements efficiently and effectively:

- A de-minimis value of £150,000, or 25% or more of the value of the parent building component.
- Componentisation must take place at the valuation, acquisition and enhancement of the parent asset.

Under the 'Code' componentisation is not retrospective and effective from 1 April 2010. The application of componentisation will result in a change in the accounting estimate under the 'Code'.

In line with the above policy, the following assets have been componentised as a result of the full revaluation of the Council's asset base:

- Dunmow Sports Centre.
- Lord Butler Fitness and Leisure Centre.
- London Road Offices Saffron Walden.
- Oakwood Park.

Each asset has been split into at least 2 material components.

## *P11. CHARGES TO REVENUE FOR FIXED ASSETS*

Service revenue accounts, support services and trading accounts are debited with the following amounts to record the real cost of holding fixed assets during the year:

- Depreciation attributable to the assets used by the relevant service.
- Impairment losses attributable to the clear consumption of economic benefits on Property, Plant and Equipment used by the service and other losses where there are no accumulated gains in the Revaluation Reserve against which they can be written off.
- Amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (This is calculated using 'option 3' the Asset Life Method). Depreciation, impairment losses and amortisations are therefore replaced by revenue provision 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.

## *P12. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE*

Expenditure that may be capitalised under statutory provisions but does not result in the creation of fixed assets for the Council (for example Disabled Facilities Grants) has been charged as expenditure to the relevant service revenue account in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources, or by borrowing, a transfer to the Capital Adjustment Account from the General Fund Balance, within the Movement in Reserves Statement, then reverses out the amounts charged so there is no impact on the level of Council Tax.

## *P13. HERITAGE ASSETS*

The Council's Heritage Assets are held for the primary objective of increasing the knowledge, understanding and appreciation of the Council's history and local area. Under the SORP, Heritage Assets are to be recognised and measured at historic cost-plus subsequent expenditure in accordance with the Council's accounting policies on Property, Plant and Equipment (P101, above). However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The Council's collections of heritage assets are accounted for as follows:

Property Heritage Assets: Saffron Walden Motte and Bailey Castle

This asset is held on the balance sheet at historic cost plus any capital expenditure incurred since April 2007 as the Council considers that the cost of obtaining a robust valuation would be disproportionate to the benefit of the user of the financial statements. The carrying value of the property assets will be reviewed annually for evidence of impairment in relation to physical damage.

Heritage Assets held on Balance Sheet: Saffron Walden Museum Artefacts

The remaining heritage assets are not included on the balance sheet because the Council considers that obtaining reliable valuations of such items, which are large in number and are mostly unique and specialist in nature, is not straightforward and it would be disproportionately expensive to obtain accurate accounting valuations for the purpose of including these asset values on the Council's balance sheet. The collection of heritage assets will be annually reviewed for impairment because of damage or doubts over authenticity and be accounted for in line with the Council's impairment arrangements. The collection of artefacts is relatively static, acquisitions and disposals are rare. Donations to the collection where material will be valued and accounted for accordingly.

In general, heritage assets are deemed to have indeterminate lives and a high residual value, hence the Council does not consider it appropriate to charge depreciation.

#### P14. LEASES

##### The Council as a Lessee

The Council accounts for leases as finance leases when substantially all the risks and rewards relating to the leased property transfer to the Council. Where the lease

covers land and buildings, each element is considered separately. Rentals payables are apportioned between:

- a charge for the acquisition of the interest in the property (recognised as a liability in the Balance Sheet at the start of the lease, matched with Property, Plant or Equipment, valued at fair value) the liability is written down as the rent becomes payable), and
- a finance charge (debited to Net Operating Expenditure in the Income and Expenditure Account as the rent becomes payable)

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to these assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life.

The Council is not required to raise Council Tax to cover depreciation, revaluation or impairment losses on leased assets. These charges are therefore replaced by a revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

##### Operating Leases

Leases where no risks or rewards are transferred to the Council are accounted for as operating leases. Rentals payables are charged to the relevant service line within the Comprehensive Income and Expenditure Statement on a straight-line basis over the term of the lease, generally meaning that rentals are charged when they become payable.

Where the Council grants an operating lease over Property, Plant and Equipment (for example the lease of Turpin's Bowling Hall), the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. These credits are based on a straight-line basis over the life of the lease, even if this does not match the pattern of payments.

## *P15. CASH AND CASH EQUIVALENTS*

Cash and bank balances are recorded at the current value of these balances in the Council's cash book. Cash equivalents are investments, excluding Fixed Term Deposits, that can be converted to cash within 3 months, for known amounts, with insignificant risk of a change in value. Fixed Term Deposits have been classified as Short Term Investments, as by their very nature they cannot be called in earlier than the date of their maturity.

## *P16. FINANCIAL INSTRUMENTS*

### *Financial Liabilities*

Financial Liabilities are initially measured at fair value and carried at their amortised cost. Annual charges to the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

### *Financial Assets*

The classification of contractual financial assets depends on two main tests: whether the cash flows are solely payments of principal and interest; and if yes, the authority's business model for managing the assets.

This gives rise to three methods of accounting:

- Amortised cost – cashflows are solely payments of principal and interest and the authority's business model for managing the assets is to collect those cash flows.
- Fair value through other comprehensive income – cash flows are solely payments of principal and interest and the authority's business model for managing the assets is to collect those cashflows and to sell the assets
- Fair value through profit and loss – applies in all other circumstances.

Of the three methods above, the Council does not hold any financial assets at fair value through other comprehensive income.

### *Amortised Cost*

Financial assets are initially measured at fair value plus any transaction costs. Annual credits to the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest (EIR) for the instrument. For all the loans the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.



Allowances for impairment losses have been calculated applying the expected credit loss model. Changes in loss allowances are debited/credited to the Financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

#### Fair value through profit and loss

Financial assets are initially measured and carried at their fair value. All gains and losses including changes in fair value are shown in the Comprehensive Income and Expenditure Statement on the Financing and investment Income and Expenditure line.

### *P17. INVENTORIES*

*A de-minimis level of £10,000 has been set for the recognition of stock in the Council's balance sheet. The various stock categories are valued as follows:*

- Housing stores: valued at the latest purchase price paid\*.
- Building Maintenance: work in progress is valued at cost, which includes an element of the Council's cost of supervision and management.

\*Whilst this is a departure from IAS2 which requires stocks to be shown at the lower of cost and net realisable value, the effect of the different treatment is not material.

### *P18. INTERESTS IN COMPANIES AND OTHER ENTITIES*

Material entities over which the Council has the power to exercise control/significant influence, or joint influence, to obtain economic or other benefit, are classified as a subsidiary/associate or joint venture relationship. Where material, such transactions will result in the preparation of Group Accounts and specific disclosures.

The Council participates in a joint operation which is not performed through a separate entity. The Parking Partnership is a joint committee arrangement (refer to note 15.2) where the Council records its share of the joint committee arrangement's income and expenditure, gains and losses, assets and liabilities and cash flows within its statutory accounts.

In 2019/20 the Council produced Group Accounts resulting from material transactions from one of the wholly owned subsidiaries, Aspire (CRP) Ltd.

### *P19. PRIVATE FINANCE INITIATIVE (PFI)*

The Council has a sports PFI scheme, which falls under the arrangements of the international reporting Standard – IFRIC 12 'Service Concession Arrangements'.

PFI and similar contracts are agreements to receive services, where the responsibility for making available Property, Plant and Equipment needed to provide the service passes to the PFI contractor. As the Council is deemed to control the services that are provided under its PFI schemes and as ownership of the assets will pass to the Council at the end of the contract period for no additional charge, the Council carries the assets used under the contract on the Balance Sheet.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator paying for the assets over the life of the contract.

For details of how the related Long-Term Assets are recognised and valued on the Balance Sheet, please refer to section P11. The amount payable to the PFI operator each year is analysed into five elements:

- Fair value of the services during the year – debited to the relevant service line in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, 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 PFI operator.
- Lifecycle replacement costs – debited to the relevant service in the Comprehensive income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance sheet liability towards the PFI operator.

#### *P20. LONG-TERM DEBTORS*

These are amortised by an annual amount equalling the annual repayments of principal paid by borrowers.

#### *P21. COUNCIL TAX*

The Council as 'billing' authority acts as agent with regards to the collection and distribution of Council Tax on behalf of itself and Essex County Council, Essex Police Authority, Essex Fire Service and the various town and parish councils. In line with these agency arrangements, to reflect the risks and rewards accurately within the Council's accounts, the following transactions need to be reported:

- The agency share of Council Tax income is not included in the Council's Comprehensive Income and Expenditure Statement, as it is not part of the councils' operating activities.
- A debtor/creditor to reflect the difference between the various preceptors' share of the cash collected in the year and the cash paid to the preceptors on account in line with the appropriate regulations will be included in the Council's balance sheet.
- The council's cash flow statement only includes the council's share of council tax, net of cash collected, and precepts paid to it.

*P22. NATIONAL NON-DOMESTIC RATES (NNDR)*

The accounting treatment for NNDR is based on the principle that the Council is the 'billing' authority, acting as the agent for Central Government and its Preceptors in the collection of NNDR. The following accounting arrangements have been put in place:

- The agency's share of NNDR income is not included in the Council's Comprehensive Income and Expenditure Statement, as it is not part of the council's operating activities.
- The cost of collection received by the Council is reported as income in the Comprehensive Income and Expenditure Statement.
- The agency share of NNDR debtors, creditors and impairment losses are not the assets or liabilities of the Council and are replaced in the balance sheet by a net debtor/creditor for the Central Government and each of the Preceptors.

*P23. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS*

The Council has made no material changes to the accounting policies apart from those required under the 'Code'.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Prior period adjustments may arise because of a change in accounting policies or to correct a material error. Where a change is made to an accounting policy it is applied retrospectively by adjusting opening and comparative amounts for the prior period as if the new policy had always been applied.

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

*P24. EVENTS AFTER THE REPORTING PERIOD*

Such events can be both favourable and unfavourable, occurring between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Where the event is material to the content of the Accounts and there is evidence that the event existed at the end of the reporting period, the Statement of Accounts is adjusted to reflect the impact of the event. Events arising after the reporting period are not adjusted in Accounts for. A disclosure is made detailing the nature of the event and the estimated financial impact.

## *P25. FAIR VALUE MEASUREMENT*

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

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

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

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

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

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are

categorised within the fair value hierarchy, as follows:

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

## Movement in Reserves Statement

For the year ended 31 March 2022

Movement in Reserves Statement 2021/22	General Fund Balance	HRA Balance	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2021</b>	<b>(22,441)</b>	<b>(4,355)</b>	<b>(467)</b>	<b>(2,600)</b>	<b>(1,537)</b>	<b>(31,400)</b>	<b>(224,807)</b>	<b>(256,207)</b>
(Surplus) or Deficit on Provision of Services (accounting basis)	(32,117)	(11,607)	-	-	-	(43,724)		(43,724)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	(39,369)	(39,369)
<b>Total Comprehensive Income and Expenditure</b>	<b>(32,117)</b>	<b>(11,607)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(43,724)</b>	<b>(39,369)</b>	<b>(83,093)</b>
Adjustments between accounting basis & funding basis under regulations (Note 1.1)	30,734	12,661	(564)	(1,247)	344	41,929	(41,929)	-
<b>Net (increase)/decrease before transfers to earmarked reserves</b>	<b>(1,382)</b>	<b>1,054</b>	<b>(564)</b>	<b>(1,247)</b>	<b>344</b>	<b>(1,795)</b>	<b>(81,298)</b>	<b>(83,093)</b>
Transfers to/(from) Reserves	-	-	-	-	-	-	-	-
<b>(Increase)/decrease in year</b>	<b>(1,382)</b>	<b>1,054</b>	<b>(564)</b>	<b>(1,247)</b>	<b>344</b>	<b>(1,795)</b>	<b>(81,298)</b>	<b>(83,093)</b>
<b>Balance as at 31 March 2022</b>	<b>(23,823)</b>	<b>(3,301)</b>	<b>(1,031)</b>	<b>(3,846)</b>	<b>(1,193)</b>	<b>(33,196)</b>	<b>(306,105)</b>	<b>(339,300)</b>

## Movement in Reserves Statement

For the year ended 31 March 2021

	General Fund Balance	HRA Balance	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2020	(20,958)	(2,110)	(385)	(2,235)	(1,013)	(26,702)	(227,717)	(254,419)
<b>Reinstated Balance to Adjust for Rounding</b>	<b>(20,958)</b>	<b>(2,110)</b>	<b>(385)</b>	<b>(2,235)</b>	<b>(1,013)</b>	<b>(26,702)</b>	<b>(227,717)</b>	<b>(254,419)</b>
(Surplus) or Deficit on Provision of Services (accounting basis)	1,624	(2,835)	-	-	-	(1,211)	-	(1,211)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	(577)	(577)
<b>Total Comprehensive Income and Expenditure</b>	<b>1,624</b>	<b>(2,835)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,211)</b>	<b>(577)</b>	<b>(1,788)</b>
Adjustments between accounting basis & funding basis under regulations (Note 1.1)	(3,078)	760	(252)	(365)	(524)	(3,458)	3,458	-
<b>Net (increase)/decrease before transfers to earmarked reserves</b>	<b>(1,453)</b>	<b>(2,075)</b>	<b>(252)</b>	<b>(365)</b>	<b>(524)</b>	<b>(4,669)</b>	<b>2,881</b>	<b>(1,788)</b>
Transfers to/(from) Reserves-Adjustments	(29)	(170)	170	-	-	(29)	29	-
<b>(Increase)/decrease in year</b>	<b>(1,482)</b>	<b>(2,245)</b>	<b>(82)</b>	<b>(365)</b>	<b>(524)</b>	<b>(4,698)</b>	<b>2,910</b>	<b>(1,788)</b>
<b>Prior year adjustments</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March 2021</b>	<b>(22,440)</b>	<b>(4,355)</b>	<b>(467)</b>	<b>(2,601)</b>	<b>(1,537)</b>	<b>(31,400)</b>	<b>(224,807)</b>	<b>(256,207)</b>

## Comprehensive Income and Expenditure Statement (CIES)

For the year ended 31 March 2022

Gross Expenditure	Gross Income	Net Expenditure	Comprehensive Income & Expenditure Statement	Note	Gross Expenditure	Gross Income	Net Expenditure
2020/21	2020/21	2020/21 Restated			2021/22	2021/22	2021/22
£'000	£'000	£'000			£'000	£'000	£'000
2,598	(680)	1,918	Communities & Partnerships		2,861	(1,194)	1,667
16,975	(9,019)	7,956	Environmental Services		18,937	(11,614)	7,323
25,448	(22,417)	3,031	Finance & Administration		26,478	(23,169)	3,309
4,517	(2,659)	1,858	Housing & Economic Development		4,926	(3,416)	1,510
10,606	(16,401)	(5,795)	Housing Revenue Account		13,651	(27,758)	(14,107)
1,715	-	1,715	Housing Revenue Account - Overheads		137	-	137
2,411	(4,194)	(1,783)	Corporate costs		3,173	(463)	2,710
<b>64,270</b>	<b>(55,370)</b>	<b>8,900</b>	<b>Cost of Services</b>		<b>70,163</b>	<b>(67,614)</b>	<b>2,549</b>
4,808	(1,097)	3,711	Other Operating Expenditure	5.1	4,228	(1,205)	3,023
10,135	(4,597)	5,538	Financing & Investment Income and Expenditure	5.2	5,046	(35,283)	(30,237)
5443	(24,803)	(19,360)	Other Taxation and Non-Specific Grant Income	5.3	78	(19,137)	(19,059)
<b>20,386</b>	<b>(30,497)</b>	<b>(1,211)</b>	<b>(Surplus)/Deficit on Provision of Services</b>		<b>9,353</b>	<b>(55,625)</b>	<b>(43,724)</b>
1992	(6,480)	(4,488)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment Assets		1,665	(28,636)	(26,971)
26278	(22,367)	3,911	Remeasurement of the Pension net defined Liability/(Asset)		312	(12,710)	(12,398)
<b>28,270</b>	<b>(28,847)</b>	<b>(577)</b>	<b>Other Comprehensive Income and Expenditure</b>		<b>1,977</b>	<b>(41,346)</b>	<b>(39,369)</b>
		<b>(1,788)</b>	<b>Total Comprehensive Income and Expenditure</b>				<b>(83,093)</b>

## Balance Sheet as at 31 March 2022

31/03/2021 £'000	Balance Sheet 2021/22	Notes	31/03/2022 £'000
362,253	Property, Plant and Equipment	7.1	404,093
1,091	Heritage Assets	7.3	1,091
102,954	Investment Properties	7.4	190,475
322	Intangible Assets	6.1	347
57,778	Long Term Investment in shareholding companies	8.1	60,185
1,533	Long-term Debtors	8.2	2,650
<b>525,931</b>	<b>Total Long-term Assets</b>		<b>658,841</b>
10,086	Short-term Investments	18.1	20,836
33	Inventories	9.1	0
10,996	Short-term Debtors	9.2 - 9.3	5,320
2,822	Cash & Cash Equivalents	9.4	3,559
<b>23,936</b>	<b>Total Current Assets</b>		<b>29,715</b>
(111,881)	Short-term Borrowing		(169,112)
(19,064)	Short-term Creditors	10.1	(26,077)
(2,396)	Short-term Provisions	10.2	(2,466)
<b>(133,341)</b>	<b>Total Current Liabilities</b>		<b>(197,655)</b>
(118,407)	Long-term Borrowing	18.2	(117,502)
(4,192)	Other Long Term Liabilities	18.2	(4,025)
-	Grant Receipts in Advance (Revenue)	11.3	(2,294)
(1,151)	Grant Receipts in Advance (Capital)		(101)
(36,570)	Pension Scheme Liability	17.3 - 17.5	(27,679)
<b>(160,320)</b>	<b>Total Long-term Liabilities</b>		<b>(151,601)</b>
<b>256,207</b>	<b>Total Net Assets</b>		<b>339,300</b>
	<b>Represented by:-</b>		
(31,400)	Usable Reserves	2.1 - 2.4	(33,196)
(224,807)	Unusable Reserves	3.1 - 3.6	(306,105)
<b>(256,207)</b>	<b>Total Reserves</b>		<b>(339,300)</b>

I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2022 and its income and expenditure for the year ended 31 March 2022.

**Adrian Webb**  
**Director of Finance and**  
**Corporate Services -**  
**Section 151**  
**28 June 2021**



## Cash Flow Statement

For year ended 31st March 2022

2020/21 £'000	Cash Flow Statement 2021/22	Note	2021/22 £'000
1,211	Net Surplus/(Deficit) on the Provision of Services		43,724
11,032	Adjustments to net Surplus/(Deficit) on the Provision of Services - non cash movements		(15,497)
(2,230)	Adjustment for items included in the Net Surplus/(Deficit) on the Provision of Services that are investing and financing activities		(3,034)
<b>10,013</b>	<b>Net cash flows from operating activities</b>	<b>13.1</b>	<b>25,193</b>
(125,788)	Net cash flows from investing activities	13.2	(86,378)
116,249	Net cash flows from financing activities	13.3	61,922
<b>474</b>	<b>Net (Decrease) in cash and cash equivalents</b>		<b>737</b>
2,348	Cash and cash equivalents at the beginning of the reporting period		2,822
<b>2,822</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>3,559</b>

The Cash Flow Statement has been prepared using the indirect method in accordance with IAS 7.

## SECTION B – NOTES TO THE CORE FINANCIAL STATEMENTS

### 1.0 Movement in Reserves

#### 1.1 Movement in Reserves Statement – Adjusting between Accounting and Funding Basis under Regulations 2021/22

Adjustments between Accounting & Funding Basis	2021/22					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments involving the Capital Adjustment Account</b>						
Charges for depreciation and impairment movements on non-current assets	(1,396)	(3,905)	-	-	-	5,301
Amortisation of Intangible Assets	(63)	(7)	-	-	-	70
Revenue expenditure funded from capital under statute	(282)	(9)	-	-	-	292
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-	773	-	-	-	(773)
Statutory provision for financing capital investment	1,055	2,000	-	-	-	(3,055)
Capital expenditure charges against the General Fund and HRA balances	1,618	2,239	-	-	-	(3,857)
Provision for expected credit gain/loss	1,844	-	-	-	-	(1,844)
Movements in the Market Value of Investment Properties	25,113	7,977	-	-	-	(33,090)
Other Impairment PPE	(41)	40	-	-	-	1
Adjustments involving the Capital Grants Unapplied Account						
Application of grants to capital financing from unapplied reserves	3	-	-	-	291	(295)
Capital grants and contributions that have been credited to the CIES	290	114	-	-	52	(456)
<b>Adjustments involving the Capital Receipts Reserve</b>						
Transfer of sale proceeds credited as part of the gains/losses on disposal to the CIES	-	-	(2,941)	-	-	2,941
Use of Capital Receipts Reserve to finance capital expenditure	-	242	1,248	-	-	(1,490)
Contribution from Capital Receipts Reserve towards administrative costs of non-current asset disposal	-	-	-	-	-	-
Contribution from Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool	-	(446)	446	-	-	-
<b>Adjustments involving the Major Repairs Reserve</b>						
Additions to Major Repairs Reserve to finance new capital expenditure	-	-	-	3,323	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	3,323	-	(3,323)
Transfer of Depreciation to Major Repairs Reserve	-	3,887	-	(3,887)	-	(0)
<b>Subtotals Adjustments 2021/22</b>	<b>28,140</b>	<b>12,904</b>	<b>(1,247)</b>	<b>(564)</b>	<b>344</b>	<b>(39,577)</b>

**Movement in Reserves Statement – Adjusting between Accounting and Funding Basis under Regulations 2021/22 (continued)**

	2021/22					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Adjustments involving the Pension Reserve</u></b>						
Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(1,261)	(250)	-	-	-	1,511
Prior year adjustments 2020/21						-
Employers pension contributions and direct payments to pensioners payable in year	(1,996)		-	-	-	1,996
<b><u>Adjustments involving the Collection Fund Adjustment Account</u></b>						
Amount by which net Collection Fund income debited/credited to the Comprehensive Income and Expenditure Statement is different from Council Tax & NNDR income calculated for the year in accordance with statutory requirements	5,668		-	-	-	(5,668)
<b><u>Adjustments involving the Accumulated Absences Account</u></b>						
Adjustments in relation to short-term compensated absences	183	8	-	-	-	(190)
<b>Subtotals Adjustments 2021/22</b>	<b>2,594</b>	<b>(243)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(2,352)</b>
<b>Total Adjustments 2021/22</b>	<b>30,734</b>	<b>12,661</b>	<b>(1,247)</b>	<b>(564)</b>	<b>344</b>	<b>(41,929)</b>

**Movement in Reserve Statement – Adjusting between Accounting Funding Basis under Regulations 2020/21**

Adjustments between Accounting & Funding Basis	2020/21					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adjustments involving the Capital Adjustment Account</b>						
Charges for depreciation and impairment movements on non-current assets	(1,470)	(4,185)	-	-	-	5,654
Amortisation of Intangible Assets	(78)	(10)	-	-	-	89
Revenue expenditure funded from capital under statute	(247)	(17)	-	-	-	264
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(67)	(833)	-	-	-	900
Statutory provision for financing capital investment	1,035	-	-	-	-	(1,035)
Capital expenditure charges against the General Fund and HRA balances	8,464	952	-	-	-	(9,416)
Provision for expected credit gain/loss	(926)	-	-	-	-	926
Movements in the Market Value of Investment Properties	(4,484)					4,484
Adjustments involving the Capital Grants Unapplied Account						-
Application of grants to capital financing from unapplied reserves	-	-	-	-	236	(236)
Capital grants and contributions that have been credited to the CIES	754	6	-	-	(760)	-
<b>Adjustments involving the Capital Receipts Reserve</b>						
Transfer of sale proceeds credited as part of the gains/losses on disposal to the CIES	138	1,449	(1,587)	-	-	-
Use of Capital Receipts Reserve to finance capital expenditure	-	-	804	-	-	(804)
Contribution from Capital Receipts Reserve towards administrative costs of non-current asset disposal	-	(10)	10	-	-	-
Contribution from Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool	-	(408)	408	-	-	-
<b>Adjustments involving the Major Repairs Reserve</b>						
Additions to Major Repairs Reserve to finance new capital expenditure	-	3,881	-	(3,881)	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	3,629	-	(3,629)

**Movement in Reserves Statement – Adjusting between Accounting and Funding Basis under Regulations 2020/21 (continued)**

	2020/21					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<b><u>Adjustments involving the Pension Reserve</u></b>						-
Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(3,205)	(241)	-	-	-	3,446
Employers pension contributions and direct payments to pensioners payable in year	2,461	193	-	-	-	(2,654)
<b><u>Adjustments involving the Collection Fund Adjustment Account</u></b>						-
Amount by which net Collection Fund income debited/credited to the Comprehensive Income and Expenditure Statement is different from Council Tax & NNDR income calculated for the year in accordance with statutory requirements	(5,180)	-	-	-	-	5,180
<b><u>Adjustments involving the Accumulated Absences Account</u></b>						-
Adjustments in relation to short-term compensated absences	(272)	(17)	-	-	-	289
<b>Total Adjustments</b>	<b>(3,078)</b>	<b>760</b>	<b>(365)</b>	<b>(252)</b>	<b>(524)</b>	<b>3,458</b>

## Transfer to Earmarked Reserves

Transfers to Earmarked Reserves	31 March 2021 £'000	Transfer In £'000	Transfer Out £'000	31 March 2022 £'000	Purpose of Reserve
<b>Earmarked Reserves of the General Fund</b>					
Business Rates	(7,634)	(1,774)	4,837	<b>(4,571)</b>	To manage any Collection Fund deficit and/or shortfall in income.
Capital Slippage	(1,483)	(1,400)	532	<b>(2,350)</b>	Revenue and reserve funding for capital schemes slipped in to future years.
Development Projects	(1,781)	(160)	472	<b>(1,470)</b>	To support work and development for Garden Communities.
DWP	(71)			<b>(71)</b>	Relates to the value of benefit subsidy expected to be required to be paid back.
Economic Development	(463)	(1,021)		<b>(1,484)</b>	Reserve to assist economic development and businesses in the district.
Elections	(70)	(60)		<b>(130)</b>	The reserve funds future election costs and is drawn down in UDC election years.
Emergency Response	(540)	(794)		<b>(1,334)</b>	To support any resource requirement to a local emergency.
EU Exit	(513)			<b>(513)</b>	To manage any risks relating to EU Exit.
Funding	(1,060)	(41)		<b>(1,102)</b>	To manage the impact of the reduction in Government funding in future years.
Health and Wellbeing	(131)	(55)		<b>(186)</b>	To support the Health and Wellbeing strategy.
Homelessness	(404)		47	<b>(357)</b>	Set up to cover unbudgeted additional demand within the homelessness service.
Licensing	(35)	(31)		<b>(66)</b>	Reserve to absorb excess of costs over income in relation to taxi licensing services.
MTFS	(1,576)	(976)	371	<b>(2,180)</b>	Provide a contingency fund to support payments for the investments should there be an in year income shortfall.
New Homes Bonus Ward Members	(16)			<b>(16)</b>	An annual allocation of £2k is provided to each ward member to use subject to meeting the criteria approved at Cabinet.
Pensions	-			-	This reserve is used to support the Pension Fund Deficit and where possible support a triennial payment.
Planning Development	(891)	(10)	106	<b>(794)</b>	Usable resources set aside for planning development issues. Includes Housing strategy reserve to enable local community groups to support delivery of affordable housing units and Neighbourhood plan reserve money supporting the cost of producing neighbourhood plans.
Private Finance Initiative	(307)	(795)	-	<b>(1,102)</b>	Additional in-year income set aside for future year shortfalls.
Sports Rsv	(150)	(150)	195	<b>(105)</b>	
Strategic Initiatives	(1,863)		200	<b>(1,663)</b>	To support initiatives in accordance with the stated purpose approved each year at Full Council.
Transformation	(1,139)	(646)	7	<b>(1,777)</b>	To enable the Council to change the way it operates in order to meet the financial challenges ahead.
Waste Depot Relocation	(198)			<b>(198)</b>	It is proposed to purchase land and provide the necessary buildings and utilities in the South of the district.
Waste Management	(299)	(500)	586	<b>(213)</b>	To enable the Council to smooth fluctuations in areas such as cost of disposal and agency staffing.
Climate Change	(380)	(300)	55	<b>(625)</b>	
<b>Total Earmarked Reserves</b>	<b>(21,003)</b>	<b>(8,712)</b>	<b>7,408</b>	<b>(22,306)</b>	
<b>Other Reserves of the General Fund</b>					
Working Balance	(1,438)	(78)	-	<b>(1,516)</b>	Maintained to protect the Council's budget from unexpected risks.
<b>GF Usable Reserves Total</b>	<b>(22,441)</b>	<b>(8,790)</b>	<b>7,408</b>	<b>(23,823)</b>	

## 2.0 Usable Reserves

The following Usable Reserves, as identified in the Movement of Reserves Statement, can be used to fund future expenditure or reduce future local taxation demands.

2020/21 £'000	Usable Reserves	2021/22 £'000
(22,441)	General Fund	(23,823)
(4,355)	Housing Revenue Account	(3,302)
(468)	Major Repairs Reserve	(1,031)
(2,599)	Capital Receipts Reserve	(3,846)
(1,537)	Capital Grants Unapplied Account	(1,193)
<b>(31,400)</b>	<b>Total Usable Reserves</b>	<b>(33,195)</b>

## 2.1 General Fund - Revenue Balances

2020/21 £'000	General Fund Reserve	2021/22 £'000
(1,311)	<b>Balance as at 1 April</b>	<b>(1,438)</b>
(127)	Movement	(78)
<b>(1,438)</b>	<b>Balance as at 31 March</b>	<b>(1,516)</b>
<b>(19,647)</b>	<b>Earmarked Reserves at 1 April</b>	<b>(21,003)</b>
(1,356)	Movement	(1,304)
<b>(21,003)</b>	<b>Earmarked Reserves at 1 April</b>	<b>(22,306)</b>
<b>(22,441)</b>	<b>General Fund Total Balance as at 31 March</b>	<b>(23,823)</b>

## 2.2 Housing Revenue Account - Reserve Balances

2020/21 £'000	HRA Reserve	2021/22 £'000
(471)	Balance as at 1 April	(471)
-	Movement	-
(471)	Balance as at 31 March	(471)
(3,884)	Earmarked Reserves at 1 April	(3,884)
-	Movement	1,053
(3,884)	Earmarked Reserves at 1 April	(2,831)
(4,355)	Housing Revenue Account Total Balance as at 31 March	(3,302)

## 2.3 Major Repairs Reserve

2020/21 £'000	Major Repairs Reserve	2021/22 £'000
(216)	Balance as at 1 April	(468)
(252)	(Increase)/decrease in value	(563)
(468)	Balance as at 31 March	(1,031)



## 2.4 Capital Receipts Reserve

The Capital Receipts Reserve identifies capital receipts which are available to finance capital expenditure in future years.

2020/21 £'000	Capital Receipts Reserve	2021/22 £'000
<b>(2,235)</b>	<b>Balance 1 April</b>	<b>(2,599)</b>
(138)	Capital Receipts - General Fund	-
(1,449)	Capital Receipts Received - Housing Revenue Account	(3,183)
408	Paid to Government Housing Receipts Pool	426
805	Capital Receipts used for Financing	1,490
10	Expenses from sales of Capital Receipts	21
<b>(2,599)</b>	<b>Balance 31 March</b>	<b>(3,846)</b>

## 2.5 Capital Grants Unapplied Account

2020/21 £'000	Capital Grants Unapplied Account	2021/22 £'000
<b>(1,014)</b>	<b>Balance as at 1 April</b>	<b>(1,537)</b>
(523)	Movement	344
<b>(1,537)</b>	<b>Balance as at 31 March</b>	<b>(1,193)</b>

### 3.0 Unusable Reserves

2020/21 £'000	Unusable Reserves	2021/22 £'000
(103,961)	Revaluation Reserve	(128,088)
(162,048)	Capital Adjustment Account	(204,711)
(1,176)	Deferred Capital Receipts Reserve	(934)
512	Accumulated Absences Account	322
36,570	Pension Reserve	27,679
5,295	Collection Fund Adjustment Account	(373)
<b>(224,807)</b>	<b>Total Unusable Reserves</b>	<b>(306,105)</b>

### 3.1 Revaluation Reserve

The Council is required to record unrealised gains and losses arising from holding non-current assets in a designated account 'Revaluation Reserve'. The reserve is matched by the fixed assets held on the balance sheet and is therefore not available to fund future capital expenditure.

2020/21 £'000	Revaluation Reserve	2021/22 £'000
<b>(101,492)</b>	<b>Balance as at 1 April</b>	<b>(103,961)</b>
(6,445)	Upward Revaluation of Assets	(28,635)
2,021	Downward Revaluation of Assets	1,665
(64)	Other Movements	-
<b>(4,488)</b>	<b>In Year Surplus/(Deficit) on Revaluation of Non-Current Assets not posted to the Surplus or Deficit on Provision of Services</b>	<b>(26,970)</b>
1,989	Difference between Fair Value Depreciation & Historic Cost Depreciation	1,645
<b>1,989</b>	<b>In Year Amounts written out to the Capital Adjustment Account</b>	<b>1,645</b>
	Accumulated gains on assets sold or scrapped	768
30	Prior year adjustments posted in 2021/22	430
<b>(103,961)</b>	<b>Balance as at 31 March</b>	<b>(128,088)</b>

### 3.2 Capital Adjustment Account

The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated in accordance with the proper accounting policies and financed in accordance with the capital finance regime. As with the Revaluation Reserve, the reserve is matched by non-current assets within the Balance Sheet and therefore is not available to finance capital expenditure in general terms.

2020/21 £'000	Capital Adjustment Account	2021/22 £'000
(157,285)	Balance as at 1 April	(162,048)
	Prior year Adjustments posted in 2021/22	(433)
	<b>Reversal of items relating to capital expenditure debited or credited to the CIES</b>	
6,060	Charges for depreciation and impairment of non-current assets	5,302
(190)	Revaluation losses on Property, Plant and Equipment	(7,977)
89	Amortisation of Intangible Assets	70
264	Revenue expenditure funded from capital under statute	292
1,168	Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to the CIES	1,401
926	Expected Credit Gains or Losses on Financial Instruments	(1,844)
(1,989)	Adjusting amounts written out of Revaluation Reserve	(1,645)
<b>6,327</b>		<b>(4,401)</b>
	<b>Capital financing applied in the year</b>	
(804)	Use of Capital Receipts Reserve to finance new capital expenditure	(1,735)
(3,629)	Use of Major Repairs Reserve to finance new capital expenditure	(3,323)
(236)	Capital Grants and Contributions applied to capital financing	(747)
(1,035)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(3,054)
(9,416)	Capital expenditure charged against the General Fund and HRA balances	(3,857)
(455)	Difference to allocate	
<b>(15,575)</b>		<b>(12,716)</b>
4,484	Movements in the Market Value of Investment   Properties Debited/(Credited) to the CIES	(25,113)
<b>(162,048)</b>	<b>Balance as at 31 March</b>	<b>(204,711)</b>

### 3.3 Deferred Capital Receipts

Deferred Capital Receipts relate to rent to mortgage arrangements for council dwellings where a charge is held on various properties at Land Registry. The balance held reflects the vacant possession value of the proportion of the property held as a charge against the Land Registry.

2020/21 £'000	Deferred Capital Receipts Reserve	2021/22 £'000
		(1,176)
(1,146)	Balance as at 1 April	
(29)	(Increase)/decrease in value	242
(1,176)	Balance as at 31 March	(934)

### 3.4 Accumulated Compensated Absences Adjustment Account

The Accumulated Compensated Absences Adjustment Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised to or from the account.

2020/21 £'000	Accumulated Absences account	2021/22 £'000
		512
223	Balance as at 1 April	
290	In year adjustment	(190)
512	Balance as at 31 March	322

### 3.5 Pension Reserve

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet costs. However, statutory arrangements require benefits earned to be recognised as the Council makes employers' contributions to pension funds or when any other obligations are settled. The debit balance on the Pension Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The movement on the pension reserve can be seen in detail in note 17.

2020/21 £'000	Pension Reserve	2021/22 £'000
<b>31,867</b>	<b>Balance as at 1 April</b>	<b>36,570</b>
3,911	Remeasurements of the net defined benefit liability/(asset)	(12,398)
(1,862)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	1,511
2,654	Employer's pension contributions and direct payments to pensioners payable	1,996
<b>792</b>	<b>Subtotal</b>	<b>3,507</b>
<b>36,570</b>	<b>Balance as at 31 March</b>	<b>27,679</b>

### 3.6 Collection Fund Adjustment Account

Collection Fund Adjustment Account (CFAA) – is a specific accounting mechanism used to reconcile the differences arising from the recognition of council tax and non-domestic rates income in the CIES to those amounts required to be charged by statute to the General Fund. For example, a credit balance on the CFAA would show that more tax has been collected than an authority is permitted to transfer out of the Collection Fund.

2020/21 £'000	Collection Fund Adjustment Account	2021/22 £'000
115	<b>(Surplus)/Deficit as at 1 April</b>	<b>5,295</b>
227	Amount by which Council Tax income credited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	(91)
4,953	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	(5,577)
<b>5,295</b>	<b>Balance as at at 31 March</b>	<b>(373)</b>

## SECTION C – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

### 4.0 Notes relating to Comprehensive Income and Expenditure Statement

#### 4.1 Revenue Contracts

The Council has undertaken a review of its income streams that meet the requirements for IFRS 15 Revenue Contracts. The impact to the accounts was not material for the current financial year.

#### 4.2 Expenditure and Funding Analysis

The Expenditure and Funding Analysis (EFA) table illustrates how annual expenditure and funding is used across the council's portfolios. The analysis shows how the accounts arrive at the CIES by presenting the movements required under statute as shown in note 1.1 and the following note to the EFA.

Reported Outturn	Net Recharges		Net expenditure chargeable to the General Fund & HRA Balances		Adjustments between Funding and Accounting Basis to arrive at the CIES	Other (Non-statutory) adjustments	Net expenditure in the CIES	Reported Outturn	Net Recharges		Net expenditure chargeable to the General Fund & HRA Balances		Adjustments between Funding and Accounting Basis to arrive at the CIES	Other (Non-statutory) adjustments	Net expenditure in the CIES
	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000	2020/21 £'000		2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000
	210	1,251	645	(254)	1,918		Community & Partnerships	1,076	246	1,322	345	-		1,667	
	173	1,730	42	13	1,858		Housing & Economic Development	1,489	(7)	1,482	27	-		1,510	
	2,095	6,887	642	(1,810)	7,956		Environmental Services	3,993	2,407	6,400	923	-		7,323	
	(3,788)	2,126	535	3,694	3,031		Finance & Administration	6,910	(3,974)	(1,471)	252	4,528		3,309	
	1,715	(9,530)	4,122	-	(4,080)		Housing Revenue Account	(11,270)	1,328	(9,995)	(3,974)	-		(13,970)	
	(405)	263	-	(1,643)	(1,783)		Corporate Costs	4,653	-	91	2,618			2,710	
	-	<b>2,727</b>	<b>5,986</b>	-	<b>8,900</b>		<b>Net Cost of Service</b>	<b>6,851</b>	<b>0</b>	<b>(2,171)</b>	<b>191</b>	<b>4,528</b>		<b>2,549</b>	
		(170)	170				Prior year adjustments								
		(6,285)	(3,639)	-	(10,111)		Other Income and Expenditure			(8,812)	(32,932)	(4,528)		(46,272)	
<b>2,726</b>	<b>0</b>	<b>(3,728)</b>	<b>2,517</b>	<b>0</b>	<b>(1,211)</b>		<b>(Surplus)/Deficit</b>	<b>6,851</b>	<b>0</b>	<b>(10,983)</b>	<b>(32,741)</b>	<b>0</b>		<b>(43,724)</b>	
					(23,068)		Opening General Fund and HRA Balance							(26,796)	
					(3,728)		Surplus/(Deficit) on amounts chargeable to the General Fund and HRA							(329)	
					(26,796)		Closing General Fund and HRA Balance							(27,125)	

### 4.3 Note to the Expenditure and Funding Analysis

	Adjustments for Capital Purposes 2021/22 £'000	Net Change for Pension Adjustments 2021/22 £'000	Other Differences 2021/22 £'000	Total Adjustments 2021/22 £'000
Community & Partnerships	345	72	-	418
Housing & Economic Development	27	399	-	427
Environmental Services	923	1,321	-	2,243
Finance & Administration	252	917	-	1,169
Housing Revenue Account	(4,095)	131	-	(3,965)
Corporate Costs	-	29	-	29
<b>Net Cost of Service</b>	<b>(2,548)</b>	<b>2,870</b>	<b>0</b>	<b>321</b>
Other Income and Expenditure from the Expenditure & Funding Analysis	(26,299)	637	(7,401)	(33,063)
<b>Difference between General Fund &amp; HRA surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on Provision of Services</b>	<b>(28,847)</b>	<b>3,507</b>	<b>(7,401)</b>	<b>(32,741)</b>



<b>Restated 2020/21</b>	<b>Adjustments for Capital Purposes 2020/21 £'000</b>	<b>Net Change for Pension Adjustments 2020/21 £'000</b>	<b>Other Differences 2020/21 £'000</b>	<b>Total Adjustments 2020/21 £'000</b>
Community & Partnerships	643	2	-	645
Housing & Economic Development	605	37	-	642
Environmental Services	514	21	-	535
Finance & Administration	33	9	-	42
Housing Revenue Account	4,212	(90)	-	4,122
Corporate Costs	-	-	-	-
<b>Net Cost of Service</b>	<b>6,007</b>	<b>(21)</b>	<b>0</b>	<b>5,986</b>
Other Income and Expenditure from the Expenditure & Funding Analysis	(3,523)	813	(759)	(3,469)
<b>Difference between General Fund &amp; HRA surplus or deficit and Comprehensive Income &amp; Expenditure Statement Surplus or Deficit on Provision of Services</b>	<b>2,484</b>	<b>792</b>	<b>(759)</b>	<b>2,517</b>

#### 4.4 Expenditure and Income Analysed by Nature

<b>Expenditure and Income Analysed by Nature</b>	<b>31 March 2021 £'000</b>	<b>31 March 2022 £'000</b>
<b>Expenditure</b>		
Employee Benefit Expenses	15,424	17,610
Other Service Expenses	34,643	26,546
Support Service Recharges	15,140	20,168
Depreciation , Amortisation and REFCUS	10,526	5,673
Payments to Housing Receipts Capital Pool	408	426
Interest Payments	4,809	5,046
Precepts and Levies	3,706	3,803
Revaluation Losses	-	165
NNDR Payments	-	78
<b>Total Expenditure</b>	<b>84,656</b>	<b>79,515</b>
	<b>31 March 2021 £'000</b>	<b>31 March 2022 £'000</b>
<b>Income</b>		
Fees, Charges and other Service Income	(32,587)	(45,686)
Support Service Recharge Income	(15,140)	(20,168)
Interest and Investment Income	(4,630)	(3,809)
Income from Council Tax and Non-Domestic Rates	(12,993)	(11,225)
Gain or loss on Disposal of Assets	(692)	(773)
Other income non specific grants	-	(260)
Revaluation Gains	-	(33,255)
Government Grants and Contributions	(19,825)	(8,063)
<b>Total Income</b>	<b>(85,867)</b>	<b>(123,239)</b>
<b>Surplus or Deficit on the Provision of Services</b>	<b>(1,211)</b>	<b>(43,724)</b>

## 5.0 Notes to the Comprehensive Income and Expenditure Statement

### 5.1 Total Other Operating Expenditure

2020/21 £'000		2021/22 £'000
3,706	Parish Council Precepts	3,803
408	Payments to the Government Housing Capital Receipts Pool	426
(692)	(Gain)/Loss on the Disposal of Non-Current Assets	(773)
290	Other Non-Service Specific Expenditure	(432)
<b>3,711</b>	<b>Total Other Operating Expenditure</b>	<b>3,023</b>

### 5.2 Total Financing and Investment Income and Expenditure

2020/21 £'000		2021/22 £'000
3,763	Interest Payable and Similar Charges	4,278
926	Allowance for Expected Credit Losses/(Gains)	(1,844)
120	Other Bad Debt Provisions Debtors	12
813	Pensions - Net Interest on the Defined Benefit Liability (Asset)	768
(2,347)	Interest Receivable and Similar Income	(3,808)
2,263	Income & Expenditure in relation to Investment properties & changes in Fair Value	(29,641)
<b>5,538</b>	<b>Total Financing and Investment Income and Expenditure</b>	<b>(30,236)</b>

### 5.3 Total Taxation and Non Specific Grants

2020/21 £'000		2021/22 £'000
	<b>Council Tax Income</b>	
(5,957)	- District Council element	(6,159)
(3,705)	- Town/Parish Councils element	(3,803)
	<b>Business Rates Retention</b>	
(2,475)	- District Council element of NNDR income in year	(1,112)
380	- Safety Net reimbursement/Levy payment due	989
(6,298)	- Section 31 funding from Central Government	(3,827)
	<b>Collection Fund</b>	
207	- Council Tax - Net value of estimated/actual income recognised in CIES	(36)
4,856	- NNDR - Net value of estimated/actual income recognised in CIES	(875)
	<b>Non Ring Fenced Government Grants</b>	
(3,635)	- New Homes Bonus	(2,823)
(279)	- Supplementary Grants	(728)
(1,694)	- Other covid related funding from Central Government	(513)
(759)	- Capital Grants and Contributions	(171)
<b>(19,360)</b>	<b>Total Taxation and Non-Specific Grants Income</b>	<b>(19,059)</b>

## SECTION D – BALANCE SHEET

### 6.0 Intangible Assets

Intangible fixed assets are those items which, although the cost incurred in their acquisition is of a capital nature there is no physical tangible asset to show. The movement in intangible assets during 2021/22 are detailed below.

### 6.1 Intangible Assets

Intangible Assets	2020/21 £'000	2021/22 £'000
Gross Balance at 1 April	662	584
Additions	141	127
Assets written out in year	(219)	
Reclassification of assets	-	(131)
<b>Gross Balance carried forward 31 March</b>	<b>584</b>	<b>579</b>
Amortisation as at 1 April	(392)	(261)
Amortisation in year	(89)	(70)
Amortisation write out	219	-
Reclassification of assets	-	100
<b>Amortisation Balance carried forward 31 March</b>	<b>(261)</b>	<b>(232)</b>
<b>Net Book Value at at 31 March</b>	<b>322</b>	<b>347</b>

## 7.0 Property, Plant and Equipment

### 7.1 Analysis of Property, Plant and Equipment

Movements in 2021/22	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>						
<b>Adjustments to opening balance</b>	20	(20)	175	-	-	175
<b>Brought Forward 1 April 2021</b>	<b>312,848</b>	<b>31,661</b>	<b>12,004</b>	<b>986</b>	<b>12,846</b>	<b>370,345</b>
Additions	3,325	429	787	-	9,793	14,335
Revaluation increase/(decrease) recognised in the Revaluation Reserve	18,740	520	-	-	-	19,260
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	7,768	(69)	-	-	-	7,699
Derecognition - disposals	(2,217)	-	(304)	-	-	(2,521)
Derecognition - other	-	-	(806)	-	-	(806)
Reclassification - within PPE	2,720	3,911	(3,911)	-	(2,720)	(0)
Reclassification - outside PPE	-	82	131	-	-	213
<b>Balance carried forward 31 March 2022</b>	<b>343,205</b>	<b>36,515</b>	<b>8,076</b>	<b>986</b>	<b>19,919</b>	<b>408,700</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
<b>Adjustments to opening balance</b>	(20)	20	(175)	-	-	(175)
<b>Brought Forward 1 April 2021</b>	<b>20</b>	<b>(20)</b>	<b>(8,351)</b>	<b>(112)</b>	<b>-</b>	<b>(8,463)</b>
Depreciation for year	(3,775)	(545)	(940)	(15)	-	(5,275)
Depreciation written out to the Revaluation Reserve	3,500	4,211	-	-	-	7,711
Depreciation written out to the Surplus/Deficit on Provision of Services	226	71	-	-	-	297
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	-	-	(19)	-	-	(19)
Derecognition - disposals	50	-	304	-	-	354
Derecognition - other	-	-	806	-	-	806
Reclassification - within PPE	-	(3,807)	3,608	-	-	(198)
Reclassification -outside PPE	-	-	99	-	-	99
<b>Balance carried forward 31 March 2022</b>	<b>(0)</b>	<b>(69)</b>	<b>(4,668)</b>	<b>(127)</b>	<b>-</b>	<b>(4,864)</b>
<b>Net Book Value as at 31 March 2022</b>	<b>343,205</b>	<b>36,445</b>	<b>3,408</b>	<b>859</b>	<b>19,919</b>	<b>403,836</b>
<b>Net Book Value as at 31 March 2021</b>	<b>312,868</b>	<b>31,641</b>	<b>3,653</b>	<b>874</b>	<b>12,846</b>	<b>361,882</b>

Movements in 2020/21	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Total £'000
<b>Cost or Valuation</b>						
<b>Brought Forward 1 April 2020</b>	<b>306,591</b>	<b>33,384</b>	<b>13,063</b>	<b>986</b>	<b>4,427</b>	<b>358,451</b>
Additions	3,379	115	204	-	10,737	14,435
Revaluation increase/(decrease) recognised in the Revaluation Reserve	1,939	(1,758)	-	-	-	181
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	281	(80)	-	-	-	201
De-recognition - disposals	(838)	-	(823)	-	-	(1,661)
De-recognition - Other	-	-	-	-	-	-
Derecognition - other	(822)	-	(440)	-	-	(1,262)
Reclassification - within PPE	2,318	-	-	-	(2,318)	-
<b>Balance carried forward 31 March 2021</b>	<b>312,848</b>	<b>31,661</b>	<b>12,004</b>	<b>986</b>	<b>12,846</b>	<b>370,345</b>
<b>Accumulated Depreciation &amp; Impairment</b>						
<b>Brought Forward 1 April 2020</b>	<b>-</b>	<b>-</b>	<b>(8,874)</b>	<b>(97)</b>	<b>-</b>	<b>(8,971)</b>
Depreciation for year	(3,709)	(762)	(740)	(15)	-	(5,226)
Depreciation written out to the Revaluation Reserve	3,501	742	-	-	-	4,243
Depreciation written out to the Surplus/Deficit on Provision of Services	204	-	-	-	-	204
Derecognition - disposals	9	-	823	-	-	832
Derecognition - other	15	-	440	-	-	455
Reclassification	-	-	-	-	-	-
<b>Balance carried forward 31 March 2021</b>	<b>20</b>	<b>(20)</b>	<b>(8,351)</b>	<b>(112)</b>	<b>-</b>	<b>(8,463)</b>
<b>Net Book Value as at 31 March 2021</b>	<b>312,868</b>	<b>31,641</b>	<b>3,653</b>	<b>874</b>	<b>12,846</b>	<b>361,882</b>
<b>Net Book Value as at 31 March 2020</b>	<b>306,591</b>	<b>33,386</b>	<b>4,188</b>	<b>889</b>	<b>4,427</b>	<b>349,481</b>

## Valuations

The Council undertakes an annual valuation programme on Council Dwellings and Other Land and Buildings. The valuation exercise was undertaken by an external valuer, Wilks Head and Eve LLP, a regulated firm of Chartered Surveyors. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The valuations are as at 31 March 2022.

	Council Dwellings	Other Land and Buildings	Vehicles Plant and Equipment	Community Assets	Assets Under Construction	Infrastructure Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historic Cost	-	-	3,410	859	19,919	252	24,440
Valued at Current Value:							
2021/22	343,205	36,445	-	-	-	-	379,650
	<b>343,205</b>	<b>36,445</b>	<b>3,410</b>	<b>859</b>	<b>19,919</b>	<b>252</b>	<b>404,090</b>

At 31 March 2022, the authority has entered into a number of contracts for the construction or enhancement of Property, Plant and Equipment in 2022/23 and future years. The major commitments are:

	2020/21	2021/22
	£'000	£'000
The Moors News Homes Development	693	-
Thaxted Road New Homes Development	2,909	1,447
Great Chesterford New Homes Development		981
	<b>3,602</b>	<b>2,428</b>

## Infrastructure Assets – Movement on Balances

In accordance with the temporary relief granted by the Code relating to Infrastructure Assets this note does not include disclosure of Gross Book Value and Accumulated Depreciation for Infrastructure Assets because historical data and information deficits held by the Council means that the data would not faithfully represent the asset position of the Financial Statements. The Council has opted not to disclose such information as the previous reported practices and resultant information deficits implies that the Gross Book Value and Accumulated Depreciation are not measured accurately and would not enable users of the Financial Statements to make informed decisions relating to Infrastructure Assets.



	2020/21 £'000	2021/22 £'000
<b>Net Book Value (Modified Historical Cost) at 1 April</b>	<b>396</b>	<b>368</b>
Reclassification within PPE	-	(82)
Depreciation	(28)	(28)
Other Adjustment	-	(6)
<b>Net Book Value at 31 March</b>	<b>368</b>	<b>252</b>

#### Reconciling Note PPE Assets

	2020/21 £'000	2021/22 £'000
Infrastructure Assets	368	252
Other PPE Assets	361,882	403,838
<b>Net Book Value at 31 March</b>	<b>362,250</b>	<b>404,090</b>

## 7.2 Capital Expenditure and Financing

The total amount of capital expenditure, including finance leases, incurred in the year and the sources of financing are detailed in the table below. Where the capital expenditure is not financed in the year of purchase, the Council will apply a capital charge over the life of the asset to revenue budgets. This method of financing creates an initial increase in the Capital Financing Requirement (CFR), which is subsequently reduced by the yearly capital charge.

2020/21 £'000		2021/22 £'000
145,597	Opening Capital Financing Requirement as at 1 April	261,524
145,597	Restated Opening Capital Financing Requirement as at 1 April	261,524
	<b>Capital Expenditure</b>	
14,436	Property Plant and Equipment	14,253
141	Intangible Assets	127
-	Heritage Assets	-
107,438	Investment Properties	62,408
6,826	Aspire Investment	780
264	Revenue Expenditure Funded from Capital Under Statute	292
129,105	<b>Total Capital Expenditure</b>	<b>77,859</b>
(18)	Increase in non-dwelling HRA assets not reversed to unusable reserves	(232)
926	Expected Credit Gains or Losses on Financial Instruments	(1,844)
908	<b>Sub Total</b>	<b>(2,076)</b>
	<b>Financed By</b>	
(805)	Usable Capital Receipts	(1,735)
(236)	Government Grants and Other Contributions	(747)
(9,416)	Capital Expenditure Financed from Revenue Contributions	(3,857)
(3,629)	Major Repairs Reserve	(3,323)
(14,086)	<b>Total Capital Financing</b>	<b>(9,663)</b>
261,524	<b>Closing Capital Financing Requirement as at 31 March</b>	<b>327,644</b>
	<b>Explanation of Movement</b>	
115,927	Increase in underlying need to borrow	68,196
(1,035)	Minimum Revenue Provision	(3,055)
114,892	<b>Increase/(Decrease) in Capital Financing Requirement</b>	<b>65,141</b>

### 7.3 Heritage Assets

The following Council assets meet the definition of 'Heritage Assets' and are held on the balance sheet as:

Heritage assets	2020/21 £'000	2021/22 £'000
Saffron Walden Motte and Bailey	936	936
Museum Artefacts - Fine Arts Collection	155	155
<b>Total</b>	<b>1,091</b>	<b>1,091</b>

#### **Saffron Walden Motte and Bailey Castle:**

The structure and retaining wall is a Grade 1 scheduled monument which was passed to the Council's ownership in 1979. The castle is Norman dating from the 12<sup>th</sup> century. The wall surrounding the castle is also listed. To date there have been no excavations on the site of notable interest.

The movement in Heritage Assets on the balance sheet is expenditure incurred on the Motte and Bailey Castle.

For proposals of future works to the Castle please refer to the Council's website [www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

#### **Saffron Walden Museum Artefacts**

Under the terms of a 99 year lease with Saffron Walden Museum Society Limited, the Council is responsible for operating and managing the Saffron Walden Museum and associated artefacts. It has been established that the risks and rewards associated with the arrangement are held by the Council and therefore the Fine Arts Collection is included in the accounts\*. Under the terms of the lease the Council is responsible for the repair and restoration of the museum artefacts and the nature of the displays, acquisitions and disposals. Governance arrangements are also conducted through the Museum Board of the Society and the Council's Museum Management Working Group.

The collection of an estimated 11,000 artefacts is, on the whole, of significant local worth, with a small proportion of high value items. Valuations were carried out for the following collections; Natural Sciences undertaken by G Lucy – Geologist (2001) derived a value of £0.5million and Decorative Collection undertaken by J Dutton – Ceramics specialist (2011) these resulted in a value of £1.3million.

The valuations undertaken were not commissioned valuations in line with accounting requirements and therefore the Council is unable to place reliance on the valuations for the Accounts.

\*It is considered that the cost of seeking valuations for the remaining artefacts would be disproportionate to the benefit gained from their recognition on the balance sheet, therefore the Council are only holding the Fine Arts Collection on the Balance Sheet.

## 7.4 Investment Property

Investment properties are those that are held solely to earn rentals or for capital appreciation, or both. Investment properties are not depreciated but are revalued according to market conditions at the year-end.

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement:

Investment Property rental income and expenditure	2020/21 £'000	2021/22 £'000
Rental Income from Investment Property	(2,221)	(4,528)
Direct Operating Expenses/(Income) Arising from Investment Property		
Direct cost of Investment Properties		
<b>Total</b>	<b>(2,221)</b>	<b>(4,528)</b>

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

Investment Properties	2020/21 £'000	2021/22 £'000
Balance 1 April	-	102,954
Additions	107,438	62,408
Disposals		
Net gains/(losses) from the fair value adjustments	(4,484)	25,113
Transfers - To/from Property, Plant and Equipment		
<b>Balance at 31 March</b>	<b>102,954</b>	<b>190,475</b>

### Valuation Techniques Used to Determine Fair Values for Investment Property

Investment property shall be measured initially at cost. The cost of an investment property includes its purchase price, transaction costs and directly attributable expenditure. Where an investment property is acquired through a non-exchange transaction, its cost shall be measured at its fair value as at the date of acquisition. Investment properties are not depreciated but are revalued according to market conditions at the year end.

### Significant observable inputs – Level 2

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local authority area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

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

2021/22 Fair Value Hierachy	Levels (no. of properties)			Fair value
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	£'000
Office Units	-	2	-	25,250
Industrial Units	-	3	-	134,250
Retail Warehouse	-	1	-	30,975
<b>Balance at 31 March</b>	-	<b>6</b>	-	<b>190,475</b>
2020/21 Fair Value Hierachy	Levels (no. of properties)			Fair value
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	£'000
Office Units	-	2	-	24,475
Industrial Units	-	3	-	70,504
Retail Warehouse	-	1	-	7,975
<b>Balance at 31 March</b>	-	<b>6</b>	-	<b>102,954</b>

## 8.0 Other Long Term Assets

### 8.1 Long Term Investments

The Council has one long-term investment over a fifty-year period to Aspire (CRP) Ltd, the Council's wholly owned subsidiary, to enable an investment into Chesterford Research Park. Under IFRS 9 for 2021/22 estimated additional credit loss adjustment has been actioned through the CIES reflecting potential future losses on repayments due.

In the group consolidation the Long-term investment between the Council and the subsidiary is eliminated holding the value of the investment in Chesterford Research Park by the subsidiary, this value is not subject to an expected credit loss adjustment.

2020/21		2021/22
£'000		£'000
59,750	Long term investment	60,313
(1,972)	Cumulative expected credit loss adjustment	(128)
<b>57,778</b>	<b>Total held on balance sheet</b>	<b>60,185</b>

## 8.2 Long Term Debtors

The Council has long term debtors of £2.65million which includes:

- A previous rent to mortgage scheme where the Council holds a charge on properties which would be due at the end of a mortgage term of if the property is sold, these are held at a revalued amount each year according to a value which would be expected if sale occurs for 2021/22 the value held for the % of the property the charge is against is £1.418million (2020/21 £1.176million).

Other long term debtors held include:

- A scheme funded by the Private Lease Agreements Converting Empties (PLACE) scheme where £75k has been offered to bring empty properties back into use, the funds would be due to the Council at the point of sale or within 5 years of the initial agreement which was in 2017
- Prepayments for software licenses
- Lease adjustment related to investment property leasing arrangements

## 9.0 Current Assets

### 9.1 Inventories (Stock)

Inventories (Stock)	2020/21 £'000	2021/22 £'000
Housing Stores	33	-
<b>Total</b>	<b>33</b>	<b>-</b>

### 9.2 Debtors

9.2		
2020/21 £'000	Debtors	2021/22 £'000
6,914	Central Government Bodies	548
1,521	Other Local Authorities	702
5,135	Other Entities and Individuals	6,917
<b>13,570</b>	<b>Sub-total</b>	<b>8,166</b>
9.3		
2020/21 £'000	Impairments	2021/22 £'000
(988)	Non Domestic Rates	(1,172)
(333)	Council Tax	(434)
(311)	Housing Rents	(310)
(897)	Overpaid Benefit	(873)
(45)	Sundry Debtors	(57)
<b>(2,574)</b>	<b>Sub-total</b>	<b>(2,846)</b>
<b>10,996</b>	<b>Total Short-Term Debtors</b>	<b>5,320</b>

The Debtors figure in the Balance Sheet is the total of tables 9.2 & 9.3 (i.e. presented net of impairment allowances).

## 9.4 Cash and Cash Equivalents

2020/21 £'000	Cash & Cash Equivalents	2021/22 £'000
(128)	Cash	1,109
2,950	Cash Equivalents	2,450
<b>2,822</b>	<b>Total Cash and Cash Equivalents</b>	<b>3,559</b>

## 10 Current Liabilities

### 10.4 Creditors

2020/21 £'000		2021/22 £'000
11,385	Central Government Bodies	15,979
1,468	Other Local Authorities	5,604
6,211	Other Entities and Individuals	4,494
<b>19,064</b>	<b>Total</b>	<b>26,077</b>

### 10.5 Provisions

2020/21 £'000		In Year Provision Created £'000	Provision Applied £'000	2021/22 £'000
245	Legal	-	-	245
49	New Homes Bonus - Parish Councils	-	(11)	38
2,102	Business Rates Appeals	312	(231)	2,183
<b>2,396</b>	<b>Total</b>	<b>312</b>	<b>(242)</b>	<b>2,466</b>

The total provision available for NNDR appeals at 31st March 2022 is £5.457 million; the above table reflects the Council's share of the provision at a value of £2.183 million.



## 11.0 Grant Income

### 11.1 Grants credited to Tax and Non-specific Grant Income

<b>Grants credited to Tax and Non-specific Grant Income</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Revenue Support Grant		
New Homes Bonus Grant	(3,635)	(2,823)
NNDR Section 31 Grant	(6,298)	(3,827)
Covid 19 Tranches Support Grant	(1,694)	(513)
Fees and Charges Compensation Grant		
Supplementary Grants	(279)	(728)
75% Council Tax and NNDR Guarantee Grant		
Furlough Grant		
<b>Subtotal Grant Income credited to tax &amp; non specific grant income</b>	<b>(11,906)</b>	<b>(7,891)</b>
<b>Capital Grants and Contributions:</b>		
Miscellaneous Government Grants		
Other Grants and Contributions	(759)	(171)
<b>Subtotal Capital Grants and Contributions</b>	<b>(759)</b>	<b>(171)</b>

### 11.2 Grants credited to Services

<b>Grants Credited to Services</b>	<b>2020/21 £'000</b>	<b>2021/22 £'000</b>
Local Council Tax Support Scheme Grant	(4)	(4)
Rent Allowances	(6,503)	(6,137)
Rent Rebates	(5,169)	(5,034)
Benefit Administration Grant	(102)	(141)
Discretionary Housing Benefit	(118)	(112)
Grant towards Revenue Funded from Capital under Statute	(242)	(260)
PFI Grant	(450)	(450)
Miscellaneous Grants	(3,071)	(3,515)
<b>Total Grant Income Credited to Services</b>	<b>(15,659)</b>	<b>(15,653)</b>



### **Pension Liability**

The pension liability is the current obligation of the future retirement benefits the Council has to its members, this is calculated as a net of the fair value of assets less the current obligation. For more information on the obligation, the accounting treatment and reserve please see note 3.5 and section 17.

### **Tax Payers Equity**

#### **Usable Reserves**

The usable reserves are monies that are set aside and can be used by the Council to fund future projects and initiatives, as directed by Members and the senior management team, that are not part of the normal running of the council services. For details please refer to Section B notes 2.1-2.4.

#### **Unusable Reserves**

The unusable reserves are unrealised gains and losses of the Council that relate to the financing of capital expenditure as well as timing differences between recognition of assets and liabilities under accounting rules and statutory regulations. For details please refer to Section B notes 3.1-3.6.

## SECTION E – CASH FLOW STATEMENT

### 13.0 Cash Flow Activities

#### 13.1 Cash Flow Statement – Operating Activities

2020/21 £'000		2021/22 £'000
	<b>Net Surplus/(Deficit) on the Provision of Services</b>	
	<b>Adjustments to net Surplus/(Deficit) on the Provision of Services for non-cash movements</b>	
5,253	Depreciation	5,233
5,136	Impairment and downward valuations	-
89	Amortisation	70
-	Adjustments for effective interest rates	
5,591	Increase/(Decrease) in creditors	4,777
(7,747)	(Increase)/Decrease in debtors	5,935
-	(Increase)/Decrease in inventories	33
792	Pension liability	3,507
345	Contribution to provisions	
602	Carrying amount of non-current assets sold	1,736
971	Other non-cash items charged to the net surplus or deficit on the provision of services	(36,788)
<b>11,032</b>	<b>Net cash flows from operating activities</b>	<b>(15,497)</b>

2020/21 Restated £'000		2021/22 £'000
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
-	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,678)
(2,230)	Any other items for which the cash effects are investing or financing cash flows	(356)
<b>(2,230)</b>		<b>(3,034)</b>

### 13.2 Cash Flow Statement – Investing Activities

2020/21 Restated £'000	Movement in Cash Flow from Investing Activities	2021/22 £'000
(120,152)	Purchase of property, plant and equipment, investment property and intangible assets	(76,415)
(178,889)	Purchase of short-term and long-term investments	(94,813)
-	Other payments for investing activities	(2,168)
170,950	Proceeds from short-term and long-term investments	83,500
1,509	Proceeds from sale of property, plant and equipment	3,162
794	Other receipts from investing activities	356
<b>(125,788)</b>	<b>Total Cash Flows from Investing Activities</b>	<b>(86,378)</b>

### 13.3 Cash Flow Statement – Financing Activities

2020/21 Restated £'000	Movement in Cash flows from Financing Activities	2021/22 £'000
184,500	Cash receipts of short- and long-term borrowing	187,000
(71,500)	Repayments of short- and long-term borrowing	(130,797)
3,544	Other payments for financing activities	5,885
(295)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(166)
<b>116,249</b>	<b>Total Cash Flows from Financing Activities</b>	<b>61,922</b>

### 13.4 Cash Flow Statement - Interest

2020/21 £'000		2021/22 £'000
2,306	Interest Received	5,640
(2,595)	Interest Paid	(5,999)
3	Dividends Received	1

## SECTION F – SUPPLEMENTARY NOTES TO THE CORE FINANCIAL STATEMENTS

### 14.0 Leasing Arrangements and Private Finance Initiative

#### 14.1 Private Finance Initiative

The Council's Private Finance Initiative (PFI) Scheme provided two new Leisure Centres in Great Dunmow and Stansted Mountfitchet and the refurbishment of the Lord Butler Fitness and Leisure Centre in Saffron Walden. The PFI contract is with 1Life who manages the three Leisure Centres on the Council's behalf.

The carrying value of the PFI assets as at 31 March 2021 was £16.2million.

The contract was operational from the financial year 2003/04 and runs for a period of 32 years (ending 2035/36) leaving 15 years outstanding. The total contract payments estimated at the time of entering into the contract were £39.9million. Actual payments are dependent on the service provided. The remaining capital liability as at the balance sheet date is £4.346million. The figures have been updated in line with RPI.

The PFI unitary charge has been forecast to increase by an average RPI of 2% to the end of the PFI contract. This reflects the Bank of England's inflation target.

2020/21 £'000		2021/22 £'000	1 year £'000	2 - 5 years £'000	6 - 10 years £'000	11 - 14 years £'000
1,121	Leisure PFI - Unitary charge	1,121	1,218	5,282	6,737	4,568
142	Capital Repayment	154	167	818	1,467	1,739
372	Interest Expense	360	348	1,240	1,106	360
328	Contingent Rent	328	335	1,532	2,497	1,045
279	Services	279	368	1,692	1,667	1,424
<b>1,121</b>	<b>Total Unitary Charge</b>	<b>1,121</b>	<b>1,218</b>	<b>5,282</b>	<b>6,737</b>	<b>4,568</b>

## 15.0 Members, Officers and Related Parties

### 15.1 Members Allowances

The Local Government Act 2000 and the Local Government (Members Allowances) Regulation 2003 require the Council to appoint an independent remuneration panel to review its scheme for Members Allowances. The panel make recommendations to the Council regarding the scheme to be operated in 2021/22. The total Members allowances paid in 2021/22 was £280,017 (£280,276 for 2020/21), these are detailed below.

2020/21 £'000	Members' Allowances	2021/22 £'000
197	Basic Allowances	203
12	Group Leaders Allowances	10
71	Special Responsibilities Allowances	65
1	Travel and Subsistence	2
<b>281</b>	<b>Total allowances paid</b>	<b>280</b>

### 15.2 Related Party Transactions

The Council is required to disclose material transactions with related parties that have the potential to control or influence the Council or to be controlled or influenced by the Council.

#### 15.2.1 Members of the Council

Members of the Council have direct control over the Council's financial and operating activities. Any contracts entered into by the Council are in full compliance with the Council's constitution and any decisions made take full consideration of any declarations of interest.

A register of Members Interests is held and records all transactions and declarations, this is available for public inspection during office opening times at the London Road offices, alternatively current Members records can be found on the Council's website.



### **15.2.2 Senior Officers of the Council**

Senior Officers have control over the day-to-day management of the Council. The Chief Executive, Directors and Assistant Directors are required to declare any related party transactions. All transactions are recorded in the register of Officers Interest, Gifts and Hospitality and this is available for public inspection on request to the Council.

The Director of Finance and Corporate Services, Assistant Director of Corporate Services and Assistant Director ICT and Facilities are all Directors of the Council's wholly owned subsidiary Companies under the Aspire name and 2 companies enabling the set-up of a Joint venture; Chesterford Park (Nominee) Limited and Chesterford Park (General Partner) Limited . The Director of Public Services was Director of Uttlesford Norse Services Limited a Joint Venture with Norse Commercial Services Ltd until resignation in February 2022. The Assistant Director Resources is Director of Uttlesford Norse Services Ltd. Further information relating to the companies can be found in the narrative report and the Group Accounts.

There are no other disclosures from Senior Officers of any material related party transactions.

### **15.2.3 Central Government**

Central Government has significant influence over the general operations of the authority – it is responsible for providing the statutory framework, within which the authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the authority has with other parties (e.g. Council Tax bills, Housing Benefits).

Further information on significant funding streams from Central Government is included within the narrative report.

### **15.2.4 Companies and Organisations**

- **Turpin's Indoor Bowling Club Limited**

Under the terms of a 23 year lease (a new lease was started in December 2014), Turpin's Indoor Bowling Club Limited leases property owned by the Council. The asset is leased to the company for a market rent; taking account of the covenant within the terms of the lease 40% of the facility is for the use of community residents. To protect the Council's interest two Uttlesford Councillors have a seat on the organisation board.

- **Saffron Walden Pig Market**

Uttlesford District Council is the sole trustee of the Saffron Walden Pig Market Charity. The Charity owns a proportion of a public pay and display car park and their income is derived from this asset.



The Partnership consists of Uttlesford District Council, Essex County Council, Essex Police, Essex Fire Authority, West Essex Clinical Commissioning Group and Uttlesford Council for Voluntary Services. The Partnership reports into the Local Strategic Partnership.

The table below shows the finances of the Partnership over the last 2 financial years. The unspent funds will contribute towards the costs of the partnership's strategic vision in future financial years.

2020/21		2021/22	
£'000		£'000	
(52)	Balance at 1 April	(62)	
(17)	Income in Year	(12)	
7	Expenditure in Year	4	
(62)	Balance at 31 March	(70)	

#### 15.2.6 Parking Partnership

- The Council is a member of the North Essex Parking Partnership which was formed with Colchester Borough Council, Braintree District Council, Epping Forest District Council, Harlow District Council and Tendring District Council with effect from the 1st April 2011.
- The Partnership is governed by a Joint Committee, on which each partner Council has a representative. The Joint Committee produces its own accounts which summarise the surplus/deficit for each year as well as the reserves held at each year-end.

The Partnerships' on street parking activities is funded by income from pay and display, resident parking and penalties across the area. The On Street partners are jointly liable (except Essex County Council) for any deficit in the On Street Fund, and any surpluses are reinvested back into the partnership.

- The Partnership also operates the off street pay and display car parks for Colchester, Braintree, Harlow and Uttlesford on behalf of the Councils, with each authority having a service level agreement with the Partnership. This is funded by previously agreed service charges by each Council partner; these are expected to remain constant. The lead authority is Colchester Borough Council and they provide the support services and accommodation for the Partnership.

## 15.3 Officers Remuneration

Senior Officers remuneration is detailed below:

		Salary, Fees and Allowances	Bonuses	Car Allowances	Benefits in Kind	Redundancy	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£	£	£	£	£	£	£	£
Chief Executive	2020/21	122,006	-	-	-	-	122,006	24,645	146,651
	2021/22	51,725	-	-	-	-	51,725	10,449	62,174
	2021/22	59,874	-	-	-	-	59,874	12,094	71,968
Director of Public Services	2020/21	96,094	-	-	-	-	96,094	19,411	115,505
	2021/22	63,112	-	-	-	-	63,112	12,348	75,460
Director of Finance and Corporate Services	2020/21	96,094	-	-	-	-	96,094	19,411	115,505
	2021/22	97,775	-	-	-	-	97,775	19,751	117,526
Assistant Director - Corporate Services	2020/21	74,500	-	-	-	-	74,500	15,049	89,549
	2021/22	75,804	-	-	-	-	75,804	15,312	91,116
Assistant Director - Housing, Health and Communities	2020/21	74,500	-	-	-	-	74,500	15,049	89,549
	2021/22	75,804	-	-	-	-	75,804	15,312	91,116
Assistant Director - Planning and Building Control	2020/21	74,500	-	-	-	-	74,500	15,049	89,549
	2021/22	51,855	15,000	-	-	-	66,855	7,524	74,379
Assistant Director - Resources	2020/21	74,500	-	-	-	-	74,500	15,049	89,549
	2021/22	75,804	-	-	-	-	75,804	15,312	91,116
Assistant Director - ICT and Facilities	2020/21	74,500	-	-	-	-	74,500	15,049	89,549
	2021/22	75,804	-	-	-	-	75,804	15,312	91,116
Assistant Director - Governance and Legal(*)	2020/21	21,324	-	-	-	-	21,324	4,268	25,592
	2021/22	41,914	-	-	-	-	41,914	8,467	50,381
Assistant Director - Environmental Services	2020/21	72,339	-	-	-	-	72,339	14,613	86,952
	2021/22	73,605	-	-	-	-	73,605	14,868	88,473

(1) Chief Executive post vacant from 1 September 2021, new appointment commenced 1 October 2021 at an annualised salary of £121,944.

(2) Director of Public Services post vacant from 20 November 2021.

(3) Assistant Director - Planning and Building control post vacant from 1 October 2021 .

(4) Assistant Director - Governance and Legal post vacant from 18 July 2020, new appointment commenced 6 September 2021 at an annualised salary of £74,705.

To support vacancies within the corporate management team an interim Chief Executive and an interim Director of Planning were provided by Solace and an Assistance Director

- Governance and Legal was provided by Sellick Partnership.

#### 15.4 Employees Salary over £50,000

The Council's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) are shown in the table below.

No. of Employees 2020/21	Remuneration Band	No. of Employees 2021/22
6	£50,000 - £54,999	8
7	£55,000 - £59,999	9
-	£60,000 - £64,999	1
-	£65,000 - £69,999	1
6	£70,000 - £74,999	1
-	£75,000 - £79,999	4
2	£95,000 - £99,999	1
1	£120,000 - £124,999	-
<b>22</b>	<b>Total</b>	<b>25</b>

The number of employees shown above includes the senior officers shown in the preceding senior officers' note (15.3)

The table reflects actual payments made during the year; Assistant Director - Governance and Legal post vacant from 18 July 2020 until 5 September 2021 and therefore does not meet the criteria to be included in this table.

#### 15.5 Termination Benefits

The Council terminated the contracts of 6 employees in 2021/22 (0 in 2020/21) incurring liabilities of £42,363 (£0 in 2020/21). The table below identifies the number of exit packages in bands of £20,000.

2020/21		Exit Package Cost Band			2021/22	
Number of Compulsory Redundancies	Number of other Departures Agreed	Total Number of Exit Packages		Number of Compulsory Redundancies	Number of other Departures Agreed	Total Number of Exit Packages
-	-	-	£0 - £20,000	5	-	5
-	-	-	£20,001 - £40,000	-	1	1
-	-	-	<b>Total Number of Packages</b>	<b>5</b>	<b>1</b>	<b>6</b>
			<b>Total Cost (£)</b>	<b>14,946</b>	<b>27,417</b>	<b>42,363</b>

## 15.6 Interest in Subsidiaries

At the reporting date the Council has interest in four companies that are classified as a subsidiary, all of which have been considered for consolidation. Only one of these, Aspire (CRP) Ltd is considered to be material to the financial statements. Details of the companies considered for consolidation are shown below. In its preparation of these Group Accounts, the Council has considered its relationship with the entities that fall into the following categories:

- Subsidiaries – where the Council exercises control and gains benefits or has exposures to risks arising from this control. These entities are included in the group.
- Associates – where the Council exercises a significant influence and has a participating interest. No entities identified to be included in the group.
- Jointly Controlled Entities - where the Council exercises joint control with one or more organisations. No entities identified to be included in the group.
- No Group Relationship – where the body is not an entity in its own right or the Council has an insufficient interest in the entity to justify inclusion in the group financial statements. These entities are not included in the group.

The subsidiaries are exempt from the requirements of this Act relating to the audit of accounts under section 479A of the Companies Act 2006. In accordance with this requirement:

The Council has a minority share in Uttlesford Norse Services Limited.

Whilst the Council does have Board participation and some influence over the Company the majority share and consolidation into group accounts is held by The Norse Group a wholly owned subsidiary of Norfolk County Council.

The Council has determined its Group relationships as follows:

Company Name	Company No.	Relationship	Consolidated
Aspire (CRP) Ltd	10515074	Subsidiary	Consolidated
Aspire (CRP) General Partner Ltd	10698674	Subsidiary	Not material
Aspire Holdings (UDC) Ltd	10308884	Subsidiary	Dormant
Aspire (MRH) Limited	12283215	Subsidiary	Dormant

Aspire holdings is the parent company of the below three companies all of which are, at the reporting date, dormant.

- Aspire Rentals Ltd
- Aspire Property and Maintenance Services Limited
- Aspire Land Developments Ltd

### Aspire (CRP) Limited

The financial position of the company is as follows; full accounts can be found on the Companies House Website:

	As at 31 Mar-21 (restated) £'000	As at 31 Mar-22 £'000
<b>Long Term Assets</b>		
Investments	71,040	106,297
<b>Current Assets</b>		
Debtors: amounts falling due within one year	623	668
Cash in bank	1,438	1,379
<b>TOTAL ASSETS</b>	<b>2,061</b>	<b>2,047</b>
<b>Current Liabilities</b>		
Creditors: amounts falling due within one year	(2,298)	(2,268)
Loans	(59,750)	(60,501)
<b>TOTAL LIABILITIES</b>	<b>(62,048)</b>	<b>(62,769)</b>
<b>NET CURRENT LIABILITIES</b>	<b>(59,987)</b>	<b>(60,722)</b>
<b>Long Term Liabilities</b>		
Deferred tax	(2,078)	(11,595)
<b>TOTAL LIABILITIES</b>	<b>(2,078)</b>	<b>(11,595)</b>
<b>TOTAL NET ASSETS</b>	<b>8,975</b>	<b>33,980</b>
<b>Capital and Reserves</b>		
Share Capital	1	1
Retained earnings	8,974	33,979
<b>TOTAL RESERVES</b>	<b>8,975</b>	<b>33,980</b>

In the Consolidated accounts, the loan value and its respective transactions between the Council and the subsidiary have been eliminated, along with the recharge of officer time for accounts completion and management of the Company.

Uttlesford Norse Services Limited (UNSL)

Transactions in the accounts that relate to the joint venture set up on 1 April 2020 are shown below, these represent the cost of UNSL undertaking the housing maintenance services for the Council held housing stock, cleaning, unplanned asset maintenance and facilities services for the corporate assets.

	2020/21 £'000	2021/22 £'000
Cleaning and Corporate facilities services	134	379
Housing Revenue Accounts Services (Revenue)	3,283	3,370
Housing Revenue Accounts Services (Capital)	3,189	3,303
Share of Joint venture profits	(70)	(69)
<b>Total transactions related to the joint venture</b>	<b>6,536</b>	<b>6,983</b>

## 16.0 Fees Payable

### 16.1 External Audit Fees Payable

External audit costs incurred by the Council are detailed in the following table.

2020/21 £'000		2021/22 £'000
55	Fees payable in relation to External Audit Services carried out by the appointed auditor*	41
18	Fees payable in relation to Certification of Grant Claims and returns **	
2	Pooled Housing Capital Receipts Return	
0	Fees payable in relation to other Audit Services	14
<b>75</b>	<b>Total *</b>	<b>55</b>

\* This is the planned fee for 2019/20 and 2020/21 due to the 2019/20 not yet being concluded, possible extra fees not included relate to 'new use of resources'

\*\* The Grant claims is not yet complete, this is an estimated figure for both 19/20 and 20/21



## **17.0 Pension Scheme**

### **17.1 Pension Scheme Disclosure**

The Council offers membership to a Pension Scheme with defined benefits as part of their employment terms and conditions to all employees. The benefits of the scheme are not payable until the employees retire, but the Council has a commitment to make payments which need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Essex County Council. This is a funded scheme which means both the Council and employee pay contributions into the fund. The contributions are calculated at a level intended to balance pension liabilities with investment assets over the long term.

The contributions are based on rates determined by the fund's professionally qualified actuaries and these are reviewed every 3 years. Under regulation the actuarial valuation of the fund is undertaken every three years. This valuation of the fund was last carried out as at 31 March 2020 and sets the contributions for the period 1 April 2020 to 31 March 2023.

The Pension Scheme has been calculated based on the revised IAS19 standard.

The assumptions have been made by the actuary that members will exchange half of their commutable pension for cash at retirement and that the proportion of active members who opted to pay 50% of contributions for 50% of benefits at the last valuation date remains the same as calculated during their previous review.

## 17.2 Transactions Relating to the Pension Scheme

The Council is required to recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are actually paid. The real cost of retirement benefits are reversed out of the CIES via the movement in reserves, the actual charge the Council is required to make against the Council Tax is based on the cash payable in the year. The following transactions reflect these accounting entries.

With effect from the 1 April 2011 public service pensions have been up-rated in line with Consumer Price Index (CPI) rather than Retail Price Index (RPI).

2020/21 Restated £'000	Comprehensive Income & Expenditure Statement - Cost of Services	2021/22 £'000
	<b>Cost of Services:</b>	
2,633	Current service cost	4,735
766	Net interest on the Defined Liability/Asset	712
57	Administration Cost	56
<b>3,456</b>	<b>Total Post Employment Benefit Charged to the Surplus or Deficit on Provision of Services</b>	<b>5,503</b>
	<b>Other Post Employment Benefit Charged to the Comprehensive Income &amp; Expenditure Statement</b>	
	<b>Remeasurement of the net defined liability comprising:</b>	
19,809	Return on Plan Assets (excluding the amount in the net interest expense)	7,039
1,208	Actuarial gains and losses arising on changes in demographic assumptions	-
(26,278)	Actuarial gains and losses arising on changes in financial assumptions	5,671
-	Other Actuarial Gains and Losses	-
1,350	Other Experience	(312)
<b>(3,911)</b>	<b>Total remeasurements recognised in Other Comprehensive Income &amp; Expenditure</b>	<b>12,398</b>
<b>(3,456)</b>	<b>Reversal of net charges made to the Surplus or Deficit on Provision of Services for post-employment benefits in accordance with the Code</b>	<b>(5,503)</b>
	<b>Actual amount charged against the General Fund for Pensions in the year:</b>	
2,654	Employer contributions payable to the Scheme	1,996
<b>(802)</b>	<b>Payments to the Pension Fund During the Year</b>	<b>(3,507)</b>
<b>(4,713)</b>	<b>Total amount recognised in the General Fund for Pensions in the Year</b>	<b>8,891</b>

### 17.3 Pension Assets and Liabilities – Recognised in the Balance Sheet

	2020/21 £'000	2021/22 £'000
Present value of the defined benefit obligation	(131,336)	(130,016)
Fair value of plan assets	94,757	102,338
Adjustments	9	(1)
<b>Net Liability arising from the Defined Benefit Obligation</b>	<b>(36,570)</b>	<b>(27,679)</b>

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

	2020/21 £'000	2021/22 £'000
Opening Fair Value of Scheme Assets 1 April	75,283	94,757
Interest Income	1,610	1,882
Return on Assets less Interest	19,809	7,039
Other Actuarial Gains/(Losses)	-	-
Admin Expenses	(57)	(46)
Contributions by Employer including Unfunded	2,654	1,996
Contributions by Employees paid into the Scheme	618	642
Estimated benefits paid plus unfunded net of transfers in	(2,851)	(3,932)
Settlement prices received/(paid)	(2,309)	-
<b>Closing Fair Value of Scheme Assets</b>	<b>94,757</b>	<b>102,338</b>

#### 17.4 Reconciliation of present value of Scheme Liabilities (Defined Benefit Obligation)

	2020/21 £'000	2021/22 £'000
Opening defined benefit obligation	107,149	131,336
Current service cost	3,440	4,711
Interest cost	2,376	2,594
Contributions by scheme participants & other Employers	618	642
<b>Remeasurement (gains) and losses:</b>		
Changes in financial assumptions	26,278	(5,671)
Changes in demographic assumptions	(1,208)	-
Experience loss/(gain) on defined benefit obligation	(1,350)	312
Estimated benefits paid net of transfers in	(2,747)	(3,834)
Past service costs including curtailments	-	24
Unfunded pension payments	(104)	(98)
Liabilities extinguished on settlements	(3,116)	-
<b>Closing Defined Benefit Obligation</b>	<b>131,336</b>	<b>130,016</b>

## 17.6 Local Government Pension Scheme Assets comprised

### 17.6.1 Fair Value of Scheme Assets Note 1

Fair Value of Scheme Assets Note 1	2020/21 £'000	% of Total Assets	2021/22 £'000	% of Total Assets
Equities	59,941	63.00%	61,448	60.00%
Gilts	2,414	3.00%	2,443	3.00%
Other bonds	4,609	5.00%	4,481	4.00%
Property	6,678	7.00%	8,393	8.00%
Cash/temporary investments	2,387	3.00%	2,597	3.00%
Alternative assets	10,891	11.00%	12,646	12.00%
Other managed funds	7,837	8.00%	10,330	10.00%
<b>Closing Fair Value of Scheme Assets</b>	<b>94,757</b>	<b>100.00%</b>	<b>102,338</b>	<b>100.00%</b>

### 17.6.2 Fair Value of Scheme Assets Note 2

Fair Value of Scheme Assets Note 2	2021/22 % Quoted	2021/22 % UnQuoted
Equity Instruments		
- UK and Overseas	64.5%	35.5%
<b>Total percentage Private Equity Instruments</b>	<b>64.5%</b>	<b>35.5%</b>

## 17.7 Financial Assumptions

<b>Mortality Assumptions</b>	<b>2020/21</b>	<b>2021/22</b>
Longevity at 65 for current pensioners:		
- Men	21.6	21.6
- Women	23.6	23.7
Longevity at 65 for future pensioners in 20 years:		
- Men	22.9	23.0
- Women	25.1	25.1
Discount rate %	2.0	2.6
Pension Increases (CPI)	2.8	3.2
Rate of increase in salaries %	3.8	4.2

## 17.8 Sensitivity Analysis

	<b>2020/21</b>	<b>2021/22</b>
	<b>£'000</b>	<b>£'000</b>
<b>Adjustment to discount rate</b>	<b>+0.1%</b>	<b>+0.0%</b>
Present value of total obligation	130,016	127,629
Projected service cost	4,372	4,229
<b>Adjustment to long term salary increase</b>	<b>+0.1%</b>	<b>+0.0%</b>
Present value of total obligation	130,016	130,232
Projected service cost	4,372	4,374
<b>Adjustment to pension increases &amp; deferred revaluation</b>	<b>+0.1%</b>	<b>+0.0%</b>
Present value of total obligation	130,016	132,218
Projected service cost	4,372	4,518
<b>Adjustment to life expectancy assumptions</b>	<b>None</b>	<b>+1yr</b>
Present value of total obligation	130,016	135,768
Projected service cost	4,372	4,551

## **18 Financial Instruments**

### **Financial Instruments Classifications**

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

### **Financial Liabilities**

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

The Council's non-derivative financial liabilities held during the year are measured at amortised cost and comprised:

- long-term loans from the Public Works Loan Board and commercial lenders
- short-term loans from other local authorities
- Private finance initiative contracts detailed in note 14.1
- Trade payables for goods and services received

### **Financial Assets**

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash, equity instruments or a contractual right to receive cash or other financial assets or a right to exchange financial assets and liabilities with another entity that is potentially favourable to the Council. The financial assets held by the Council during the year are held under the following classifications.

Amortised Cost (financial assets that have fixed or determinable payments and are not quoted in an active market) comprising:

- cash in hand
- bank current and deposit accounts with Barclays Bank Plc
- loans to other local authorities
- trade receivables for goods and services delivered

Fair Value through profit and loss comprising:

- Money Market Funds

Financial assets held at amortised cost are shown net of a loss allowance reflecting the statistical likelihood that the borrower or debtor will be unable to meet their contractual commitments to the Council.

## 18.1 Financial Assets

### Note 18.1 Financial Assets

	Non-Current				Totals	
	Investments		Debtors		31 March 2020/21 £'000	31 March 2021/22 £'000
	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000		
<b>Financial Assets</b>						
Amortised Cost	-	-	1,533	2,650	1,533	2,650
Fair Value through Profit and Loss						
Fair Value through other comprehensive income						
<b>Total financial Assets</b>	<b>-</b>	<b>-</b>	<b>1,533</b>	<b>2,650</b>	<b>1,533</b>	<b>2,650</b>
Non-Financial Assets	58,704	58,341			58,704	58,341
Non-Financial Assets - Expected Credit Gains /(Losses)	(926)	1,844			(926)	1,844
<b>Total financial Assets</b>	<b>57,778</b>	<b>60,185</b>	<b>1,533</b>	<b>2,650</b>	<b>59,311</b>	<b>62,835</b>

### Note 18.1 Financial Assets

	Current				Totals	
	Investments		Debtors		31 March 2020/21 £'000	31 March 2021/22 £'000
	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000		
<b>Financial Assets</b>						
Amortised Cost	13,036	24,395	747	385	13,783	24,780
Fair Value through Profit and Loss						
Fair Value through other comprehensive income						
<b>Total financial Assets</b>	<b>13,036</b>	<b>24,395</b>	<b>747</b>	<b>385</b>	<b>13,783</b>	<b>24,780</b>
Non-Financial Assets						
<b>Total</b>	<b>13,036</b>	<b>24,395</b>	<b>747</b>	<b>385</b>	<b>13,783</b>	<b>24,780</b>



## 18.2 Financial Liabilities

	Current			
	Creditors		Total	
	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000
<b>Financial Liabilities</b>				
Amortised Cost	111,881	169,111	111,881	169,111
<b>Total financial Liabilities</b>	<b>111,881</b>	<b>169,111</b>	<b>111,881</b>	<b>169,111</b>
	Non-Current			
	Creditors		Total	
	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000
<b>Financial Liabilities</b>				
Amortised Cost	122,599	121,527	122,599	121,527
<b>Total financial Liabilities</b>	<b>122,599</b>	<b>121,527</b>	<b>122,599</b>	<b>121,527</b>
<b>Total financial Liabilities</b>	<b>234,480</b>	<b>290,638</b>	<b>234,480</b>	<b>290,638</b>

## 18.3 Fair Value Disclosures of Financial Assets and Liabilities

### 18.3.1 Fair Value Disclosure of Financial Assets and Liabilities

Financial Liabilities	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	31 March 2020/21 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2021/22 £'000
Long Term Borrowing	118,407	134,954	117,502	138,492
PFI Creditor	4,192	4,192	4,025	4,025
Short Term Borrowing	111,881	111,881	169,111	169,111
<b>Total Financial Liabilities</b>	<b>234,480</b>	<b>251,027</b>	<b>290,638</b>	<b>311,628</b>

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	31 March 2020/21 £'000	31 March 2020/21 £'000	31 March 2021/22 £'000	31 March 2021/22 £'000
Financial Assets held at amortised cost	13,036	13,036	24,395	24,395
Short Term Debtors	747	747	385	385
Long Term investments in Shareholding Companies	57,778	65,681	60,185	63,121
Other Long Term Investments	-	-	-	-
Other Long Term Debtors	1,533	1,533	2,650	2,650
<b>Total financial Assets</b>	<b>73,094</b>	<b>80,997</b>	<b>87,615</b>	<b>90,551</b>

### 18.3.2 Fair Value of Financial Assets

Note 18.3.2 Financial Assets Fair Value Hierarchy - Fair Value through Profit or Loss	Fair Value Hierarchy	Amount 31 March 2020/21 £'000	Amount 31 March 2021/22 £'000
Equity in Shareholding Companies - Aspire Ltd	Level 3	65,681	63,121

### 18.4 Income, Expense, Gains and Losses

Income, Expense, Gains and Losses	Total	Financial Assets at Amortised Cost	Financial Assets at Fair Value through Profit & Loss	Financial Liabilities at Amortised Cost	Total
	2020/21	2021/22	2021/22	2021/22	2021/22
	£'000	£'000	£'000	£'000	£'000
<b>Interest Revenue:</b>	3,763			4,278	4,278
Financial Assets measured at amortised cost	1,046	(3,806)	(2)	-	(3,808)
Investment income	(2,307)	(1,833)	-	-	(1,833)
<b>Total Interest Revenue</b>	<b>2,502</b>	<b>(5,639)</b>	<b>(2)</b>	<b>4,278</b>	<b>(1,363)</b>

### **Long-term Borrowing**

The long term borrowing consists of two elements; borrowing from PWLB for the housing revenue account and borrowing from Phoenix life Ltd and other local authorities for spend on the investment strategy.

The Department for Communities and Local Government (DCLG) abolished the HRA subsidy system in March 2012, under the Localism Act, with Local Authorities taking control of the housing expenditure and income. This will enable the effective long term planning of housing stock at a local level.

The Council was required to borrow £88.407million on 28<sup>th</sup> March 2012 to buy itself out of the subsidy regime; this financial year was the fifth year of principal repayment at £2million per year leaving a balance as at 31 March 2022 of £78.407million. The Housing revenue Account maintains a 30 years rolling business plan as part of the council's financial planning this gives details of income, expenditure, financing and repayments.

The Council has set up a subsidiary company (Aspire CRP Ltd) to undertake an investment in Chesterford Research Park, to enable the investment the Council has committed to a forward starting loan totalling £37million. In 2017-18 the first element of the loan was drawn down totalling £10million. The borrowing will be drawn down to reduce internal cash balances loaned to Aspire CRP Ltd over a three year period with the second draw down in 2020-21 of £12million. The final element of £15million was drawn down in 2021-22.

£5 million is long term cash flow borrowing from Local authorities supporting the increase in spend on the investment strategy.

The maturity profile of the debt is detailed in Note 18.3.3 Financial Instruments.

### **18.4 Financial Instruments – Fair Values**

The fair value of a financial instrument is the price that would be received when selling an asset, or the price that would be paid when transferring a liability, to another market participant in an arms-length transaction. Where liabilities are held as an asset by another party, such as the council's borrowing, the fair value is estimated from the holders perspective.

Financial instruments, except those classified as amortised cost, are carried on the balance sheet at fair value. For most assets including money market funds, the fair value is taken from the market price.

Financial instruments classified as amortised cost are carried in the Balance Sheet at amortised cost.

Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2021, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31 March.
- The fair values of the PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.

- The fair value of short-term instruments, including trade payables and receivables is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the table shown above 18.3.2 , split by their level in the fair value hierarchy:

- Level 1 – fair value is only derived from quoted prices in active markets for identical assets or liabilities e.g. bond prices
- Level 2 – fair value is calculated from inputs other than quoted prices that are observable for the asset or liability, e.g. interest rates or yields for similar instruments
- Level 3 – fair value is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness

\*The fair value of short-term financial assets and liabilities held at amortised cost, including trade receivables and payables, is assumed to be approximate to the carrying amount.

## **18.5 Financial Instruments - Risks**

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities both revised in December 2021.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government guidance on Local Government Investments. This guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

The main risks covered are:

- *Credit Risk*: The possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

### **18.5.1 Credit Risk: Investments**

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without

credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures when selecting commercial entities for investment.

A limit of £2million was placed on the money that can be invested with a single counterparty (other than UK government and local authorities). A limit of £3m was placed on UK local authorities per authority and a limit of £2m per Money Market Fund. All of the Council's investments during 2021/22 were placed with UK Central Government, UK Local Government and Money Market Funds. No more than £10m in total can be invested for a period longer than 1 year.

The amount of money that can be invested with a single counterparty or same counterparty group is bound by the Council's Treasury Management Strategy, reviewed annually.

Credit risk is minimised through the annual investment strategy (details of which are available on the Council's website) which requires the Council to maintain a counterparty list that follows the criteria set out in the Treasury Management Practices. Credit worthiness is assessed by the use of credit ratings provided by a selection of external rating agencies to assess an institution's long and short term financial strength along with its individual and support ratings. Other information provided by brokers, advisers and financial and economic reports are also collated and assessed to monitor each individual institution against the Council's criteria.

Any counterparty whose ratings fall to the extent that they no longer meet the credit criteria are immediately removed from the lending list. Only highly rated counterparties are included on the lending list.

The Council holds all of its short term investments with central government and local authorities so no loss allowances have been calculated.

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

	Short-Term	
	As at 31st March 2021	As at 31st March 2022
	£'000	£'000
Unrated Local Authorities	8,000	5,000
UK Debt Management Office	-	13,600
Credit Risk not applicable	2,950	2,450
<b>Total Investments</b>	<b>10,950</b>	<b>21,050</b>

\* Credit risk is not applicable to shareholdings and pooled funds where the Council has no contractual right to receive any sum of money.

## 18.5.2 Credit Risk: Trade Receivables and Contract Assets

Payments for services are either required in advance or due at the time of the service is provided.

The following analysis summarises the Council's trade receivables (excluding HRA debt which is not reported by age)

	31 March 2021	31 March 2022
	Trade	Trade
	Receivables	Receivables
	£'000	£'000
Neither past due nor impaired	607	199
Past due < 3 months	21	77
Past due 3-6 months	1	0
Past due 6-12 months	8	5
Past due 12+ months	27	32
<b>Total receivables</b>	<b>664</b>	<b>313</b>

Loss allowances on trade receivables have been calculated by reference to the Council's historic experience of default with an adjustment for current and forecast economic conditions.

Receivables are collectively assessed for credit risk in the following groupings:

31 March 2021			31 March 2022	
Gross	Loss	Range of Allowances set aside	Gross	Loss
Receivable	Allowance		Receivable	Allowance
£'000	£'000		£'000	£'000
416	311	HRA Tenants	419	310
156	45	Private Sector	192	57
508	-	Public Sector	121	-
<b>1080</b>	<b>356</b>	<b>Total</b>	<b>732</b>	<b>367</b>

Receivables are written off to the Surplus or Deficit on the Provision of Services when they are deemed no longer collectable. Steps are taken to collect all outstanding amounts until this point.

### 18.5.3 Liquidity Risk

The Council has ready access to borrowing at favourable rates from other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 70% of the Council's borrowing matures in any one financial year.

The maturity analysis of financial instruments is as follows:

31 March 2021			Time to Maturity	31 March 2022		
Liabilities £'000	Assets £'000	Net £'000		Liabilities £'000	Assets £'000	Net £'000
111,797	(11,167)	100,630	Under 1 year	168,607	(21,050)	147,557
31,537	(1,395)	12,142	1 to 5 years	20,310	(1,492)	18,818
20,604	(2,127)	18,477	6 to 10 years	21,815	(2,287)	19,528
24,154	(2,650)	21,504	11 to 15 years	25,397	(2,850)	22,547
29,788	(3,180)	26,608	16 to 20 years	30,475	(3,429)	27,046
10,925	(190)	10,737	21 to 25 years	5,841	(264)	5,577
6,360	-	6,360	26 to 30 years	6,732	-	6,732
7,331	-	7,331	31 to 35 years	6,933	-	6,933
2,410	-	2,410	36 to 40 years	-	-	-
-	(49,991)	(49,991)	Over 40 years	-	(49,991)	(49,991)
<b>244,907</b>	<b>(70,699)</b>	<b>156,208</b>		<b>286,110</b>	<b>(81,362)</b>	<b>204,747</b>

### 18.5.4 Interest Rate Risk

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

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income will rise
- investments at fixed rates – the fair value of the assets will fall



Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the CIES. 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. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of £200,000 on the 12 month revenue impact of a 1% fall and rise in interest rates. If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	31 March 2021	31 March 2022
	£'000	£'000
Increase in interest payable on variable rate borrowings	291	1,070
Increase in interest receivable on variable rate investments	(106)	(176)
Decrease in fair value of investments held at FVPL	4	3
<b>Impact on Surplus or Deficit on the Provision of Services</b>	<b>189</b>	<b>897</b>

The approximate impact of a 1% fall in interest rates would be as above but with the movements being reversed.

## 18.6 Financial Instruments – Collateral

Debt Outstanding 31 March 2021 £'000		Debt Outstanding 31 March 2022 £'000
1,175	Rents to mortgages	-
<b>1,175</b>	<b>Total</b>	<b>-</b>

## 19 Supplementary Notes

### 19.1 Events after the Reporting Period

Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date, provided information about conditions that existed as at 31 March 2021, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

The below events occurred after the 31 March 2021.

#### Head of Paid Services

The Chief Executive, Dawn French, tendered her resignation in May 2021 after just over 5 years' service and will leave the Council on the 31 August 2021. Council members have set up an appointments panel with at least one representative from each of the elected political parties, the panel have recommended an Interim replacement whilst a full recruitment process is carried out. The appointment of Robert Tinlin was approved at the Extraordinary Council Meeting held on the 10 June 2021.

### 19.2 Contingent Liabilities

- **Covid-19**

The impact from the Covid-19 pandemic on the council is on-going, the impact on income and expenditure for 2020/21 has been reflected in the financial statements. The impact over the next twelve months cannot be quantified, due to possibility of the restrictions being extended and the risk of another lockdown during the winter months. The Council continues to assess the impact on the Council's financial situation.

- **Airport Appeal**

In July 2020 Stansted Airport Ltd (STAL) appealed against the Council's refusal of its planning application for infrastructure and increased passenger throughput. In accordance with the Council's scheme of delegation, officers instructed leading counsel to act for the Local Planning Authority (LPA).

The hearing sessions closed on 12 March. In its closing submissions the LPA reiterated the position set out in its Statement of Case. STAL argued that the condition sought was unnecessary, and submitted a claim for its costs, based on this and other allegations of unreasonable behaviour. The claim was robustly rebutted by leading counsel in written submissions following the close of the hearings.

The Inspectors' decisions on the appeal and the costs claim were received on 26 May 2021. The appeal has been allowed and STAL's costs in full have been awarded against the Council. The council is currently seeking leave to appeal both decisions, the costs are unknown at this point and are dependant on the appeal being allowed and the final decision.

- **Legal Claim**

The Council has one potential legal claim the details of which are commercially sensitive. At the Balance Sheet date, it is not possible to determine whether the Council has a possible obligation and the amount of the obligation cannot be measured reliably.

- **Grant from External Body**

In 2015, the Council received a grant from an external body towards a community project within the district. The grant was paid to the relevant community organisation; however, the project has not proceeded as expected. Discussion with the grant funder has raised the prospect of repayment of the grant amount in full from Uttlesford District Council as the original recipient of the grant, minus the proper expenditure incurred relating directly to the project. A further extension has been given to progress the project but in the event the project does not meet agreed milestones, the Council will recover the grant sum, minus the proper expenditure incurred relating directly to the project. However, if the Council fails to recover the money it will remain liable for the repayment to the external funder.

- **Mutual Municipal Insurance**

MMI is an insurance company established by a group of Local Authorities and incorporated in 1903. The Company suffered substantial losses between 1990 and 1992. These losses reduced MMI's net assets to a level below the minimum regulatory solvency requirement. In September 1992 MMI ceased to write new or to renew general insurance business and a contingent Scheme of Arrangement became effective in 1994. The Council is a scheme Creditor, under the scheme MMI will continue to pay agreed claims arising from incidents that occurred prior to September 1992, if their funds remain sufficient to meet obligations. If MMI funds become insufficient to meet the cost of agreed claims, it is possible that MMI will seek to recover monies from the Scheme Creditors.

As at 31 March 2021 the maximum possible liability for the Council under the Scheme is £60,477. This liability could increase in the event new claims arise relating to incidents that occurred prior to September 1992. Details of the scheme can be found at [www.mminsurace.co.uk](http://www.mminsurace.co.uk)

### 19.3 Accounting Standard issued but not yet adopted

The standards introduced by the 2022/23 Code where disclosures are required in the 2021/22 financial statements in accordance with the requirements of paragraph 3.3.4.3 of the Code are:

- IFRS 16 Leases (but **only** for those local authorities that have decided to adopt IFRS 16 in the 2022/23 year).
- Annual Improvements to IFRS Standards 2018–2020. The annual IFRS improvement programme notes 4 changed standards: • IFRS 1 (First-time adoption) – amendment relates to foreign operations of acquired subsidiaries transitioning to IFRS

- IAS 37 (Onerous contracts) – clarifies the intention of the standard
- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material

None of the matters covered in the annual improvements are dealt with in detail in the 2022/23 Code. During the consultation process on the 2022/23 Code CIPFA/LASAAC did not envisage them having a significant effect on local authority financial statements.

- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16).

Note that this is based on the current position as agreed by CIPFA/LASAAC but the Code has not yet been subject to full due process so this might be subject to change. Updates will be provided on the CIPFA Bulletins pages.

#### **19.4 Critical Judgements in Accounting Policies**

In applying the accounting policies the authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the authority might be impaired as a result of a need to close the facilities and reduce levels of provision.
- Critical judgements are made on the treatment of Grants and Contributions around whether terms attached are judged as conditions and/or restrictions and whether any conditions are met. If the Council views that conditions are met, the income is taken through the Comprehensive Income and Expenditure Statement using the same treatment as those without conditions. If conditions are not met the grant will be held within Creditors on the Balance Sheet
- The Council has interest in 4 subsidiaries of which 3 have been determined not material for consolidation due to the level of activities in the companies for 2020/21.
- The Council has made significant judgements on the on-going impact of the Covid-19 pandemic to assess the need for additional provisions or contingent liabilities as a result of the future impacts to the economy.

## 19.5 Assumptions made about the Future and Other Sources of Estimation

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

Item	Uncertainties	Effect if actual results differ from assumptions
Property, Plant and Equipment Useful Economic Life and Depreciation	Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible Assets respectively. This enables the assets to be written down over their estimated useful lives and show an appropriate cost of the asset in the Comprehensive Income and Expenditure Statement. Management judgment based on independent external advice is used to determine the useful economic lives of the Council's property.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall.</p> <p>The net book value of the Authority's property, plant and equipment assets is £404m as at 31 March 2022; of this, £114m relates to land which is not subject to depreciation and is considered to have an infinite life. Vehicle, plant and equipment assets account for £3.4m with asset lives between 5 and 15 years. If the asset lives are reduced by 1 year across vehicle, plant and equipment it is estimated that depreciation would increase by £220k.</p> <p>For buildings, the asset life is up to 60 years unless the asset has major components which are depreciated separately. It is estimated that if the asset life for buildings reduced by 1 year, depreciation would increase by £56k.</p>
Property, Plant and Equipment Valuation	Property, Plant and Equipment are reviewed for both economic and price impairment on an annual basis. As at 1 April each year the Council's valuers carry out a valuation review of the Council's assets. In addition a year-end review is also undertaken. The recoverable amount is then estimated having regard to the application of the concept of materiality.	<p>If an asset is impaired the carrying amount of the asset is reduced. Land and Buildings are subject to market value movements all other assets are held at depreciated historic cost. The HRA housing stock (Dwellings) are valued at Existing Use Value for Social Housing. If the assets held at revalued amounts a valuation impairment of 1% would equate to a reduction in the Council's net worth of £3.8m.</p> <p>An increase or decrease in the value of operational building's would result in an increase to the revaluation reserve or a decrease in the revaluation reserve up to the value of the balance held from previous year, and subsequently charged to the Comprehensive Income and Expenditure Statement.</p>

Item	Uncertainties	Effect if actual results differ from assumptions
Pensions Liability	<p>Estimation of the net 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 in the long term, changes in retirement ages, mortality rates and expected returns on pension fund assets. These judgements are completed by the Essex County Council Fund Actuaries.</p>	<p>The effect on net pensions of changes in individual assumptions can be measured. For instance:</p> <ul style="list-style-type: none"> <li>- A decrease in the discount rate assumption would result in an increase in pension liability.</li> <li>- An increase in member life expectancy would result in an increase in pension liability.</li> <li>- An increase in salaries would result in an increase in pension liability.</li> <li>- An increase in the pension rate would result in an increase in pension liability.</li> </ul> <p>Please reference table 17.4 for the affect on the scheme obligations.</p>
Impairment allowance for doubtful debts	<p>At 31 March 2021, the Council had a balance of £11.2m for debtors. A review of balances suggested that an impairment of doubtful debts of £2.6m was appropriate.</p> <p>The on-going economic impact of the Covid-19 pandemic has made the estimation of debt impairment more difficult as there is more uncertainty about the economic viability of debtors and hence their ability to settle their debts.</p>	<p>If collection rates were to deteriorate and sundry debt increased with the same debt profile, an additional contribution would be required to be set aside as an allowance. This is deemed non material for the Council's accounts.</p> <p>The nature of the debt and service area have been considered and further review has been carried out to reflect the uncertainty of the collection rates as a result of the on-going Covid-19 impact.</p>
Business Rates Appeals	<p>At 31 March 2021, the Council recognised a provision of £5.255m representing the total of expected liabilities in respect of business rates appeals lodged at the balance sheet date, the Council's share of this is £2.102m.</p>	<p>The value of appeals recognised in the provision are based on a calculation provided by our external valuers, Analyse Local. This determines the likely effect of appeals in terms of effect on rateable value (RV), the timing of the losses expected and the overall percentage reduction in RV. Whilst the figure provided in the accounts is expected to be materially accurate, a small variance in actual appeal costs incurred may arise.</p>

## SECTION G – SUPPLEMENTARY FINANCIAL STATEMENTS – HOUSING REVENUE ACCOUNT (HRA)

### Comprehensive Income and Expenditure Statement (CIES)

For the Year ended 31st March 2022

2020/21	Housing Revenue Account - Income & Expenditure Statement	2021/22
£'000		£'000
	<b>Expenditure</b>	
3,148	Repairs and maintenance	2,689
1,606	Supervision and management	2,105
68	Rents, rates, taxes and other charges	104
1,309	Overheads	137
3,817	Depreciation - Dwellings & Amortisation	3,782
65	Depreciation - Other Non-current Assets	132
314	Change in Valuation of Non-current Assets	(8,018)
17	Revenue Expenditure Funded from Capital Under Statute (REFCUS)	9
	Share of Corporate Core	-
<b>10,343</b>	<b>Total Expenditure</b>	<b>941</b>
	<b>Income</b>	
(15,204)	Dwelling Rents	(14,815)
(225)	Non-Dwelling Rents	(223)
(628)	Charges for services and facilities	(10)
(82)	Contributions towards expenditure	(1)
<b>(16,139)</b>	<b>Total Income</b>	<b>(15,048)</b>
	<b>Net Cost of HRA Services as included in the Comprehensive Income &amp; Expenditure Statement</b>	<b>(14,107)</b>
405	HRA Services share of non-distributed costs	137
<b>(5,391)</b>	<b>Net Cost of HRA Services</b>	<b>(13,970)</b>
(214)	(Gain) or loss on disposal of HRA Non-Current Assets & Pooling	(589)
2,584	Interest payable and similar charges	2,575
(66)	Interest and Investment Income	(3)
138	IAS19 Pensions - Net Interest on Defined Assets/Liabilities	131
113	Anticipated Credit loss	(9)
-	Capital Grants and Contributions	(114)
<b>(2,836)</b>	<b>(Surplus)/Deficit for the year on HRA Services</b>	<b>(11,979)</b>

2020/21 £'000	Movement on the Housing Revenue Account (HRA) Statement	2021/22 £'000
(344)	Balance on the HRA working balance at the end of the previous year	(471)
	Roundings adjusted from previous years	
(344)	<b>Restated Balance on the HRA at the end of the previous year</b>	(471)
(2,836)	(Surplus)/Deficit for the year on the HRA Income & Expenditure Statement	(11,979)
760	Adjustments between accounting basis and funding basis under statute	10,926
(2,076)	<b>Net increase or (decrease) in the year on the HRA before transfers to reserves</b>	(1,053)
1,948	Transfers to/(from) Earmarked Reserves	1,054
(127)	<b>Increase or (decrease) in the year on the HRA</b>	1
(471)	<b>Balance at the end of the year on HRA</b>	(471)

2020/21 £'000	Movement on the Total Housing Revenue Account (HRA) Statement	2021/22 £'000
(2,110)	Balance on the HRA working balance at the end of the previous year	(4,355)
(2,245)	Earmarked Reserves Transfers to/From	1,054
(4,355)	<b>Total Balance on the HRA at the end of the previous year</b>	(3,301)



Balance Sheet Value of HRA Assets	Council Dwellings £'000
<b>Cost or Valuation</b>	
<b>Adjustments to opening balance</b>	<b>20</b>
<b>Brought Forward 1 April 2021</b>	<b>312,848</b>
Additions	3,325
Revaluation increase/(decrease) recognised in the Revaluation Reserve	18,740
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	7,768
Derecognition - disposals	(2,217)
Derecognition - other	-
Reclassification - within PPE	2,720
Reclassification - outside PPE	-
<b>Balance carried forward 31 March 2022</b>	<b>343,205</b>
<b>Accumulated Depreciation &amp; Impairment</b>	
<b>Adjustments to opening balance</b>	<b>(20)</b>
<b>Brought Forward 1 April 2021</b>	<b>20</b>
Depreciation for year	(3,775)
Depreciation written out to the Revaluation Reserve	3,500
Depreciation written out to the Surplus/Deficit on Provision of Services	226
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	-
Derecognition - disposals	50
Derecognition - other	-
Reclassification - within PPE	-
Reclassification -outside PPE	-
<b>Balance carried forward 31 March 2022</b>	<b>(0)</b>
<b>Net Book Value as at 31 March 2022</b>	<b>343,205</b>
<b>Net Book Value as at 31 March 2021</b>	<b>312,868</b>

<b>Movements in 2020/21</b>	<b>Council Dwellings £'000</b>
<b>Cost or Valuation</b>	
<b>Brought Forward 1 April 2020</b>	<b>306,591</b>
Additions	3,379
Revaluation increase/(decrease) recognised in the Revaluation Reserve	1,939
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	281
De-recognition - disposals	(838)
De-recognition - Other	-
Derecognition - other	(822)
Reclassification - within PPE	2,318
<b>Balance carried forward 31 March 2021</b>	<b>312,848</b>
<b>Accumulated Depreciation &amp; Impairment</b>	
<b>Brought Forward 1 April 2020</b>	<b>-</b>
Depreciation for year	(3,709)
Depreciation written out to the Revaluation Reserve	3,501
Depreciation written out to the Surplus/Deficit on Provision of Services	204
Derecognition - disposals	9
Derecognition - other	15
Reclassification	-
<b>Balance carried forward 31 March 2021</b>	<b>20</b>
<b>Net Book Value as at 31 March 2021</b>	<b>312,868</b>
<b>Net Book Value as at 31 March 2020</b>	<b>306,591</b>

## Housing Revenue Account

### 20.1 Housing Stock

31/03/2021 No. of Properties			31/03/2022 No. of Properties
715	Flats		719
762	Bungalows		750
1,333	Houses		1,324
<b>2,810</b>	<b>Total Properties</b>		<b>2,793</b>
2020/21 No.	Build Type	No. of Beds	2021/22 No.
10	Houses	1	10
212		2	214
1,056		3	1,046
54		4	53
1		5	1
15	Flats	0	15
415		1	422
264		2	261
21		3	21
141	Bungalows	1	135
614		2	608
7		3	7
	Shared Ownership		
<b>2,810</b>			<b>2,793</b>

2020/21 £'000	HRA Balance sheet Value	2021/22 £'000
312,868	Council Dwellings	343,205
1,614	Other Land & Buildings-Garages	2,936
1,467	Other Land & Buildings-Temporary Accommodation	1,225
52	Vehicles, plant & Equipment	13
-	Community Assets	34
-	Intangibles	15
-	Infrastructure	12
3,686	Assets under Construction	5,011
<b>319,687</b>	<b>Balance 31 March</b>	<b>352,451</b>

## 20.2 Rent Arrears

2020/21 £'000		2021/22 £'000
	Arrears due from:	
383	- Current Tenants	391
32	- Former Tenants	28
415	<b>Total Rent Arrears</b>	419
<b>2.8%</b>	<b>Total as a % of Gross Rent</b>	<b>2.8%</b>

## 20.3 Movements on the HRA Reserve

2020/21 £'000		2021/22 £'000
(385)	Opening Balance as at 1 April	(467)
(3,711)	Transfer In	(3,887)
3,629	Capital Expenditure funded from reserve	3,323
<b>(467)</b>	<b>Closing Balance as at 31 March</b>	<b>(1,031)</b>

## 20.4 HRA Capital Expenditure and Financing

2020/21 £'000		2021/22 £'000
5,225	<b>Total HRA Capital Expenditure</b>	<b>7,378</b>
	<b>Financed by:</b>	
(952)	Revenue Contributions	(2,239)
(3,629)	Contribution from Major Repairs Reserve	(3,323)
(644)	Capital Receipts	(1,360)
-	Capital Grants	(456)
<b>(5,225)</b>	<b>Total Financing</b>	<b>(7,378)</b>

## 20.5 HRA Capital Receipts Reserve

2020/21 £'000	HRA Capital Receipts Reserve	2021/22 £'000
(1,789)	<b>Balance 1 April</b>	<b>(2,176)</b>
408	Paid to Government Housing Receipts Pool	426
(1,449)	Capital Receipts received	(2,941)
-	Notional Capital receipts received	(242)
644	Capital Receipts used for Financing	1,360
10	Expenses from sales of Capital Receipts	21
<b>(2,176)</b>	<b>Balance 31 March</b>	<b>(3,553)</b>

## **Notes to the HRA**

### **21.1 Introduction**

The Housing Revenue Account (HRA) is a record of revenue income and expenditure relating the Council's housing stock. The items charged to the HRA are prescribed by statute and are funded by the rent collected. The HRA is ring fenced from the General Fund, the Council has no general discretion to transfer sums between the Housing Revenue and General Fund accounts. Selected housing services (e.g. homelessness) are charged to the General Fund account under direction from Government.

### **21.2 Gross Rental Income**

Gross rent income is the total rent income due after allowances are made for void properties. An average of 2.29% of properties were vacant during 2021/22 (1.95% 2020/21) an increase over the year due to increased numbers held for redevelopment.

### **21.3 Housing Revenue Account Self-Financing Transactions**

With effect from April 2012 Housing Subsidy arrangements ceased for Uttlesford District Council and were replaced by a self-financing system giving local authorities greater autonomy and flexibility with its finances for the provision of Council housing.

## **SECTION H – SUPPLEMENTARY FINANCIAL STATEMENTS – COLLECTION FUND**

### **Collection Fund Summary**

Uttlesford District Council is the authority responsible for the billing, collection and recovery of Council Tax and Business Rates. The Council is required to maintain a separate income and expenditure account to reflect the transactions relating to the Collection Fund. The Collection Fund is an income and expenditure account which holds the transactions of the Council in relation to the collection from taxpayers of Council tax and Non Domestic Rates and its distribution to Central Government and its preceptors (Essex County Council, Essex Fire Authority and Essex Police Authority).

The Local Government Finance Act 2012 introduced a Business Rates Retention Scheme which enabled local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the business rates came into effect on 1 April 2013.

As at 31st March 2021, there is a large deficit on the collection fund. This is due to the impact of the Covid-19 pandemic on business rates and council tax collection. The business rates element is largely due to the retail, hospitality and leisure reliefs that were introduced and are being compensated in full by s31 grant from central government. The remaining business rates and the council tax deficit, as a result of the pandemic, are being compensated at 75% of lost income for 2020/21.

## 22.0 Collection Fund Income and Expenditure Account

2020/21			Collection Fund	2021/22		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
-	(70,003)	(70,003)	Council Tax Payers	-	(71,977)	(71,977)
(35,106)	-	(35,106)	Business Rates Payers	(44,174)	-	(44,174)
<b>(35,106)</b>	<b>(70,003)</b>	<b>(105,109)</b>	<b>Total Income</b>	<b>(44,174)</b>	<b>(71,977)</b>	<b>(116,151)</b>
4,034	50,250	54,284	Essex County Council	3,727	51,100	54,827
-	7,555	7,555	Essex Police Authority	-	7,947	7,947
448	2,810	3,258	Essex Fire Authority	414	2,816	3,230
17,928	9,663	27,591	Uttlesford District Council/Parish	16,566	9,961	26,527
22,411	-	22,411	Central Government	20,707	-	20,707
<b>44,821</b>	<b>70,278</b>	<b>115,099</b>	<b>Total Precept and Demand</b>	<b>41,414</b>	<b>71,824</b>	<b>113,238</b>
(2)	105	103	Essex County Council	(1,088)	(285)	(1,373)
-	16	16	Essex Police Authority	-	(43)	(43)
-	6	6	Essex Fire Authority	(121)	(16)	(137)
(8)	20	12	Uttlesford District Council	(4,837)	(55)	(4,892)
(10)	-	(10)	Central Government	(6,046)	-	(6,046)
<b>(20)</b>	<b>147</b>	<b>127</b>	<b>Total Distributions of Previous Years Surplus/(Deficit)</b>	<b>(12,092)</b>	<b>(399)</b>	<b>(12,491)</b>
1,701	1,227	2,928	Provision for Doubtful Debts Adjustment	474	(104)	370
(76)	-	(76)	Transitional Protection Payments due to Central Government	(80)	-	(80)
134	-	134	Business Rates:- Renewable Energy to General Fund	108	-	108
139	-	139	Business Rates:- Cost of Collection Allowance to General Fund	140	-	140
1,979	-	1,979	Business Rates:- Provision created in year	779	-	779
(1,116)	-	(1,116)	Business Rates:- Provision released into Collection Fund	(577)	-	(577)
<b>2,761</b>	<b>1,227</b>	<b>3,988</b>	<b>Total Other Expenditure</b>	<b>844</b>	<b>(104)</b>	<b>740</b>
<b>47,562</b>	<b>71,652</b>	<b>119,214</b>	<b>Total Expenditure</b>	<b>30,166</b>	<b>71,321</b>	<b>101,487</b>
378	(276)	102	(Surplus)/Deficit as at 1 April	12,834	1,373	14,207
12,456	1,649	14,105	(Surplus)/Deficit for the year	(14,009)	(657)	(14,666)
<b>12,834</b>	<b>1,373</b>	<b>14,207</b>	<b>(Surplus)/Deficit as at 31 March</b>	<b>(1,175)</b>	<b>716</b>	<b>(459)</b>



## Notes to the Collection Fund

### 22.10 Council Tax Introduction

Council Tax derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands using estimated April 1991 valuations for this purpose. Individual charges are calculated by aggregating the requirements of Essex County Council, Essex Police Authority, Essex Fire Authority and the Council, and dividing this by the Council Tax base to give an average Band D Council Tax rate.

The average amount for a Band D property in 2021/22 was £1,784.94 (2020/21 was £1,750.24), this is multiplied by the proportion specified for the particular band to give an individual amount due, to which must be added any parish precept.

The average Band D Council Tax bill including Parish Precepts in 2021/22 was £1884.72 (20/21 was £1,847.67).

### 22.2 Council Tax Base

2020/21 Council Tax Base		2021/22
37,790	Total Dwellings	38,595
37,002	Net Chargeable Dwellings	37,719
40,091	Band D Equivalents	40,658
(1,833)	Local Council Tax Support Discounts	(2,013)
38,258	Total Band D Equivalents	38,645
37,799	Collection Rate 98.8% / 98.8%	37,871
237	M.O.D Properties	237
<b>38,036</b>	<b>Council Tax Base</b>	<b>38,108</b>

### 22.3 Council Tax Income Analysis

2020/21		2021/22
£'000		£'000
80,623	Gross Council Tax Collectable	83,041
(1,576)	Less:- Exemptions	(1,527)
(5,585)	Less:- Discounts	(5,659)
(3,729)	Less:- Local Council Tax Support	(3,917)
1	Transitional Relief	2
<b>70,003</b>	<b>Income from Council Tax Payers</b>	<b>71,940</b>

### 22.4 Council Tax Collection Fund Balance

31 March 2021		31 March 2022
£'000		£'000
982	Essex County Council	514
147	Essex Police Authority	74
55	Essex Fire Authority	30
189	Uttlesford District Council	98
<b>1,373</b>	<b>Total (Surplus)/Deficit Apportioned</b>	<b>716</b>

## 22.5 Business Rates Introduction

Business Rates are derived from rates due for business premises. The rateable value payable by businesses is set by the valuation office and is outside the control of the council. The council acts as a billing agent for central government and its preceptors (Essex County Council and Essex Fire Authority).

The National Non Domestic Rateable value in the council's area as at 1st April 2021 was £108.685million (1st April 2020 was £107.546million) and the multipliers, as specified by Central Government were 49.9p excluding small business surcharge (49.9p 2020/21) and 51.2p including small business surcharge (51.2p 2020/21). Based on the lower rate this produced an approximate yield of £54.234million (£53.665 million 2020/21). The difference between the approximate yield and the actual value of rate payers' income (as reported in the collection fund summary) is explained by the application of reliefs, discounts, void properties and movement on the bad debt provision.

The Local Government Finance Act 2012 introduced a Business Rates Retention Scheme which enabled local authorities to retain a proportion of the business rates generated in their area. This came into effect on 1st April 2013.

Under the Business Rates Retention Scheme, local authorities are able to come together on a voluntary basis to pool their business rates receipts and then agree collectively how they will be distributed among pool members. The benefit of this is that the authorities within the pool are treated as one body. By combining the authority figures in the calculation of the safety net/levy position, the levy rate of the combined figures should be lower than the sum of the individual authorities combined so it enables income that would otherwise be paid to Government as a levy to be retained within the pool. However the protection each Authority receives under the safety net arrangements in the event of a shortfall is removed, with the 7.5% safety net only applying to the overall pool.

In 2021/22 Uttlesford was one of thirteen Councils in Essex in a pooling agreement along with the County Council and the Fire Authority. Based on provisional outturn information provided by members of the pool, Uttlesford is due to pay a levy of £1.860million but is estimated to receive £0.837million benefit share from the pool thus reducing the levy payable to £1.023million.

## 22.6 Business Rates Income Analysis

2020/21		2021/22
£'000		£'000
53,402	Gross Business Rate Collectable	57,449
(3,796)	Small Business Rate Relief	(4,384)
(2,242)	Mandatory Relief	(2,234)
(1,259)	Property Relief	(1,154)
(1,242)	Discretionary Relief	(5,423)
(373)	Transitional Relief	(80)
<b>35,106</b>	<b>Income from Business Rates Payers</b>	<b>44,174</b>

## 22.7 Business Rates Fund Balance

31 March 2021		31 March 2022
£'000		£'000
6,417	Central Government	(587)
1,155	Essex County Council	(106)
128	Essex Fire Authority	(12)
5,134	Uttlesford District Council	(470)
<b>12,834</b>	<b>Total (Surplus)/Deficit Apportioned</b>	<b>(1,175)</b>

## SECTION I – GROUP FINANCE STATEMENTS

### Group CIES

Gross Expenditure	Gross Income	Net Expenditure	Group Comprehensive Income & Expenditure Statement	Note	Gross Expenditure	Gross Income	Net Expenditure
2020/21	2020/21	2020/21 Restated			2021/22	2021/22	2021/22
£'000	£'000	£'000			£'000	£'000	£'000
2,598	(680)	1,918	Communities & Partnerships		2,861	(1,194)	1,667
16,975	(9,019)	7,956	Environmental Services		18,937	(11,614)	7,323
25,448	(22,417)	3,031	Finance & Administration		26,478	(23,169)	3,309
4,517	(2,659)	1,858	Housing & Economic Development		4,926	(3,416)	1,510
10,606	(16,401)	(5,795)	Housing Revenue Account		13,651	(27,758)	(14,107)
1,715	-	1,715	Housing Revenue Account - Overheads		137	-	137
2,431	(6,052)	(3,621)	Corporate costs		611	(437)	174
<b>64,290</b>	<b>(57,228)</b>	<b>7,062</b>	<b>Cost of Services</b>		<b>67,601</b>	<b>(67,588)</b>	<b>13</b>
4,808	(1,097)	3,711	Other Operating Expenditure	5.1	4,228	(1,205)	3,023
10,135	(15,562)	(5,427)	Financing & Investment Income and Expenditure	5.2	5,046	(65,614)	(60,568)
5443	(24,803)	(19,360)	Other Taxation and Non-Specific Grant Income	5.3	78	(19,137)	(19,059)
<b>20,386</b>	<b>(41,462)</b>	<b>(14,014)</b>	<b>(Surplus)/Deficit on Provision of Services</b>		<b>9,353</b>	<b>(85,956)</b>	<b>(76,591)</b>
1992	(6,480)	(4,488)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment Assets		1,665	(28,636)	(26,971)
26278	(22,367)	3,911	Remeasurement of the Pension net defined Liability/(Asset)		312	(12,710)	(12,398)
<b>28,270</b>	<b>(28,847)</b>	<b>(577)</b>	<b>Other Comprehensive Income and Expenditure</b>		<b>1,977</b>	<b>(41,346)</b>	<b>(39,369)</b>
		<b>(14,591)</b>	<b>Total Group Comprehensive Income and Expenditure</b>				<b>(115,960)</b>

## Group Balance Sheet

31/03/2021 £'000	Group Balance Sheet 2021/22	Notes	31/03/2022 £'000
362,253	Property, Plant and Equipment	7.1	404,093
1,091	Heritage Assets	7.3	1,091
102,954	Investment Properties		190,475
322	Intangible Assets	6.1	347
71,039	Long-term Investments in shareholding companies	8.1	106,297
1,533	Long-term Debtors	8.2	2,650
<b>539,192</b>	<b>Total Long-term Assets</b>		<b>704,953</b>
10,086	Short-term Investments	18.1	20,836
33	Inventories	9.1	0
11,591	Short-term Debtors	9.2 - 9.3	5,988
4,260	Cash & Cash Equivalents	9.4	4,938
<b>25,969</b>	<b>Total Current Assets</b>		<b>31,762</b>
(111,881)	Short-term Borrowing		(169,112)
(21,334)	Short-term Creditors	10.1	(28,345)
(2,396)	Short-term Provisions	10.2	(2,466)
<b>(135,611)</b>	<b>Total Current Liabilities</b>		<b>(199,923)</b>
(118,407)	Long-term Borrowing	18.2	(117,502)
(4,192)	Other Long Term Liabilities	11.2	(4,025)
-	Grant Receipts in Advance (Revenue)	11.3 - 11.4	(2,294)
(1,151)	Grant Receipts in Advance (Capital)		(101)
(36,570)	Pension Scheme Liability	17.3 - 17.5	(27,679)
<b>(160,320)</b>	<b>Total Long-term Liabilities</b>		<b>(151,601)</b>
<b>269,231</b>	<b>Total Net Assets</b>		<b>385,191</b>
	<b>Represented by:-</b>		
(31,887)	Usable Reserves	2.1 - 2.4	(32,073)
(237,344)	Unusable Reserves	3.1 - 3.6	(353,119)
<b>(269,231)</b>	<b>Total Reserves</b>		<b>(385,191)</b>

## Group Movement in Reserves

Group Movement in Reserves Statement 2021/22	Note no.	General	HRA	Major	Capital	Capital	Total	Unusable	Total
		Fund	Balance	Repairs	Receipts	Grants	Usable	Reserves	Authority
		Balance		Reserve	Reserve	Unapplied	Reserves		Reserves
		£'000	£'000	£'000	£'000	Account	£'000	£'000	£'000
						£'000			
<b>Balance as at 31 March 2021</b>		<b>(22,927)</b>	<b>(4,355)</b>	<b>(467)</b>	<b>(2,601)</b>	<b>(1,537)</b>	<b>(31,887)</b>	<b>(237,344)</b>	<b>(269,231)</b>
<b>Movement in Reserves during 2021/22</b>									
(Surplus) or Deficit on Provision of Services (accounting basis)		(32,117)	(11,607)				(43,724)		(43,724)
Adjustments between Group & Entity Accounts	Grp1	(32,867)					(32,867)	-	(32,867)
Other Comprehensive Income and Expenditure							-	(39,369)	(39,369)
<b>Total Comprehensive Income and Expenditure</b>		<b>(64,984)</b>	<b>(11,607)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(76,591)</b>	<b>(39,369)</b>	<b>(115,960)</b>
Adjustments between accounting basis & funding basis under regulations (Note 1.1)		65,211	12,661	(564)	(1,247)	344	76,406	(76,406)	-
<b>Net (increase)/decrease before transfers to earmarked reserves</b>		<b>228</b>	<b>1,054</b>	<b>(564)</b>	<b>(1,247)</b>	<b>344</b>	<b>(185)</b>	<b>(115,775)</b>	<b>(115,960)</b>
Transfers to/(from) Reserves		-	-	-	-	-	-	-	-
<b>(Increase)/decrease in year</b>		<b>228</b>	<b>1,054</b>	<b>(564)</b>	<b>(1,247)</b>	<b>344</b>	<b>(185)</b>	<b>(115,775)</b>	<b>(115,960)</b>
<b>Balance as at 31 March 2022</b>		<b>(22,699)</b>	<b>(3,301)</b>	<b>(1,031)</b>	<b>(3,847)</b>	<b>(1,193)</b>	<b>(32,072)</b>	<b>(353,119)</b>	<b>(385,191)</b>

	Note no.	General Fund Balance	HRA Balance	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance as at 31 March 2020</b>		(20,134)	(2,110)	(385)	(2,235)	(1,013)	(25,878)	(228,762)	(254,640)
<b>Total Balance for the Group as at 31 March 2020</b>		(20,134)	(2,110)	(385)	(2,235)	(1,013)	(25,878)	(228,762)	(254,640)
<b>Movement in Reserves during 2020/21</b>									
(Surplus) or Deficit on Provision of Services (accounting basis)		1,624	(2,835)	-	-	-	(1,211)	-	(1,211)
Adjustments between Group & Entity Accounts	Grp1	(12,803)					(12,803)		(12,803)
Other Comprehensive Income and Expenditure		-	-	-	-	-	-	(577)	(577)
<b>Total Comprehensive Income and Expenditure</b>		<b>(11,179)</b>	<b>(2,835)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(14,014)</b>	<b>(577)</b>	<b>(14,591)</b>
Adjustments between accounting basis & funding basis under regulations (Note 1.1)		8,414	760	(252)	(365)	(524)	8,034	(8,034)	-
<b>Net (increase)/decrease before transfers to earmarked reserves</b>		<b>(2,764)</b>	<b>(2,075)</b>	<b>(252)</b>	<b>(365)</b>	<b>(524)</b>	<b>(5,980)</b>	<b>(8,611)</b>	<b>(14,591)</b>
Transfers to/(from) Reserves-Adjustments		(29)	(170)	170	-	-	(29)	29	-
<b>(Increase)/decrease in year</b>		<b>(2,793)</b>	<b>(2,245)</b>	<b>(82)</b>	<b>(365)</b>	<b>(524)</b>	<b>(6,009)</b>	<b>(8,582)</b>	<b>(14,591)</b>
							-	-	-
<b>Balance as at 31 March 2021</b>		<b>(22,927)</b>	<b>(4,355)</b>	<b>(467)</b>	<b>(2,601)</b>	<b>(1,537)</b>	<b>(31,887)</b>	<b>(237,344)</b>	<b>(269,231)</b>



## Group Cashflow

2020/21 £'000	Cash Flow Statement 2021/22	Note	2021/22 £'000
14,014	Net Surplus/(Deficit) on the Provision of Services		76,591
9,754	Adjustments to net Surplus/(Deficit) on the Provision of Services - non cash movements		(48,423)
(14,385)	Adjustment for items included in the Net Surplus/(Deficit) on the Provision of Services that are investing and financing activities		(3,034)
<b>9,383</b>	<b>Net cash flows from operating activities</b>	<b>13.1</b>	<b>25,134</b>
(126,170)	Net cash flows from investing activities	13.2	(86,378)
116,249	Net cash flows from financing activities	13.3	61,922
<b>(538)</b>	<b>Net (Decrease) in cash and cash equivalents</b>		<b>678</b>
4,798	Cash and cash equivalents at the beginning of the reporting period		4,260
<b>4,260</b>	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>4,938</b>