



Draft Statement of Accounts 2022/23

Uttlesford District Council

 Uttlesford District Council
London Road
Saffron Walden
Essex
CB11 4ER

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NARRATIVE REPORT

Introduction

The Statement of Accounts presents the financial results of the Council's activities for the year ended 31 March 2023 and summarises the overall financial position of the Council as of 31 March 2022. This Narrative Report sets out the key issues and is intended to give the reader an insight into the Council's performance during 2022/23.

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. The following table sets out the changes to the political balance over the last 12 months and includes the most up to date position as at 31st March 2023.

Political Party	31-Mar-20	31-Mar-21	18-May-21	31-Mar-23
Residents for Uttlesford	23	24	24	23
Liberal Democrats	5	5	5	5
Conservatives	4	4	5	6
Green Party	2	2	3	3
Independent Group for Great Chesterford (The 'Uttlesford Independents Group')	2	2	2	2
Independents for Thaxted and Great Easton	2	0	0	0
Vacant Seats	1	2	0	0
Total	39	39	39	39

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

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 9 February 2023, full details can be found at the following link: [Corporate Plan 2023 to 2027](#).

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

Uttlesford – The Establishment

Robert Tinlin, Interim Chief Executive was in position until 29 September 2021 and replaced with the current Chief Executive Peter Holt. Peter remains in position since 1 October 2021. Peter has extensive local government and leadership experience, as well as a background in organisational transformation. He is also communications specialist and has been an independent strategic consultant since April having previously been Assistant Chief Executive and Deputy Monitoring Officer for South Northants Council from 2018.

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 £11.62 (excluding apprenticeships) , which is significantly higher than the National Living Wage of £9.50 per hour and the Real Living Wage of £9.90 per hour during 22/23.

Governance and Risk Management

The Annual Governance Statement is included as a key document in the Statement of Accounts. 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 March 2023. [Corporate Risk Register Update 2022/23](#)

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

- Recovery of the economy both locally and nationally from the Covid-19 pandemic
- 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 2023/24; in future years the strategy shows a deficit position and by the final year the deficit is £6.598m for the General Fund.

General Fund 5 Year Budget Model	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	Current Budget	Original Budget	Forecast	Forecast	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000
Net service expenditure						
Gross service expenditure	37,662	40,198	39,276	38,616	39,096	39,674
Gross service income	(20,139)	(20,947)	(21,037)	(21,230)	(20,976)	(21,384)
Demand growth	-	-	250	500	750	1,000
Subtotal - Net service expenditure	17,523	19,251	18,489	17,886	18,870	19,290
Investment property	(5,658)	(760)	(622)	(1,108)	(1,304)	(2,602)
Corporate items						
Capital financing	4,136	2,441	1,462	1,429	1,453	1,477
Net recharges to Housing Revenue Account (HRA)	(1,747)	(1,967)	(1,993)	(2,020)	(2,048)	(2,092)
Other corporate items	426	542	72	96	538	58
Subtotal - Corporate items	2,815	1,016	(459)	(495)	(57)	(557)
External funding						
Retained business rates (including S31 grants)	(3,774)	(5,272)	(5,401)	(2,354)	(2,430)	(2,525)
Collection fund (surplus)/deficit	(559)	249	-	-	-	-
Government grants	(3,217)	(3,333)	(3,495)	(1,817)	(932)	(101)
Subtotal - External funding	(7,550)	(8,356)	(8,896)	(4,171)	(3,362)	(2,626)
Subtotal - Net operating expenditure	7,130	11,151	8,512	12,112	14,147	13,505
Transfers to/(from) earmarked reserves	(726)	(4,457)	101	121	622	976
Total - Council tax requirement	6,404	6,694	8,613	12,233	14,769	14,481
Council tax	(6,404)	(6,694)	(6,973)	(7,309)	(7,594)	(7,883)
(Surplus)/deficit	-	-	1,640	4,924	7,175	6,598

The Council's budget and associated strategies for 2022/23 including the Medium-Term Financial Strategy (MTFS) for the period 2023 – 2028 were approved at the Council meeting on the 9 February 2023. Full details of the MTFS and supporting budgets and strategies presented at the Council meeting can be viewed by following the [link](#). The meeting was also recorded and is available to watch via a link within the webpage.

Financial Performance – 2022/23

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 2022/23 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.

Collection Fund (Business Rates and Council Tax)

The Collection Fund has a surplus of £0.072m made up of a business rate surplus of £0.102m and a council tax deficit of £0.030m.

General Fund Revenue Account

The net operating expenditure is £5,020k against a budget of £7,130k this shows an overall underspend on the net of all income and expenditure of £2,110k. After adjusting for the associated use of reserves, this gives an overall net underspend of £342k. It is proposed that the surplus is allocated across two reserves: Medium Term Financial Strategy and Transformational Reserve.

It should be noted that the original budget for 2022/23 included a planned deficit of £214,000 to be funded from the Medium Term Financial Strategy reserve. The underspend of £342,000 against this budget therefore indicates a true surplus on the General Fund of £128,000.

The following table provides a summary of the budget outturn:

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Forecast Outturn	Forecast Variance
Direct Service Budgets					
Net Service Expenditure	13,468	17,342	17,523	19,190	1,667
Corporate Items					
Capital Financing and MRP	2,672	5,131	7,266	4,204	(3,062)
Recharge to HRA	(1,700)	(1,747)	(1,747)	(1,806)	(59)
Investment Income	(8,202)	(11,774)	(11,774)	(11,268)	506
Borrowing Cost	1,343	2,835	2,835	4,457	1,622
Other Corporate Items	454	425	425	54	(371)
Net Expenditure	(5,433)	(5,130)	(2,995)	(4,359)	(1,364)
Funding					
New Homes Bonus Grant	(2,823)	(1,343)	(1,343)	(1,343)	0
Business Rates Retention	885	(4,367)	(4,367)	(4,604)	(237)
Rural Services Grant	(293)	(293)	(293)	(293)	0
Other Government Grants	(948)	(1,552)	(1,552)	(1,521)	31
Council Tax - Collection Fund	(79)	5	5	(14)	(19)
	(3,258)	(7,550)	(7,550)	(7,775)	(225)
Net Operating Expenditure	4,777	4,662	6,978	7,056	78
Net transfers to/(from) other earmarked reserves	363	1,742	(574)	(80)	494
Council Tax (precept levied on Collection Fund)	(6,159)	(6,404)	(6,404)	(6,404)	0
(Under)/Overspend	(1,019)	0	0	572	572

The forecast outturn position for quarter 3 presented to Cabinet in March. The final year end position is reporting an overall net underspend of £572k.

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 overspend of £485k on the delivery of direct services comprises an exceptional £2.100 million compensation payment in respect of the Stansted Airport planning appeal, and a net underspend on other services of £1.615 million.

Where services are funded from earmarked reserves (such as ringfenced grants or other resources specifically allocated by members), any under or overspend will be matched by a corresponding transfer to or from the relevant reserve. In 2022/23, there were net transfers from earmarked reserves in respect of service variances totalling £515k. After taking this into account, the residual outturn position on direct services is an underspend of £30k, as set out in the table below:

£'000	2021/22 Final Outturn	2022/23				2022/23	
		Original Budget	Current Budget	Final Outturn	Final Variance	Variance funded through earmarked reserves	Net variance after reserve transfers
Portfolio Budgets							
Communities & Partnerships	1,076	1,066	1,054	1,036	(18)	148	130
Housing & Economic Development	1,489	2,699	2,679	2,044	(635)	342	(293)
Environmental Services	3,993	5,812	5,812	5,093	(719)	933	214
Finance & Administration	6,910	7,765	7,978	7,735	(243)	162	(81)
Airport compensation	0	0	0	2,100	2,100	(2,100)	0
Subtotal - Portfolio Budgets	13,468	17,342	17,523	18,008	485	(515)	(30)

General Fund Reserves

The total General Fund reserves balance at 1st April 2022 was £23.823 million. The budget includes a net draw on reserves of £726k. However, due to the variances in year, the actual proposed position is a net contribution to specific reserves of £1.042 million. This, together with the overall underspend of £342k, leaves a closing reserve balance at 31st March 2023 of £25.207 million.

Housing Revenue Account (HRA)

The HRA original budget was for an operating surplus of £3.352 million. This, together with net transfers from reserves of £238k, was to be used to finance capital expenditure of £3.590 million in the year.

The actual outturn is an operating surplus of £1.353 million, i.e. an underachievement against budget of £1.999 million. However, following a review of the HRA capital programme and financing arrangements during the year, the requirement for revenue financing of capital works in year has been significantly reduced. As a result, the final outturn position on the HRA after capital financing and reserve transfers is a deficit of £91k, as set out in the table below:

£'000	2021/22 Outturn	2022/23			
		Original Budget	Current Budget	Final Outturn	Final Variance
Housing Service Income	(16,056)	(16,832)	(16,832)	(16,457)	375
Housing Service Expenditure					
Housing Finance & Business Management	104	78	78	130	52
Housing Maintenance & Repairs Service	3,712	4,071	4,071	4,868	797
Housing Management & Homelessness	970	977	977	1,140	163
Total Service Expenditure	4,786	5,126	5,126	6,138	1,012
Non-Service Expenditure	8,086	8,354	8,354	8,966	612
Total Expenditure	12,872	13,480	13,480	15,104	1,624
Operating (Surplus) / Deficit	(3,184)	(3,352)	(3,352)	(1,353)	1,999
MRP - Repayment of HRA Loan	2,000	0	0	0	0
Funding of Capital Programme from HRA	2,239	3,590	5,074	2,876	(2,198)
Movement in Reserves	(1,166)	(238)	(1,722)	(1,432)	290
(Surplus) / Deficit	(111)	0	0	91	91

Investments

Commercial Property - Sums Invested	31.3.22 Actual £m	31.03.23 Actual £m
Skyway House, Parsonage Road, Takeley – Offices	20.8	21.3
Deer Park Road, Livingston, Scotland – Veterinarian Practice	5.2	5.2
Stane Retail Park, Colchester – Retail Park	27.1	27.2
Chorley – Regional Distribution Centre	58.3	58.3
Gloucester – Distribution Centre	33.9	43.3
Tewkesbury – Offices and warehouse	24.5	29.1
TOTAL	169.8	184.4

These investments generated £9.0 million of investment income for the Council in 2022/23 after taking into account direct costs. In addition, as at 31st March 2023 the Council had invested £60.0 million in loans to its subsidiary, Aspire (CRP) Ltd, which holds a 50% share in investment property at Chesterford Research Park. These loans generated income of £2.5 million of investment income during the year. All non-treasury investments are acquired and managed in line with the Commercial Strategy approved each year by Full Council, and available on the Council's website. This sets out in more detail the risks to the Council of holding such investments, mitigating actions taken, and governance and oversight arrangements.

The principle risks of tenant defaults, void periods, and unexpected refurbishment costs are managed by setting aside sums in a commercial asset reserve. As at 31 March 2023 this reserve stood at £4 million, and there is provision in the Medium Term Financial Strategy to increase this amount by £1 million in each of the following 5 years. The total contribution to the Council's budget generated by commercial investments in 2022/23 (net of associated borrowing costs and repayment of principal) was £5.1 million, representing 28% of the Council's net direct service expenditure.

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.

At 31 March 2023, the Council had net borrowing of £286.8 million arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in table 1 below.

	31.3.22 Actual £m	2022/23 Movement £m	31.3.23 Actual £m
General Fund CFR	16.1	0.6	16.7
HRA CFR	80.9	0.0	80.9
Investments CFR	226.6	11.9	238.5
Total CFR	323.6	12.5	336.1
Less: Other debt liabilities *	-4.2	0.2	-4.0
Borrowing CFR	319.4	12.7	332.1
Less: Usable reserves	-33.0	-1.0	-34.0
Less: Working capital	-23.9	12.6	-11.3
Net borrowing	262.5	24.3	286.8

* PFI liabilities that form part of the Council's total debt.

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 31st March 2023 and the change during the year is shown in the table below.

	31.3.22 Balance	2022/23 Movement	31.3.23 Balance	31.3.23 Weighted Average Rate
	£m	£m	£m	%
Long-term borrowing	120.1	70.5	190.6	3.61
Short-term borrowing	166.0	-57.2	108.8	2.68
Total borrowing	286.1	13.3	299.4	
Short-term investments	18.6	-6.5	12.1	3.99
Cash and cash equivalents	5.0	-4.5	0.5	1.88
Total investments	23.6	-11.0	12.6	
Net borrowing	262.5	24.3	286.8	

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 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. The Council acquired £15.8m of Investment Property during 2022/23.

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

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 2023.

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 2022/23 financial year and its position at the year- end of 31st March 2023.

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 2022/23, 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 2022 by Wilks, Head and Eve LLP and an end of year market review is undertaken as at 31 March 2023.

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.

The following guidelines have been applied in order to implement the accounting requirements efficiently and effectively:

- A de-minimis value of £500,000 and 25% or more of the value of the parent building component.
- The annual depreciation charge of the componentised asset varies by at least £30,000 if the component is depreciated separately from 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 2022/23 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 2023

Movement in Reserves Statement 2022/23	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 2022	(23,823)	(3,302)	(1,031)	(3,846)	(1,193)	(33,196)	(306,105)	(339,300)
(Surplus) or Deficit on Provision of Services (accounting basis)	42,558	(2,826)				39,732		39,732
Other Comprehensive Income and Expenditure						-	(32,238)	(32,238)
Total Comprehensive Income and Expenditure	42,558	(2,826)	-	-	-	39,732	(32,238)	7,494
Adjustments between accounting basis & funding basis under regulations (Note 1.1)	(43,871)	4,573	426	(525)	(293)	(39,691)	39,691	-
Net (increase)/decrease before transfers to earmarked reserves	(1,313)	1,747	426	(525)	(293)	41	7,453	7,494
Transfers to/(from) Reserves	11	(201)	-	-	-	(191)	191	-
(Increase)/decrease in year	(1,303)	1,545	426	(525)	(293)	(149)	7,644	7,494
Balance as at 31 March 2023	(25,126)	(1,756)	(605)	(4,371)	(1,487)	(33,345)	(298,461)	(331,806)

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
Balance as at 31 March 2021	(22,441)	(4,355)	(467)	(2,600)	(1,537)	(31,400)	(224,807)	(256,207)
(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)
Total Comprehensive Income and Expenditure	(32,117)	(11,607)	-	-	-	(43,724)	(39,369)	(83,093)
Adjustments between accounting basis & funding basis under regulations (Note 1.1)	30,734	12,661	(564)	(1,247)	344	41,929	(41,929)	-
Net (increase)/decrease before transfers to earmarked reserves	(1,382)	1,054	(564)	(1,247)	344	(1,795)	(81,298)	(83,093)
Transfers to/(from) Reserves	-	-	-	-	-	-	-	-
(Increase)/decrease in year	(1,382)	1,054	(564)	(1,247)	344	(1,795)	(81,298)	(83,093)
Balance as at 31 March 2022	(23,823)	(3,301)	(1,031)	(3,846)	(1,193)	(33,196)	(306,105)	(339,300)

Comprehensive Income and Expenditure Statement (CIES)

For the year ended 31 March 2023

Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
2021/22 £'000	2021/22 £'000	2021/22 £'000			2022/23 £'000	2022/23 £'000	2022/23 £'000
2,861	(1,194)	1,667	Communities & Partnerships		2,820	(958)	1,862
18,937	(11,614)	7,323	Environmental Services		28,541	(10,847)	17,694
26,478	(23,169)	3,309	Finance & Administration		28,025	(24,312)	3,713
4,926	(3,416)	1,510	Housing & Economic Development		5,390	(2,998)	2,392
13,651	(27,758)	(14,107)	Housing Revenue Account		19,810	(24,970)	(5,160)
137	-	137	Housing Revenue Account - Overheads		600	-	600
3,173	(463)	2,710	Corporate costs		1,445	(399)	1,046
70,163	(67,614)	2,549	Cost of Services		86,632	(64,484)	22,147
4,228	(1,205)	3,023	Other Operating Expenditure	5.1	4,263	(1,099)	3,163
5,046	(35,283)	(30,237)	Financing & Investment Income and Expenditure	5.2	46,828	(13,857)	32,970
78	(19,137)	(19,059)	Other Taxation and Non-Specific Grant Income	5.3	1,164	(19,713)	(18,549)
79,515	(123,239)	(43,724)	(Surplus)/Deficit on Provision of Services		138,885	(99,153)	39,732
1,665	(28,635)	(26,970)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment Assets		-	(6,366)	(6,366)
312	(12,710)	(12,398)	Remeasurement of the Pension net defined Liability/(Asset)		11,253	(37,125)	(25,872)
1,977	(41,345)	(39,368)	Other Comprehensive Income and Expenditure		11,253	(43,491)	(32,238)
		(83,092)	Total Comprehensive Income and Expenditure				7,494

Balance Sheet as at 31 March 2023

31/03/2022 £'000		Notes	31/03/2023 £'000
404,093	Property, Plant and Equipment	7.1	408,899
1,091	Heritage Assets	7.3	1,091
190,475	Investment Properties	7.4	168,575
347	Intangible Assets	6.1	297
60,185	Long-term Investments in shareholding companies	8.1	59,363
2,650	Long-term Debtors	8.2	3,992
658,841	Total Long-term Assets		642,216
20,836	Short-term Investments	18.1	14,709
0	Inventories	9.1	26
5,320	Short-term Debtors	9.2 - 9.3	9,173
3,559	Cash & Cash Equivalents	9.4	2
29,715	Total Current Assets		23,910
	Bank Overdraft		(1,202)
(169,112)	Short-term Borrowing	18.2	(108,276)
(26,077)	Short-term Creditors	10.1	(22,208)
(2,466)	Short-term Provisions	10.2	(2,361)
(197,655)	Total Current Liabilities		(132,845)
(117,502)	Long-term Borrowing	18.2	(190,595)
(4,025)	Other Long Term Liabilities	11.2	(3,844)
(2,294)	Grant Receipts in Advance (Revenue)	11.3 - 11.4	(2,331)
(101)	Grant Receipts in Advance (Capital)		(101)
(27,679)	Pension Scheme Liability	17.3 - 17.5	(3,402)
(151,601)	Total Long-term Liabilities		(200,273)
339,300	Total Net Assets		331,806
	Represented by:-		
(33,196)	Usable Reserves	2.1 - 2.4	(33,345)
(306,105)	Unusable Reserves	3.1 - 3.6	(298,461)
(339,300)	Total Reserves		(331,806)

I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2023 and its income and expenditure for the year ended 31 March 2023.

Adrian Webb

Cash Flow Statement

For year ended 31st March 2023

2021/22 £'000	Cash Flow Statement 2022/23	2022/23 £'000
43,724	Net Surplus/(Deficit) on the Provision of Services	(39,732)
(15,497)	Adjustments to net Surplus/(Deficit) on the Provision of Services - non cash movements	48,706
(3,034)	Adjustment for items included in the Net Surplus/(Deficit) on the Provision of Services that are investing and financing activities	(1,869)
25,193	Net cash flows from operating activities	7,105
(86,378)	Net cash flows from investing activities	(21,323)
61,922	Net cash flows from financing activities	9,459
737	Net (Decrease) in cash and cash equivalents	(4,759)
2,822	Cash and cash equivalents at the beginning of the reporting period	3,559
3,559	Cash and cash equivalents at the end of the reporting period	(1,200)

SECTION B – NOTES TO THE CORE FINANCIAL STATEMENTS

1.0 Adjustments between Accounting and Funding Basis under Regulations 2022/23

Adjustments between Accounting & Funding Basis	2022/23					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Capital Adjustment Account						
Charges for depreciation and impairment movements on non-current assets	(1,312)	(4,004)	-	-	-	5,316
Amortisation of Intangible Assets	(87)	(0)	-	-	-	87
Revenue expenditure funded from capital under statute	(468)	(21)	-	-	-	489
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-	-	-	-	-	-
Statutory provision for financing capital investment	3,143	-	-	-	-	(3,143)
Capital expenditure charges against the General Fund and HRA balances	763	3,505	-	-	-	(4,268)
Provision for expected credit gain/loss	(113)	-	-	-	-	113
Movements in the Market Value of Investment Properties	(37,772)	-	-	-	-	37,772
Revaluation gains/losses on PPE	(7,129)	405	-	-	-	6,724
Adjustments involving the Capital Grants Unapplied Account	-	-	-	-	-	-
Application of grants to capital financing from unapplied reserves	18	(18)	-	-	364	(364)
Capital grants and contributions that have been credited to the CIES	657	-	-	-	(657)	-
Adjustments involving the Capital Receipts Reserve						
Transfer of sale proceeds credited as part of the gains/losses on disposal to the CIES	(478)	808	(2,566)	-	-	2,236
Use of Capital Receipts Reserve to finance capital expenditure	395	(52)	2,041	-	-	(2,384)
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	-	-	-	-	-	-
Adjustments involving the Major Repairs Reserve						
Additions to Major Repairs Reserve to finance new capital expenditure	-	-	-	-	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	4,430	-	(4,430)
Transfer of Depreciation to Major Repairs Reserve	-	4,004	-	(4,004)	-	-
Subtotals Adjustments 2022/23	(42,384)	4,627	(525)	426	(293)	38,149

Movement in Reserves Statement – Adjusting between Accounting and Funding Basis under Regulations 2022/23 (continued)

	2022/23					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Adjustments involving the Pension Reserve						
Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	815	(64)	-	-	-	(751)
Prior year adjustments 2020/21						-
Employers pension contributions and direct payments to pensioners payable in year	(2,155)	-	-	-	-	2,155
Adjustments involving the Collection Fund Adjustment Account						
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	(301)		-	-	-	301
Adjustments involving the Accumulated Absences Account						
Adjustments in relation to short-term compensated absences	154	10	-	-	-	(164)
Subtotals Adjustments 2022/23	(1,487)	(54)	-	-	-	1,542
Total Adjustments 2022/23	(43,871)	4,573	(525)	426	(293)	39,691

Movement in Reserve Statement – Adjusting between Accounting Funding Basis under Regulations 2021/22

Adjustments between Accounting & Funding Basis	2021/22					Movement Unusable Reserves £'000
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	
	£'000	£'000	£'000	£'000	£'000	
Adjustments involving the Capital Adjustment Account						
Charges for depreciation and impairment movements on non-current assets	(1,396)	7,999	-	-	-	(6,603)
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	25,072	-	-	-	-	(25,072)
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)
Adjustments involving the Capital Receipts Reserve						
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	-	-	-
Adjustments involving the Major Repairs Reserve						
Additions to Major Repairs Reserve to finance new capital expenditure	-	-	-	-	-	-
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
Subtotals Adjustments 2021/22	28,140	12,904	(1,247)	(564)	344	(39,577)

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
Adjustments involving the Pension Reserve						
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
Adjustments involving the Collection Fund Adjustment Account						
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)
Adjustments involving the Accumulated Absences Account						
Adjustments in relation to short-term compensated absences	183	8	-	-	-	(190)
Subtotals Adjustments 2021/22	2,594	(243)	-	-	-	(2,352)
Total Adjustments 2021/22	30,734	12,661	(1,247)	(564)	344	(41,929)

1.1 Transfer to Earmarked Reserves

Transfers to Earmarked Reserves	31-Mar-22	Transfer In	Transfer Out	31-Mar-23	Purpose of Reserve
	£'000	£'000	£'000	£'000	
Earmarked Reserves of the General Fund					
Business Rates	(4,571)	(1,153)		(5,724)	To manage any Collection Fund deficit and/or shortfall in income.
Capital Slippage	(2,350)	(17)	1,432	(935)	Revenue and reserve funding for capital schemes slipped in to future years.
Development Projects	(1,470)	(135)	141	(1,464)	To support work and development for Garden Communities.
DWP	(71)		71	(0)	Relates to the value of benefit subsidy expected to be required to be paid back.
Economic Development	(1,484)		814	(670)	Reserve to assist economic development and businesses in the district.
Elections	(130)		130	0	The reserve funds future election costs and is drawn down in UDC election years.
Emergency Response	(1,334)		1,334	-	To support any resource requirement to a local emergency.
EU Exit	(513)	-	513	0	To manage any risks relating to EU Exit.
Funding	(1,102)	(3,292)	6	(4,388)	To manage the impact of the reduction in Government funding in future years.
Health and Wellbeing	(186)	(31)	13	(204)	To support the Health and Wellbeing strategy.
Homelessness	(357)		84	(273)	Set up to cover unbudgeted additional demand within the homelessness service.
Licensing	(66)	(46)	49	(63)	Reserve to absorb excess of costs over income in relation to taxi licensing services.
MTFS	(2,180)	(6,334)	1,611	(6,903)	Provide a contingency fund to support payments for the investments should there be an in year income shortfall.
New Homes Bonus Ward Members	(16)		16	(0)	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	(794)	(33)	94	(733)	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	(1,102)			(1,102)	Additional in-year income set aside for future year shortfalls.
Sports Rsv	(105)	(150)		(255)	
Strategic Initiatives	(1,663)		1,663	0	To support initiatives in accordance with the stated purpose approved each year at Full Council.
Transformation	(1,777)		1,777	(0)	To enable the Council to change the way it operates in order to meet the financial challenges ahead.
Waste Depot Relocation	(198)			(198)	It is proposed to purchase land and provide the necessary buildings and utilities in the South of the district.
Waste Management	(213)		411	198	To enable the Council to smooth fluctuations in areas such as cost of disposal and agency staffing.
Climate Change	(625)	(320)	103	(842)	
Total Earmarked Reserves	(22,306)	(11,511)	10,262	(23,555)	
Other Reserves of the General Fund					
Working Balance	(1,516)	(54)		(1,570)	Maintained to protect the Council's budget from unexpected risks.
GF Usable Reserves Total	(23,823)	(11,565)	10,262	(25,126)	

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.

2021/22 £'000	Usable Reserves	2022/23 £'000
(23,823)	General Fund	(25,126)
(3,302)	Housing Revenue Account	(1,756)
(1,031)	Major Repairs Reserve	(605)
(3,846)	Capital Receipts Reserve	(4,371)
(1,193)	Capital Grants Unapplied Account	(1,487)
(33,195)	Total Usable Reserves	(33,345)

2.1 General Fund - Revenue Balances

2021/22 £'000	General Fund Reserve	2022/23 £'000
(1,516)	Balance as at 1 April	(1,516)
-	Movement	(54)
(1,516)	Balance as at 31 March	(1,570)
(22,306)	Earmarked Reserves at 1 April	(22,306)
-	Movement	(1,249)
(22,306)	Earmarked Reserves at 1 April	(23,555)
(23,823)	General Fund Total Balance as at 31 March	(25,126)

2.2 Housing Revenue Account - Reserve Balances

2021/22 £'000	HRA Reserve	2022/23 £'000
(471)	Balance as at 1 April	(471)
-	Movement	(279)
(471)	Balance as at 31 March	(750)
(3,884)	Earmarked Reserves at 1 April	(2,831)
1,053	Movement	1,825
(2,831)	Earmarked Reserves at 1 April	(1,006)
(3,302)	Housing Revenue Account Total Balance as at 31 March	(1,756)

2.3 Major Repairs Reserve

2021/22 £'000	Major Repairs Reserve	2022/23 £'000
(468)	Balance as at 1 April	(1,031)
(563)	(Increase)/decrease in value	426
(1,031)	Balance as at 31 March	(605)

2.4 Capital Receipts Reserve

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

2021/22 £'000	Capital Receipts Reserve	2022/23 £'000
(2,599)	Balance 1 April	(3,846)
-	Capital Receipts - General Fund	(395)
(3,183)	Capital Receipts Received - Housing Revenue Account	(2,582)
426	Paid to Government Housing Receipts Pool	-
1,490	Capital Receipts used for Financing	2,436
21	Expenses from sales of Capital Receipts	16
(3,846)	Balance 31 March	(4,371)

2.5 Capital Grants Unapplied Account

2021/22 £'000	Capital Grants Unapplied Account	2022/23 £'000
(1,537)	Balance as at 1 April	(1,193)
344	Movement	(294)
(1,193)	Balance as at 31 March	(1,487)

3.0 Unusable Reserves

2021/22 £'000	Usable Reserves	2022/23 £'000
(128,088)	Revaluation Reserve	(131,990)
(204,711)	Capital Adjustment Account	(168,956)
(934)	Deferred Capital Receipts Reserve	(1,004)
322	Accumulated Absences Account	159
27,679	Pension Reserve	3,402
(373)	Collection Fund Adjustment Account	(72)
(306,105)	Total Unusable Reserves	(298,461)

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.

2021/22 £'000		2022/23 £'000
(103,961)	Balance as at 1 April	(128,088)
(28,635)	Upward Revaluation of Assets	(6,366)
1,665	Downward Revaluation of Assets	-
(26,970)	In Year Surplus/(Deficit) on Revaluation of Non-Current Assets	(6,366)
1,645	Revaluation Depreciation to Capital Adjustment Account	1,973
768	Disposal of Assets	490
2,413	In Year Amounts written out to the Capital Adjustment Account	2,464
430	Other Adjustments written out to the CAA	
-	Write-out of asset	-
(128,088)	Balance as at 31 March	(131,990)

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.

2021/22 £'000	Capital Adjustment Account	2022/23 £'000
(162,048)	Balance as at 1 April	(204,711)
(433)	Prior year Adjustments posted in 2021/22	
	Reversal of items relating to capital expenditure debited or credited to the CIES	
5,302	Charges for depreciation and impairment of non-current assets	5,313
(7,977)	Revaluation gains /losses on Property, Plant and Equipment	6,724
70	Amortisation of Intangible Assets	91
292	Revenue expenditure funded from capital under statute	489
1,401	Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to the CIES	1,746
(1,844)	Expected Credit Gains or Losses on Financial Instruments	113
(1,645)	Adjusting amounts written out of Revaluation Reserve	(1,973)
(4,401)		12,503
	Capital financing applied in the year	
(1,735)	Use of Capital Receipts Reserve to finance new capital expenditure	(2,314)
(3,323)	Use of Major Repairs Reserve to finance new capital expenditure	(4,430)
(747)	Capital Grants and Contributions applied to capital financing	(364)
(3,054)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(3,143)
(3,857)	Capital expenditure charged against the General Fund and HRA balances	(4,269)
(12,716)		(14,520)
(25,113)	Movements in the Market Value of Investment Properties Debited/(Credited) to the CIES	37,772
(204,711)	Balance as at 31 March	(168,956)

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.

2021/22 £'000	Deferred Capital Receipts Reserve	2022/23 £'000
(1,176)	Balance as at 1 April	(934)
242	(Increase)/decrease in value	(70)
-		-
(934)	Balance as at 31 March	(1,004)

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.

2021/22 £'000	Accumulated Absences account	2022/23 £'000
512	Balance as at 1 April	322
(190)	In year adjustment	(163)
322	Balance as at 31 March	159

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.

2021/22 £'000	Pension Reserve	2022/23 £'000
36,570	Balance as at 1 April	27,679
(12,398)	Remeasurements of the net defined benefit liability/(asset)	(22,696)
-	Prior Year Adjustment	(3,176)
(12,398)	Subtotal Remeasurements of the net defined liability/(asset)	(25,872)
1,511	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	(503)
1,996	Employer's pension contributions and direct payments to pensioners payable in the year	2,098
3,507	Subtotal	1,595
27,679	Balance as at 31 March	3,402

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.

2021/22 £'000	Collection Fund Adjustment Account	2022/23 £'000
5,295	(Surplus)/Deficit as at 1 April	(373)
(91)	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	(68)
(5,577)	Amount by which NNDR income credited to the CIES is different from NNDR income calculated for the year in accordance with statutory requirements	369
(373)	(Surplus)/Deficit as at 31 March	(72)

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
2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000	2021/22 £'000		2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000	2022/23 £'000
1,076	246	1,322	345	-	1,667	Community & Partnerships	1,036	229	1,238	624	-	1,862
1,489	(7)	1,482	27	-	1,510	Housing & Economic Development	2,044	302	2,128	265	-	2,392
3,993	2,407	6,400	923	-	7,323	Environmental Services	5,093	2,684	8,813	8,881	-	17,694
6,910	(3,974)	(1,471)	252	4,528	3,309	Finance & Administration	7,735	(4,686)	(4,665)	300	8,078	3,713
(11,270)	1,328	(9,995)	(3,974)	-	(13,970)	Housing Revenue Account	(10,319)	1,471	(8,616)	3,657	-	(5,160)
4,653	-	91	2,618	-	2,710	Corporate Costs	8,966	399	1,541	(98)	-	1,646
6,851	0	(2,171)	191	4,528	2,549	Net Cost of Service	14,555	399	440	13,629	8,078	22,147
		(8,812)	(32,932)	(4,528)	(46,272)	Prior year adjustments						
						Other Income and Expenditure	2100	-398.53061	(11,214)	36,878	(8,078)	17,585
6,851	0	(10,983)	(32,741)	0	(43,724)	(Surplus)/Deficit	16,655	0	(10,775)	50,507	0	39,732
					(26,796)	Opening General Fund and HRA Balance						(27,125)
					(329)	Surplus/(Deficit) on amounts chargeable to the General Fund and HRA						242
					(27,125)	Closing General Fund and HRA Balance						(26,882)

4.3 Note to the Expenditure and Funding Analysis

2022/23	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Differences	Total Adjustments
	2022/23	2022/23	2022/23	2022/23
	£'000	£'000	£'000	£'000
Community & Partnerships	597	27	-	624
Housing & Economic Development	46	218	-	265
Environmental Services	7,818	1,064	-	8,881
Finance & Administration	300	-	-	300
Housing Revenue Account	2,866	38	-	2,904
Corporate Costs	-	(98)	-	(98)
Net Cost of Service	11,627	1,249	0	12,876
Other Income and Expenditure from the Expenditure & Funding Analysis	37,416	156	59	37,631
Difference between General Fund & HRA surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on Provision of Services	49,043	1,405	59	50,507
2021/22	Adjustments for Capital Purposes	Net Change for Pension Adjustments	Other Differences	Total Adjustments
	2021/22	2021/22	2021/22	2021/22
	£'000	£'000	£'000	£'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
Net Cost of Service	(2,548)	2,870	0	321
Other Income and Expenditure from the Expenditure & Funding Analysis	(26,299)	637	(7,401)	(33,063)
Difference between General Fund & HRA surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on Provision of Services	(28,847)	3,507	(7,401)	(32,741)

4.4 Expenditure and Income Analysed by Nature

Expenditure and Income Analysed by Nature	31 March 2022 £'000	31 March 2023 £'000
Expenditure		
Employee Benefit Expenses	17,610	17,133
Other Service Expenses	26,546	31,086
Support Service Recharges	20,168	21,269
Depreciation , Amortisation and REFCUS	5,673	5,892
Payments to Housing Receipts Capital Pool	426	-
Interest Payments	5,046	8,942
Precepts and Levies	3,803	3,998
Revaluation Losses	165	49,529
NNDR Payments	78	1,037
Total Expenditure	79,515	138,885
	31 March 2022 £'000	31 March 2023 £'000
Income		
Fees, Charges and other Service Income	(45,686)	(46,412)
Support Service Recharge Income	(20,168)	(21,269)
Interest and Investment Income	(3,809)	(5,671)
Income from Council Tax and Non-Domestic Rates	(11,225)	(12,582)
Gain or loss on Disposal of Assets	(773)	(936)
Other income non specific grants	(260)	(242)
Revaluation Gains	(33,255)	(4,767)
Government Grants and Contributions	(8,063)	(7,274)
Total Income	(123,239)	(99,153)
Surplus or Deficit on the Provision of Services	(43,724)	39,732

5.0 Notes to the Comprehensive Income and Expenditure Statement

5.1 Total Other Operating Expenditure

2021/22 £'000		2022/23 £'000
3,803	Parish Council Precepts	3,998
426	Payments to the Government Housing Capital Receipts Pool	-
(1,015)	(Gain)/Loss on the Disposal of Non-Current Assets	(670)
(190)	Other Non-Service Specific Expenditure	(164)
3,023	Total Other Operating Expenditure	3,164

5.2 Total Financing and Investment Income and Expenditure

2021/22 £'000		2022/23 £'000
4,278	Interest Payable and Similar Charges	8,728
(1,833)	Allowance for Expected Credit Losses	154
768	Pensions - Net Interest on the Defined Benefit Liability (Asset)	156
(3,808)	Interest Receivable and Similar Income	(5,762)
(29,641)	Income & Expenditure in relation to Investment properties & changes in Fair Value	29,694
(30,237)	Total Financing and Investment Income and Expenditure	32,970

5.3 Total Taxation and Non Specific Grants

2021/22 £'000		2022/23 £'000
	Council Tax Income	
(6,159)	- District Council element	(6,404)
(3,803)	- Town/Parish Councils element	(3,998)
	Business Rates Retention	
(1,112)	- District Council element of NNDR income in year	(1,477)
989	- Safety Net reimbursement/Levy payment due	877
(3,827)	- Section 31 funding from Central Government	(3,678)
	Collection Fund	
(36)	- Council Tax - Net value of estimated/actual income recognised in CIES	(35)
(875)	- NNDR - Net value of estimated/actual income recognised in CIES	(365)
	Non Ring Fenced Government Grants	
(2,823)	- New Homes Bonus	(1,343)
(728)	- Supplementary Grants	(1,814)
(513)	- Other covid related funding from Central Government	127
(171)	- Capital Grants and Contributions	(439)
(19,059)	Total Taxation and Non-Specific Grants Income	(18,549)

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 2022/23 are detailed below.

6.1 Intangible Assets

Intangible Assets	2021/22 £'000	2022/23 £'000
Gross Balance at 1 April	584	579
Additions	127	34
Assets written out in year		(87)
Reclassification of assets	(131)	-
Gross Balance carried forward 31 March	579	526
Amortisation as at 1 April	(261)	(232)
Amortisation in year	(70)	(91)
Amortisation write out	-	94
Reclassification of assets	100	-
Amortisation Balance carried forward 31 March	(232)	(229)
Net Book Value at at 31 March	347	297

7.0 Property, Plant and Equipment

7.1 Analysis of Property, Plant and Equipment

Movements in 2022/23	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant and Equipment £'000	Community Assets £'000	Assets Under Construction £'000	Surplus Assets £'000	Total £'000
Cost or Valuation							
Brought Forward 1 April 2022	343,205	36,515	8,076	986	19,919	-	408,700
Additions	4,431	311	1,551	-	6,086	-	12,379
Revaluation increase/(decrease) recognised in the Revaluation Reserve	953	358	-	-	-	716	2,027
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	268	(7,144)	-	-	-	-	(6,877)
Derecognition - disposals	(1,666)	-	(1,795)	-	-	-	(3,461)
Derecognition - other	-	-	-	-	(112)	-	(112)
Reclassification - within PPE	3,736	15,284	-	-	(19,495)	475	0
Balance carried forward 31 March 2023	350,926	45,323	7,831	986	6,399	1,191	412,656
Accumulated Depreciation & Impairment							
Brought Forward 1 April 2022	(0)	(69)	(4,668)	(127)	-	-	(4,864)
Depreciation for year	(4,004)	(435)	(832)	(13)	-	(3)	(5,287)
Depreciation written out to the Revaluation Reserve	3,848	488	-	-	-	3	4,339
Depreciation written out to the Surplus/Deficit on Provision of Services	137	16	-	-	-	-	152
Derecognition - disposals	19	-	1,655	-	-	-	1,674
Balance carried forward 31 March 2023	(0)	0	(3,845)	(140)	-	(0)	(3,985)
Net Book Value as at 31 March 2023	350,926	45,323	3,986	846	6,399	1,191	408,671
Net Book Value as at 31 March 2022	343,205	36,445	3,408	859	19,919	-	403,836

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
Cost or Valuation						
Adjustments to opening balance	20	(20)	175	-	-	175
Brought Forward 1 April 2021	312,848	31,661	12,004	986	12,846	370,345
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
Balance carried forward 31 March 2022	343,205	36,515	8,076	986	19,919	408,700
Accumulated Depreciation & Impairment						
Adjustments to opening balance	(20)	20	(175)	-	-	(175)
Brought Forward 1 April 2021	20	(20)	(8,351)	(112)	-	(8,463)
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
Balance carried forward 31 March 2022	(0)	(69)	(4,668)	(127)	-	(4,864)
Net Book Value as at 31 March 2022	343,205	36,445	3,408	859	19,919	403,836
Net Book Value as at 31 March 2021	312,868	31,641	3,653	874	12,846	361,882

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 2023.

	Council Dwellings	Other Land and Buildings	Vehicles Plant and Equipment	Community Assets	Assets Under Construction	Infrastructure Assets	Surplus Assets	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Historic Cost	-	425	3,986	846	6,399	228	-	11,884
Valued at Current Value: 2022/23	350,926	44,898	-	-	-	-	1,191	397,015
	350,926	45,323	3,986	846	6,399	228	1,191	408,899

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.

	2021/22 £'000	2022/23 £'000
Net Book Value (Modified Historical Cost) at 1 April	368	252
Reclassification within PPE	(82)	-
Depreciation	(28)	(24)
Other Adjustment	(6)	-
Net Book Value at 31 March	252	228

Reconciling Note PPE Assets

	2021/22 £'000	2022/23 £'000
Infrastructure Assets	252	228
Other PPE Assets	403,841	408,671
Net Book Value at 31 March	404,093	408,899

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.

2021/22 £'000		2022/23 £'000
261,524	Opening Capital Financing Requirement as at 1 April	327,644
261,524	Restated Opening Capital Financing Requirement as at 1 April	327,644
	Capital Expenditure	
14,253	Property Plant and Equipment	12,377
127	Intangible Assets	34
-	Heritage Assets	-
62,408	Investment Properites	15,872
780	Aspire Investment	(709)
292	Revenue Expenditure Funded from Capital Under Statute	489
77,859	Total Capital Expenditure	28,063
(232)	Increase in non-dwelling HRA assets not reversed to unusable reserves	-
(1,844)	Expected Credit Gains or Losses on Financial Instruments	113
(2,076)	Sub Total	113
	Financed By	
(1,735)	Capital Receipts Reserve	(2,313)
(747)	Government Grants and Other Contributions	(364)
(3,857)	Capital Expenditure Financed from Revenue Contributions	(4,269)
(3,323)	Major Repairs Reserve	(4,430)
(9,663)	Total Capital Financing	(11,376)
327,644	Closing Capital Financing Requirement as at 31 March	344,444

	Explanation of Movement	
68,196	Increase in underlying need to borrow	16,687
(3,055)	Minimum Revenue Provision	(3,143)
65,141	Increase/(Decrease) in Capital Financing Requirement	13,544

7.3 Heritage Assets

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

Heritage assets	2021/22 £'000	2022/23 £'000
Saffron Walden Motte and Bailey	936	936
Museum Artefacts - Fine Arts Collection	155	155
Total	1,091	1,091

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 12th 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

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	2021/22 £'000	2022/23 £'000
Rental Income from Investment Property	(4,528)	(8,078)
Direct Operating Expenses/(Income) Arising from Investment Property	-	-
Direct cost of Investment Properties	-	-
Total	(4,528)	(8,078)

There are no restrictions on the Council's ability to realise the value inherent in its investment properties or on the Council's right to the remittance of income and proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement other than those disclosed in the capital commitment note.

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

Investment Properties	2021/22 £'000	2022/23 £'000
Balance 1 April	102,954	190,475
Additions	62,408	15,872
Disposals		
Net gains/(losses) from the fair value adjustments	25,113	(37,772)
Transfers - To/from Property, Plant and Equipment		
Balance at 31 March	190,475	168,575

All Investment Properties have been valued as at 31 March 2023

Valuation Techniques Used to Determine Fair Values for Investment Property

2022/23 Fair Value Hierachy	Levels (no. of properties)			Fair value £'000
	Quoted prices in active markets for identical assets (Level 1)	Other significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Office Units	-	2	-	21,000
Industrial Units	-	3	-	119,300
Retail Warehouse	-	1	-	28,275
Balance at 31 March	-	6	-	168,575

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

In estimating the fair value of the Council's investment properties, the highest and best use of properties is their current use.

The Council has used observable inputs within a valuation hierarchy to determine the values for investment properties. Observable inputs are inputs that are developed using market data such as publicly available information about actual events or transactions, and that reflect the assumptions that market participants would use when pricing the asset.

The six investment properties have been categorised as Level 2 in the fair value hierarchy, with their fair value being measured using a combination of the market approach and the income approach. The market approach uses comparable market evidence in arriving at values, whilst the income approach uses an all-risk yield to capitalise the income to arrive at the value. These investment properties are categorised as Level 2 in the fair value hierarchy as the measurement technique uses inputs that are observable for the asset, either directly or indirectly, and there is no reasonably available information that indicates the market participants would use different assumptions. There has been no change in valuation techniques used during the year for Investment Properties.

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 2022/23 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.

2021/22 £'000		2022/23 £'000
60,313	Long Term Investment	59,476
(128)	Cumulative Expected Credit Loss Adjustment	(113)
60,185	Total Other Operating Expenditure	59,363

8.2 Long Term Debtors

The Council has long term debtors of £3,992million 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 2022/23 the value held for the % of the property the charge is against is £1.340million (2021/22 £1.418million).

Other long term debtors held include:

- Commercial rent debtors
- Prepayments for software licenses

9.0 Current Assets

9.1 Inventories (Stock)

Inventories (Stock)	2021/22 £'000	2022/23 £'000
Housing Stores	-	26
Total	-	-

9.2 Debtors

9.3 Impairments

9.2

2021/22 £'000	Debtors	2022/23 £'000
548	Central Government Bodies	1,261
702	Other Local Authorities	1,384
6,917	Other Entities and Individuals	9,501
8,166	Sub-total	12,146

9.3

2021/22 £'000	Impairments	2022/23 £'000
(1,172)	Non Domestic Rates	(1,209)
(434)	Council Tax	(462)
(310)	Housing Rents	(368)
(873)	Overpaid Benefit	(895)
(57)	Sundry Debtors	(39)
(2,846)	Sub-total	(2,973)
5,320	Total Short-Term Debtors	9,173

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

2021/22 £'000	Cash & Cash Equivalents	2022/23 £'000
1,109	Cash	(1,202)
2,450	Cash Equivalents	2
3,559	Total Cash and Cash Equivalents	(1,200)

10 Current Liabilities

10.1 Creditors

2021/22 £'000		2022/23 £'000
15,979	Central Government Bodies	9,199
5,604	Other Local Authorities	3,299
4,494	Other Entities and Individuals	9,710
26,077	Total	22,208

10.2 Provisions

2021/22 £'000		In Year Provision Created £'000	Provision Applied £'000	2022/23 £'000
245	Legal	-	-	245
38	New Homes Bonus - Parish Councils	-	-	38
2,183	Business Rates Appeals	420	(526)	2,078
2,466	Total	420	(526)	2,361

The total provision available for NNDR appeals at 31st March 2023 is £5.194 million; the above table reflects the Council's share of the provision at a value of £2,078 million.

11.0 Grant Income

11.1 Grants credited to Tax and Non-specific Grant Income

Grants credited to Tax and Non-specific Grant Income	2021/22 £'000	2022/23 £'000
Revenue Support Grant		
New Homes Bonus Grant	(2,823)	(1,343)
PFI Support Grant		
NNDR Section 31 Grant	(3,827)	(3,678)
Covid 19 Tranches Support Grant	(513)	127
Fees and Charges Compensation Grant		
Supplementary Grants	(728)	(1,814)
75% Council Tax and NNDR Guarantee Grant		
Furlough Grant		
Subtotal Grant Income credited to tax & non specific grant income	(7,891)	(6,708)
Capital Grants and Contributions:		
Miscellaneous Government Grants		
Other Grants and Contributions	(171)	(439)
Subtotal Capital Grants and Contributions	(171)	(439)

11.2 Grants credited to Services

Grants Credited to Services	2021/22 £'000	2022/23 £'000
Local Council Tax Support Scheme Grant	(4)	(11)
Rent Allowances	(6,137)	(6,006)
Rent Rebates	(5,034)	(5,030)
Benefit Administration Grant	(141)	(168)
Discretionary Housing Benefit	(112)	(81)
Grant towards Revenue Funded from Capital under Statute	(260)	(242)
PFI Grant	(450)	(450)
Miscellaneous Grants	(3,515)	(3,370)
Total Grant Income Credited to Services	(15,653)	(15,358)

11.3 Grants Long Term Liabilities

Grants - Current Liabilities	2021/22	2022/23
	£'000	£'000
Grants Receipts in Advance - Capital Grants		
s106 Developers Contributions	(101)	(101)
Community Infrastructure Levy	-	-
Grants Receipts in Advance - Revenue Grants		
Grants received from Government Departments	(2,294)	(2,331)
Totals	(2,395)	(2,432)

12.0 Long Term Liabilities

Long Term Borrowing

The long-term borrowing consists of two elements; borrowing for the Housing Revenue Account and for loans to Aspire (CRP) Ltd a subsidiary of the Council for the investment in Chesterford Research Park.

For more information on the risks and maturity profile of the council's debt, please see the Financial Instruments section of the accounts.

Other Long Term Liabilities – Private Finance Initiatives (PFI)

	2022/23	2-5 yrs	6-10	11-14
Leisure PFI	£'000	£'001	£'002	£'003
Opening Balance Long Term Liabilities	4,025	4,192	4,488	4,620
Repayment of Principal	(167)	(154)	(142)	(131)
Long term Liability Adjustments	(14)	(13)	(154)	-
Closing Balance Long Term Liabilities	3,844	4,025	4,192	4,489

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

2021/22 £'000		2022/23 £'000
5,640	Interest Received	5,336
(5,999)	Interest Paid	(10,076)
1	Dividends Received	5

2021/22 £'000		2022/23 £'000
	Net Surplus/(Deficit) on the Provision of Services	
	Adjustments to net Surplus/(Deficit) on the Provision of Services for non-cash movements	
5,233	Depreciation	5,382
-	Impairment and downward valuations	7,129
70	Amortisation	91
	Adjustments for effective interest rates	
4,777	Increase/(Decrease) in creditors	(2,889)
5,935	(Increase)/Decrease in debtors	(3,851)
33	(Increase)/Decrease in inventories	(26)
3,507	Pension liability	1,580
	Contribution to provisions	
1,736	Carrying amount of non-current assets sold	1,746
(36,788)	Other non-cash items charged to the net surplus or deficit on the provision of services	39,544
(15,497)	Net cash flows from operating activities	48,706

2021/22 £'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)	709
(2,678)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,578)
(356)	Any other items for which the cash effects are investing or financing cash flows	-
(3,034)		(1,869)

13.2 Cash Flow Statement – Investing Activities

2021/22 £'000	Movement in Cash Flow from Investing Activities	2022/23 £'000
(76,415)	Purchase of property, plant and equipment, investment property and intangible assets	(29,281)
(94,813)	Purchase of short-term and long-term investments	(418,280)
(2,168)	Other payments for investing activities	(1,487)
83,500	Proceeds from short-term and long-term investments	424,830
3,162	Proceeds from sale of property, plant and equipment	2,750
356	Other receipts from investing activities	145
(86,378)	Total Cash Flows from Investing Activities	(21,323)

13.3 Cash Flow Statement – Financing Activities

2021/22 £'000	Movement in Cash flows from Financing Activities	2022/23 £'000
187,000	Cash receipts of short- and long-term borrowing	129,326
(130,797)	Repayments of short- and long-term borrowing	(115,608)
5,885	Other payments for financing activities	(4,246)
(166)	Cash payments for the reduction of outstanding liabilities relating to finance leases and on-Balance-Sheet PFI contracts	(13)
61,922	Total Cash Flows from Financing Activities	9,459

SECTION F – SUPPLEMENTARY NOTES TO THE CORE FINANCIAL STATEMENTS

14 Leasing Arrangements and Private Finance Initiative

14.2 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 2023 was £20.254.

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 £4.191million. The figures have been updated in line with RPI.

The PFI unitary charge has been forecast to increase by an average RPI of 2% from April 2023 to the end of the PFI contract. This reflects the Bank of England's inflation target.

2021/22 £'000		2022/23 £'000	1 year £'000	2-5 years £'000	6-10 years £'000	11-15 years £'000
1,121	Leisure PFI - Unitary Charge	1,199	1,328	5,707	7,012	3,481
Summary						
154	Capital repayment	167	181	886	1,589	1,369
360	Interest expense	348	334	1,172	984	216
328	Contingent rent	347	370	1,720	2,772	866
279	Services	337	443	1,929	1,667	1,030
1,121	Total Unitary Charge	1,199	1,328	5,707	7,012	3,481

15 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 2022/23. The total Members allowances paid in 2022/23 was £284,629 (£280,017 for 2021/22), these are detailed below.

2021/22 £'000	Members' Allowances	2022/23 £'000
203	Basic Allowances	204
10	Group Leaders Allowances	9
65	Special Responsibilities Allowances	68
2	Travel and Subsistence	4
280	Total allowances paid	285

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 of Business & Change Management 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 Assistant Director Commercial & Digital Change Management 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 Car Park is maintained and run by the North Essex Parking Partnership on behalf of the District Council and the Charity receives a £19.86% share of the net income.

The Charity distributes the income it receives by way of grants to charities that work in the Saffron Walden area. The last two years grant distributions have been as follows:

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.

2021/22 £'000		2022/23 £'000
(62)	Balance at 1 April	(70)
(12)	Income in Year	(12)
4	Expenditure in Year	17
(70)	Balance at 31 March	(65)

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 £	P11d Benefit £	Other £	Total Remuneration Including Pension Contributions £
Chief Executive	2021/22	51,725	-	-	-	-	51,725	10,449	-	-	62,174
	2022/23	123,869	-	-	-	-	123,869	25,022	-	-	148,891
Director of Finance & Corporate Services	2021/22	97,775	-	-	-	-	97,775	19,751	-	-	117,526
	2022/23	99,700	-	-	-	-	99,700	20,139	-	-	119,839
Director of Planning & Building Control (1)	2021/22	-	-	-	-	-	-	-	-	-	-
	2022/23	73,374	-	-	-	-	73,374	14,822	-	-	88,196
Assistant Director Corporate Services	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director of Finance (2)	2021/22	-	-	-	-	-	-	-	-	-	-
	2022/23	32,387	-	-	-	-	32,387	6,542	-	-	38,929
Assistant Director Commercial & Digital Change Management (3)	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director Environmental Services	2021/22	73,605	-	-	-	-	73,605	14,868	-	-	88,473
	2022/23	76,630	-	-	-	-	76,630	15,479	-	-	92,109
Assistant Director of Business & Change Management (4)	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director Housing, Health and Communities	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	51,819	-	-	-	-	51,819	10,468	-	-	62,287
Assistant Director Governance & Legal	2021/22	41,914	-	-	-	-	41,914	8,467	-	-	50,381
	2022/23	83,701	-	-	-	-	83,701	83,701	-	14,072	110,810
Director of Public Services (5)	2021/22	63,112	-	-	-	-	63,112	12,348	-	-	75,460
	2022/23	-	-	-	-	-	-	-	-	-	-
Assistant Director Planning & Building Control (6)	2021/22	51,854	15,000	-	-	-	66,854	7,524	-	-	74,379
	2022/23	-	-	-	-	-	-	-	-	-	-

(1) Director of Planning & Building Control new appointment commenced 27th June 2022

(2) Assistant Director of Finance new appointment commenced 1st August 2022

(3) Previous title was Assistant Director Resources, changed to Assistant Director Commercial & Digital Change Management 1st May 2022

(4) Previous title was Assistant Director ICT Facilities, changed to Assistant Director of Business & Change Management 1st May 2022

(5) Director of Public Services post ended 30th November 2022

(6) Assistant Director of Planning & Building Control left position 3rd February 2022

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 2021/22	Remuneration Band	No. of employees 2022/23
8	£50,000 - £54,999	2
9	£55,000 - £59,999	6
1	£60,000 - £64,999	4
1	£65,000 - £69,999	-
1	£70,000 - £74,999	1
4	£75,000 - £79,999	4
-	£80,000 - £94,999	-
1	£95,000 - £99,999	2
-	Over £100,000	1
25	Total	20

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

15.5 Termination Benefits

The Council terminated the contracts of 3 employees in 2022/23 (6 in 2021/22) incurring liabilities of £120,655 (£42,263 in 2021/22). The table below identifies the number of exit packages in bands of £20,000.

No. of Compulsory Redundancies	2021/22		Exit Package Cost Band	2022/23		
	No. of other Departures Agreed	Total No. of Exit Packages		No. of Compulsory Redundancies	No. of other Departures Agreed	Total No. of Exit Packages
5	-	5	£0 - £20,000	-	1	1
-	1	1	£20,001 - £40,000	-	1	1
-	-	-	£40,001 - £60,000	-	-	-
-	-	-	£60,001 - £80,000	1	-	1
5	1	6	Total No. of Packages	1	2	3
14,946	27,417	42,363	Total Cost (£)	70,046	50,608	120,655

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:

Aspire (CRP) Ltd	Company No. 10515074	Subsidiary	Consolidated
Aspire (CRP) General Partner Ltd	Company No. 10698674	Subsidiary	Dormant
Aspire Holdings (UDC) Ltd	Company No. 10308884	Subsidiary	Dormant
Aspire (MRH) Limited	Company No. 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-22 (restated) £'000	As at 31 Mar-23 £'000
Long Term Assets		
Investments	106,297	103,026
Current Assets		
Debtors: amounts falling due within one year	668	841
Cash in bank	1,379	1,892
TOTAL ASSETS	2,047	2,733
Current Liabilities		
Creditors: amounts falling due within one year	(62,580)	(62,464)
TOTAL LIABILITIES	(62,580)	(62,464)
Net Current Liabilities	(60,533)	(59,731)
Total Assets less current liabilities	45,764	43,295
Long Term Liabilities		
Deferred tax	(11,595)	(10,876)
TOTAL LIABILITIES	(11,595)	(10,876)
TOTAL NET ASSETS	34,169	32,419
Capital and Reserves		
Share Capital	-	-
Retained earnings	34,169	32,419
TOTAL RESERVES	34,169	32,419

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.

	2021/22 £'000	2022/23 £'000
Cleaning and Corporate Facilities Services	379	409
Housing Revenue Accounts Services (Revenue)	3,370	3,770
Housing Revenue Accounts Services (Capital)	3,303	4,430
Share of Joint Venture Profits	(32)*	(35)
Total Transactions related to the Joint Venture	(7,020)	(8,574)

*Restatement

16 Fees Payable

16.1 External Audit Fees Payable

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

2021/22 £'000		2022/23 £'000
41	Fees payable in relation to External Audit Services carried out by the appointed auditor	41
14	Fees payable in relation to other Audit Services	-
55	Total	41

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.

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).

17.2 Pension Scheme CIES

2021/22 £'000	Comprehensive Income & Expenditure Statement - Cost of Services	2022/23 £'000
	Cost of Services:	
4,735	Current service cost	3,404
712	Net interest on the Defined Liability/Asset	96
56	Administration Cost	60
5,503	Total Post Employment Benefit Charged to the Surplus or Deficit on Provision of Services	3,560
	Other Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	
	Remeasurement of the net defined liability comprising:	
7,039	Return on Plan Assets (excluding the amount in the net interest expense)	(3,089)
-	Actuarial gains and losses arising on changes in demographic assumptions	
5,671	Actuarial gains and losses arising on changes in financial assumptions	50,443
-	Changes in Asset ceiling	(14,670)
(312)	Other Experience	(9,988)
12,398	Total remeasurements recognised in Other Comprehensive Income & Expend	22,696
	Reversal of net charges made to the Surplus or Deficit on Provision of Services for post-employment benefits in accordance with the Code	
(5,503)		(2,672)
	Actual amount charged against the General Fund for Pensions in the year:	
1,996	Employer contributions payable to the Scheme	2,098
(3,507)	Payments to the Pension Fund During the Year	(574)
8,891	Total amount recognised in the General Fund for Pensions in the Year	22,122
-	Prior Year Adjustment 2021/22 made in 2022/23	2,155
8,891	Total amount recognised in the General Fund for Pensions in the Year	24,277

17.3 Pension Assets and Liabilities – Recognised in the Balance Sheet

	2021/22 £'000	2022/23 £'000
Present value of the defined benefit obligation	(130,016)	(91,177)
Fair value of plan assets	102,338	102,445
Effect of asset ceiling	-	(14,670)
Net Liability arising from the Defined Benefit Obligation	(27,678)	(3,402)

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

	2021/22 £'000	2022/23 £'000
Opening Fair Value of Scheme Assets 1 April	94,757	102,338
Prior Year actuarial adjustment	-	1,042
Interest Income	1,882	3,453
Return on Assets less Interest	7,039	(3,089)
Other Actuarial Gains/(Losses)	-	-
Admin Expenses	(46)	(60)
Contributions by Employer including Unfunded	1,996	2,098
Contributions by Employees paid into the Scheme	642	667
Estimated benefits paid plus unfunded net of transfers in	(3,932)	(4,004)
Settlement prices received/(paid)	-	-
Closing Fair Value of Scheme Assets	102,338	102,445

17.5 Reconciliation of present value of Scheme Liabilities (Defined Benefit Obligation)

	2021/22	2022/23
	£'000	£'000
Opening defined benefit obligation	131,336	130,016
Prior Year actuarial adjustment	-	(2,000)
Current service cost	4,711	3,334
Interest cost	2,594	3,549
Contributions by scheme participants & other Employers	642	667
Remeasurement (gains) and losses:		
Changes in financial assumptions	(5,671)	(50,443)
Changes in demographic assumptions	-	
Experience loss/(gain) on defined benefit obligation	312	9,988
Estimated benefits paid net of transfers in	(3,834)	(3,909)
Past service costs including curtailments	24	70
Unfunded pension payments	(98)	(95)
Effects of Asset Ceiling	-	14,670
Closing Defined Benefit Obligation	130,016	105,847

17.6 Local Government Pension Scheme Assets comprised

17.6.1 Fair Value of Scheme Assets Note 1

	2021/22 £'000	% of Total Assets	2022/23 £'000	% of Total Assets
Fair Value of Scheme Assets Note 1				
Equities	61,448	60.00%	59,011	58.00%
Gilts	2,443	3.00%	1,498	1.00%
Other bonds	4,481	4.00%	-	-
Property	8,393	8.00%	8,390	8.00%
Cash/temporary investments	2,597	3.00%	3,303	3.00%
Alternative assets	12,646	12.00%	16,214	16.00%
Other managed funds	10,330	10.00%	14,029	14.00%
Closing Fair Value of Scheme Assets	102,338	100.00%	102,445	100.00%

17.6.2 Fair Value of Scheme Assets Note 2

	2022/23 % Quoted	2022/23 % UnQuoted
Fair Value of Scheme Assets Note 2		
Equity Instruments		
- UK and Overseas	56.00%	44.00%
Total percentage Private Equity Instruments	56.00%	44.00%

17.7 Financial Assumptions

Mortality Assumptions	2021/22	2022/23
Longevity at 65 for current pensioners:		
- Men	21.6	21.1
- Women	23.7	23.5
Longevity at 65 for future pensioners in 20 years:		
- Men	23.0	22.3
- Women	25.1	25.0
Discount rate %	2.6	4.8
Pension Increases (CPI)	3.2	3.0
Rate of increase in salaries %	4.2	4.0

17.8 Sensitivity Analysis

	2021/22	2022/23
	£'000	£'000
Adjustment to discount rate	+0.0%	+0.5%
Present value of total obligation	127,629	84,707
Projected service cost	4,229	1,641
Adjustment to long term salary increase	+0.0%	+0.5%
Present value of total obligation	130,232	91,729
Projected service cost	4,374	1,939
Adjustment to pension increases & deferred revaluation	+0.0%	+0.5%
Present value of total obligation	132,218	98,062
Projected service cost	4,518	2,286
Adjustment to life expectancy assumptions	+1yr	+1yr
Present value of total obligation	135,768	94,870
Projected service cost	4,551	2,002

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

	Non-Current				Totals	
	Investments		Debtors		31 March 2021/22 £'000	31 March 2022/23 £'000
	31 March 2021/22 £'000	31 March 2022/23 £'000	31 March 2021/22 £'000	31 March 2022/23 £'000		
Financial Assets						
Amortised Cost	-	-	2,650	3,992	2,650	3,992
Fair Value through Profit and Loss						
Fair Value through other comprehensive income						
Total financial Assets	-	-	2,650	3,992	2,650	3,992
Non-Financial Assets	58,341	59,476			58,341	59,476
Non-Financial Assets - Expected Credit Gains /(Losses)	1,844	(113)			1,844	(113)
Total financial Assets	60,185	59,363	2,650	3,992	62,835	63,355

	Current				Totals	
	Investments		Debtors		31 March 2021/22 £'000	31 March 2022/23 £'000
	31 March 2021/22 £'000	31 March 2022/23 £'000	31 March 2021/22 £'000	31 March 2022/23 £'000		
Financial Assets						
Amortised Cost	24,395	14,711	385	1,175	24,780	15,886
Fair Value through Profit and Loss						
Fair Value through other comprehensive income						
Total financial Assets	24,395	14,711	385	1,175	24,780	15,886
Non-Financial Assets						
Total	24,395	14,711	385	1,175	24,780	15,886

18.2 Financial Liabilities

	Current			
	Creditors		Total	
	31 March	31 March	31 March	31 March
	2021/22	2022/23	2021/22	2022/23
	£'000	£'000	£'000	£'000
Financial Liabilities				
Amortised Cost	169,111	109,478	169,111	109,478
Total financial Liabilities	169,111	109,478	169,111	109,478

	Non-Current			
	Creditors		Total	
	31 March	31 March	31 March	31 March
	2021/22	2022/23	2021/22	2022/23
	£'000	£'000	£'000	£'000
Financial Liabilities				
Amortised Cost	121,527	194,439	121,527	194,439
Total financial Liabilities	121,527	194,439	121,527	194,439
Total financial Liabilities	290,638	304,715	290,638	304,715

18.3 Fair Value Disclosures of Financial Assets and Liabilities

18.3.1 Fair Value Disclosure of Financial Assets and Liabilities

	Carrying Amount		Fair Value	
	31 March		31 March	
	2021/22	2021/22	2022/23	2022/23
	£'000	£'000	£'000	£'000
Long Term Borrowing	117,502	138,492	190,595	174,525
PFI Creditor	4,025	4,025	3,844	4,904
Short Term Borrowing	169,111	169,111	109,478	109,478
Total financial Liabilities	290,638	311,628	303,917	288,907

	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	31 March 2021/22	31 March 2021/22	31 March 2022/23	31 March 2021/22
	£'000	£'000	£'000	£'000
Financial Assets held at amortised cost	24,395	24,395	14,711	14,711
Short Term Debtors	385	385	1,175	1,175
Long Term investments in Shareholding Companies	60,185	63,121	59,363	40,522
Other Long Term Investments				
Other Long Term Debtors	2,650	2,650	3,992	3,992
Total financial Assets	87,615	90,551	79,241	60,400

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 2021/22 £'000	Amount 31 March 2022/23 £'000
Equity in Shareholding Companies - Aspire Ltd	Level 3	63,121	40,522

18.4 Income, Expense, Gains and Losses

		Financial Assets at Amortised Cost	Financial Assets at Fair Value through Profit & Loss	Financial Liabilities at Amortised Cost	Total
2021/22		2022/23	2022/23	2022/23	2022/23
£'000		£'000	£'000	£'000	£'000
4,278	Interest Revenue:	-		7,383	7,383
	Interest Expense to the Surplus or Deficit on provision of services	154			154
(3,808)	(Gains)/Losses on revaluation	(4,167)	(91)	-	(4,258)
(1,833)	Investment income to the Surplus or Deficit on provision of services		-	-	-
	Impairment Loss reversals				
(1,363)	Total Interest Revenue	(4,013)	(91)	7,383	3,279

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 28th 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 2023 of £75.407million. 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. The current loan outstanding is £59.969m to the Authority as at 31 March 2023.

£8 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 18.4 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 2023, 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 in Fair Value notes 18.3 , 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 2022/23 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:

Risk Table 18.4 Short Term Investments	Amount 31 March 2022 £'000	Amount 31 March 2023 £'000
Unrated Local Authorities	5,000	8,000
UK Debt Management Office	13,600	4,050
Credit Risk not applicable*	2,450	-
Total Investments	21,050	12,050

* 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. See table below, for the amount due to the Council from it’s customers as at 31 March 2023.

Note: the debtor (contractual) excludes payments in advance as these are technically not debts. Government grants due are also excluded as they will be received in full. In line with “The Code”, statutory debt (Council Tax, NNDR, and Housing Benefit Overpayment arrears) are excluded from the analysis. In order to recover all debts effectively the Council will concentrate on debt management and ensure efficient use of debt management information.

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

	2021/22 £'000	2022/23 £'000
Neither past due nor impaired	199	855
Past due < 3 months	77	31
Past due 3-6 months	-	1
Past due 6-12 months	5	8
Past due 12+ months	32	25
Total Receivables	313	920

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-Mar-22		Range of Allowances set aside	31-Mar-23		
Gross Receivable	Loss Allowance		Gross Receivable	Loss Allowance	
£'000	£'000		£'000	£'000	
419	310	HRA Tenants	25% - 95%	492	368
192	57	Private Sector	15% - 80%	126	39
121	-	Public Sector	0	794	-
732	367	Total		1,412	407

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-Mar-22			Time to Maturity	31-Mar-23		
Liabilities	Assets	Net		Liabilities	Assets	Net
£'000	£'000	£'000		£'000	£'000	£'000
113,625	(12,416)	101,209	Under 1 year	108,815	(12,416)	96,399
15,405	(1,638)	13,768	1 to 5 Years	18,252	(1,638)	16,615
22,925	(2,497)	20,428	6 - 10 Years	74,207	(2,497)	71,710
26,524	(3,112)	23,412	11 - 15 Years	28,108	(3,112)	24,996
25,621	(2,365)	23,255	16 - 20 Years	27,579	(2,365)	25,214
6,009	-	6,009	21 - 25 Years	8,429	-	8,429
6,926	-	6,926	26 - 30 Years	9,917	-	9,917
5,468	-	5,468	31 - 35 Years	9,164	-	9,164
-	-	-	36 - 40 Years	4,568	-	4,568
-	(49,991)	(49,991)	Over 40 Years	10,371	(49,991)	(39,620)
222,502	(72,019)	150,483	Total	299,410	(72,019)	227,391

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:

	2021/22 £'000	2022/23 £'000
Increase in interest payable on variable rate borrowings	1,070	725
Increase in interest receivable on variable rate investments	(176)	(96)
Decrease in fair value of investments held at FVPL	3	-
Impact on Surplus or Deficit on the Provision of Services	897	629

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

2021/22 £'000	Debt Outstanding	2022/23 £'000
1,417	Rents to mortgages	1,340
1,417	Total	1,340

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 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

19.2 Contingent Liabilities

- **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

19.3 Accounting Standard issued but not yet adopted

Accounting standards that have been issued but not yet adopted

- Paragraph 3.3.2.13 of the Code requires changes in accounting policy to be applied retrospectively unless alternative transitional arrangements are specified in the Code. Paragraph 3.3.4.3 requires an authority to disclose information relating to the impact of an accounting change that will be required by a new standard that has been issued but not yet adopted by the Code for the relevant financial year.
- Paragraph 3.3.4.3 and Appendix C of the Code adapts IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors on an annual basis to limit the impact of standards that have been issued but not yet adopted to those listed in Appendix C of the Code in the relevant year of account (in this case the 2023/24 Code). This means that only the standards listed in paragraph below are included in the requirements for IAS 8 for standards that have been issued and not yet adopted.
- The standards introduced by the 2023/24 Code where disclosures are required in the 2022/23 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 voluntarily implement IFRS 16 in the 2023/24 year).
 - b) Where an authority adopted IFRS 16 in 2022/23 but chose to defer implementation of IFRS 16 to PFI/PPP arrangements until 2023/24 information on that more specific accounting change will be required in its 2022/23 statements of accounts.
 - c) Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
 - d) Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
 - e) Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
 - Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

- 14.4 Note that a) will only be applicable to local authorities that intend to voluntarily implement IFRS 16 in 2023/24, and item b) will only be applicable to local authorities that have voluntarily implemented IFRS 16 in 2022/23 but chose to defer implementation for PFI/PPP arrangements until 2023/24. It is likely that though they lead to improved reporting that items c) and d) will not have a significant impact on the amounts anticipated to be reported in the financial statements. Item e) will only be applicable to local authorities with group accounts and it is likely that there will be limited application of item f).

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.

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 result 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.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall. The net book value of the Authority's property, plant and equipment assets is £409m as at 31 March 2022; of this, £119m 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 3 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 £184k. 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 £75k.
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.	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. For the assets held at revalued amounts a valuation impairment of 1% would equate to a reduction in the Council's net worth of £3.5m. 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.

Item	Uncertainties	Effect if actual result 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"> - A decrease in the discount rate assumption would result in an increase in pension liability. - An increase in member life expectancy would result in an increase in pension liability. - An increase in salaries would result in an increase in pension liability. - An increase in the pension rate would result in an increase in pension liability. <p>Please reference table 17.4 for the effect on the scheme obligations.</p>
Impairment allowance for doubtful debts	<p>At 31 March 2023, the Council had a balance of £12,146m for debtors. A review of balances suggested that an impairment of doubtful debts of £2,973m was appropriate. Therefore a total of £9,173 recognised on the balance sheet.</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>
Business Rates Appeals	<p>At 31 March 2023, the Council recognised a provision of £5.194m 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 £2.078m.</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 2023

2021/22 £'000	Housing Revenue Account - Income & Expenditure Statement	2022/23 £'000
	Expenditure	
2,689	Repairs and maintenance	2,948
2,105	Supervision and management	2,451
104	Rents, rates, taxes and other charges	130
137	Overheads	2,077
3,782	Depreciation - Dwellings	4,004
132	Depreciation - Other Non-current Assets	-
(8,018)	Change in Valuation of Non-current Assets	(405)
9	Revenue Expenditure Funded from Capital Under Statute (REFCUS)	21
-	Share of Corporate Core	600
941	Total Income	11,827
	Income	
(14,815)	Dwelling Rents	(15,185)
(223)	Non-Dwelling Rents	(676)
(10)	Charges for services and facilities	(436)
(1)	Contributions towards expenditure	(90)
(15,048)	Total Expenditure	(16,387)
	Net Cost of HRA Services as included in the Comprehensive Income & Expenditure Statement	(4,560)
(14,107)	HRA Services share of non-distributed costs	66
(13,970)	Net Cost of HRA Services	(4,494)
(589)	(Gain) or loss on disposal of HRA Non-Current Assets	(753)
2,575	Interest payable and similar charges	2,601
(3)	Interest and Investment Income	(263)
131	IAS19 Pensions - Net Interest on Defined Assets/Liabilities	27
(9)	Anticipated Credit loss	58
(114)	Capital Grants and Contributions	-
(11,979)	(Surplus)/Deficit for the year on HRA Services	(2,826)

2021/22 £'000	Movement on the Housing Revenue Account (HRA) Statement Working Balance	2022/23 £'000
(471)	Balance on the HRA working balance at the end of the previous year	(471)
		(279)
(471)	Balance on the HRA at the end of the previous year	(750)
(11,979)	(Surplus)/Deficit for the year on the HRA Income & Expenditure Statement	(2,826)
10,926	Adjustments between accounting basis and funding basis under statute	4,573
(1,053)	Net increase or (decrease) in the year on the HRA before transfers to reserves	1,747
1,054	Transfers to/(from) Earmarked Reserves	(1,747)
1	Increase or (decrease) in the year on the HRA Working balances	(0)
(471)	Balance at the end of the year on HRA Working Balance	(750)
2021/22 £'000	Movement on the Total Housing Revenue Account (HRA) Statement	2022/23 £'000
(471)	Balance on the HRA working balance at the end of the previous year	(3,301)
(2,830)	Earmarked Reserves Transfers to/From	1,545
(3,301)	Total Balance on the HRA at the end of the previous year	(1,756)

Balance Sheet

For the Year ended 31st March 2023

Balance Sheet Value of HRA Assets 2022/23	Council Dwellings £'000
Cost or Valuation	
Adjustments to opening balance	
Brought Forward 1 April 2022	343,205
Additions	4,431
Revaluation increase/(decrease) recognised in the Revaluation Reserve	953
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	268
Derecognition - disposals	(1,666)
Derecognition - other	-
Reclassification - within PPE	3,736
Reclassification - outside PPE	
Balance carried forward 31 March 2023	350,926
Accumulated Depreciation & Impairment	
Adjustments to opening balance	
Brought Forward 1 April 2022	
Depreciation for year	(4,004)
Depreciation written out to the Revaluation Reserve	3,848
Depreciation written out to the Surplus/Deficit on Provision of Services	137
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	
Derecognition - disposals	19
Derecognition - other	
Reclassification - within PPE	
Reclassification -outside PPE	
Balance carried forward 31 March 2023	0
Net Book Value as at 31 March 2023	350,926
Net Book Value as at 31 March 2022	343,205

Movements in 2021/22	Council Dwellings £'000
Cost or Valuation	
Adjustments to opening balance	20
Brought Forward 1 April 2021	312,848
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	-
Balance carried forward 31 March 2022	343,205
Accumulated Depreciation & Impairment	
Adjustments to opening balance	(20)
Brought Forward 1 April 2021	20
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	-
Balance carried forward 31 March 2022	(0)
Net Book Value as at 31 March 2022	343,205

Housing Revenue Account

20.1 Housing Stock

31/03/2022 No. of Properties			31/03/2023 No. of Properties
719	Flats		717
750	Bungalows		750
1,324	Houses		1,323
2,793	Total Properties		2,790
2021/22 No.	Build Type	No. of Beds	2022/23 No.
10	Houses	1	10
214		2	214
1,046		3	1,045
53		4	53
1		5	1
15	Flats	0	15
422		1	421
261		2	260
21	Bungalows	3	21
135		1	135
608		2	608
7	Shared Ownership	3	7
2,793			2,790

2021/22 £'000	HRA Balance sheet Value	2022/23 £'000
343,205	Council Dwellings	350,926
2,936	Other Land & Buildings-Garages	2,276
1,225	Other Land & Buildings-Temporary Accommodation	1,211
-	Other Land & Buildings-Depot	612
13	Vehicles, plant & Equipment	5
34	Community Assets	35
15	Intangibles	11
12	Infrastructure	10
5,011	Assets under Construction	6,399
352,451	Balance 31 March	361,484

20.2 Rent Arrears

2021/22 £'000		2022/23 £'000
	Arrears due from:	
391	- Current Tenants	470
28	- Former Tenants	22
419	Total Rent Arrears	492
2.8%	Total as a % of Gross Rent	3.2%

20.3 Movements on the HRA Reserve

2021/22 £'000	HRA Reserve	2022/23 £'000
(471)	Balance as at 1 April	(471)
-	Movement	(279)
(471)	Balance as at 31 March	(750)
(3,884)	Earmarked Reserves at 1 April	(2,831)
1,053	Movement	1,825
(2,831)	Earmarked Reserves at 1 April	(1,006)
(3,302)	Housing Revenue Account Total Balance as at 31 March	(1,756)

20.4 Movement on the Major Repairs Reserve

2021/22 £'000	Major Repairs Reserve	2022/23 £'000
(467)	Opening Balance as at 1 April	(1,031)
(3,887)	Transfer In	(4,004)
3,323	Capital Expenditure funded from reserve	4,430
(1,031)	Closing Balance as at 31 March	(605)

20.5 HRA Capital Expenditure and Financing

2021/22 £'000		2022/23 £'000
7,378	Total HRA Capital Expenditure	9,666
	Financed by:	
(2,239)	Revenue Contributions	(3,313)
(3,323)	Contribution from Major Repairs Reserve	(4,445)
(1,360)	Capital Receipts	(1,908)
(456)	Capital Grants	
(7,378)	Total Financing	(9,666)

20.6 HRA Capital Receipts Reserve

2021/22 £'000	HRA Capital Receipts Reserve	2022/23 £'000
(2,176)	Balance 1 April	(3,553)
426	Paid to Government Housing Receipts Pool	-
(2,941)	Capital Receipts received	(2,582)
(242)	Notional Capital receipts received	1,737
1,360	Capital Receipts used for Financing	70
21	Expenses from sales of Capital Receipts	15
(3,553)	Balance 31 March	(4,313)

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 3.52% of properties were vacant during 2022/23 (2.29% 2021/22) 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 on behalf of itself, its preceptors (Essex County Council, Essex Fire Authority and Essex Police Authority) and Central Government. The Council, as the billing authority, has a statutory obligation to maintain a separate collection fund for council tax and business rates. The Collection Fund Statement shows the transactions of the billing authority in relation to the collection from council tax and business rate payers and the distribution to local government bodies and Central Government.

22.0 Collection Fund Income and Expenditure Account

2021/22			Collection Fund			2022/23		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total		
£'000	£'000	£'000		£'000	£'000	£'000		
-	(71,977)	(71,977)	Council Tax Payers	-	(76,111)	(76,111)		
(44,174)	-	(44,174)	Business Rates Payers	(43,242)	-	(43,242)		
(44,174)	(71,977)	(116,151)	Total Income	(43,242)	(76,111)	(119,353)		
3,727	51,100	54,827	Essex County Council	3,809	53,853	57,662		
-	7,947	7,947	Essex Police Authority	-	8,399	8,399		
414	2,816	3,230	Essex Fire Authority	423	2,895	3,318		
16,566	9,961	26,527	Uttlesford District Council/Parish	16,930	10,402	27,332		
20,707	-	20,707	Central Government	21,163	-	21,163		
41,414	71,824	113,238	Total Precept and Demand	42,325	75,549	117,874		
(1,088)	(285)	(1,373)	Essex County Council	134	(177)	(43)		
-	(43)	(43)	Essex Police Authority	-	(26)	(26)		
(121)	(16)	(137)	Essex Fire Authority	15	(10)	5		
(4,837)	(55)	(4,892)	Uttlesford District Council	593	(33)	560		
(6,046)	-	(6,046)	Central Government	741	-	741		
(12,092)	(399)	(12,491)	Total Distributions of Previous Years Surplus/(Deficit)	1,483	(246)	1,237		
474	(104)	370	Provision for Doubtful Debts Adjustment	215	311	526		
(80)	-	(80)	Transitional Protection Payments from Central Government	144	-	144		
108	-	108	Business Rates:- Renewable Energy to General Fund	156	-	156		
140	-	140	Business Rates:- Cost of Collection Allowance to General Fund	141	-	141		
779	-	779	Business Rates:- Provision created in year	1,053	-	1,053		
(577)	-	(577)	Business Rates:- Provision released into Collection Fund	(1,316)	-	(1,316)		
844	(104)	740	Total Other Expenditure	393	311	704		
30,166	71,321	101,487	Total Expenditure	44,201	75,614	119,815		
12,834	1,373	14,207	(Surplus)/Deficit as at 1 April	(1,175)	716	(459)		
(14,009)	(657)	(14,666)	(Surplus)/Deficit for the year	960	(497)	463		
(1,175)	716	(459)	(Surplus)/Deficit as at 31 March	(215)	219	4		

Notes to the Collection Fund

22.1 Council Tax Introduction

Council Tax comes from charges raised according to the value of residential properties, which have been classified into eight valuation bands A-H, using estimated April 1991 valuations. The individual charge is calculated by aggregating the requirements for the coming year from each of the preceptors and dividing this by the Council Tax (the equivalent number of band D dwellings).

In 2022/23, the council tax base was 38,436 (2021/22 was 38,108). The average amount for a Band D property in 2022/23 was £1,861.58 (2021/22 was £1,784.94), this is multiplied by the proportion specified for the particular band to give an individual amount due, to which any parish precept must be added.

The average Band D Council Tax bill including Parish Precepts in 2022/23 was £1,965.60 (21/22 was £1,884.72).

22.2 Council Tax Base

The deficit on the Collection Fund as at 31st March 2023 in respect of Council Tax will be recovered in future years from local preceptors including the Council in line with statutory requirements. Each entity's share of the balance is shown below:

2021/22	Council Tax Base	2022/23
38,595	Total Dwellings	38,896
37,719	Net Chargeable Dwellings	35,872
40,658	Band D Equivalents	41,020
(2,013)	Local Council Tax Support Discounts	(2,041)
38,645	Total Band D Equivalents	38,979
37,871	Collection Rate 98.8% / 98.8%	38,199
237	M.O.D Properties	237
38,108	Council Tax Base	38,436

22.3 Council Tax Income Analysis

2021/22 £'000		2022/23 £'000
83,041	Gross Council Tax Collectable	87,623
(1,527)	Less:- Exemptions	(1,765)
(5,659)	Less:- Discounts	(5,880)
(3,917)	Less:- Local Council Tax Support	(3,906)
2	Transitional Relief	3
71,940	Income from Council Tax Payers	76,075

22.4 Council Tax Collection Fund Balance

2021/22 £'000		2022/23 £'000
514	Essex County Council	157
74	Essex Police Authority	23
30	Essex Fire Authority	9
98	Uttlesford District Council	30
716	Total (Surplus)/Deficit Apportioned	219

22.5 Business Rates Introduction

Business Rates come from rates due for business premises. The rateable values for each premises are set by the Valuation Office Agency. These values are multiplied by the business rate multiplier set nationally by Central Government to get the amount payable.

The Non-Domestic Rateable value in the council's area as at 1st April 2022 was £111.127million (1st April 2021 was £108.685million) and the multipliers, as specified by Central Government were 49.9p excluding small business surcharge (49.9p 2021/22) and 51.2p including small business surcharge (51.2p 2021/22). Based on the lower rate this produced an approximate yield of £55.452million (£54.234 million 2021/22). 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 2022/23 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 £1.635 million but is estimated to receive £0.736million benefit share from the pool thus reducing the levy payable to £0.899million.

22.6 Business Rates Income Analysis

2021/22 £'000		2022/23 £'000
57,449	Gross Business Rate Collectable	54,722
(4,384)	Small Business Rate Relief	(4,344)
(2,234)	Mandatory Relief	(1,177)
(1,154)	Property Relief	(1,271)
(5,423)	Discretionary Relief	(4,832)
(80)	Transitional Relief	144
44,174	Income from Business Rates Payers	43,242

22.7 Business Rates Fund Balance

2021/22 £'000		2022/23 £'000
(587)	Central Government	(108)
(106)	Essex County Council	(19)
(12)	Essex Fire Authority	(2)
(470)	Uttlesford District Council	(86)
(1,175)	Total (Surplus)/Deficit Apportioned	(215)

SECTION I – GROUP FINANCE STATEMENTS

Group CIES

			Group Comprehensive Income & Expenditure Statement					
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure	
2021/22 £'000	2021/22 £'000	2021/22 £'000			2022/23 £'000	2022/23 £'000	2022/23 £'000	
2,861	(1,194)	1,667	Communities & Partnerships		2,820	(958)	1,862	
18,937	(11,614)	7,323	Environmental Services		28,541	(10,847)	17,694	
26,478	(23,169)	3,309	Finance & Administration		28,025	(24,312)	3,713	
4,926	(3,416)	1,510	Housing & Economic Development		5,390	(2,998)	2,392	
13,651	(27,758)	(14,107)	Housing Revenue Account		19,810	(24,970)	(5,160)	
137	-	137	Housing Revenue Account - Overheads		600	-	600	
611	(437)	174	Corporate costs		1,445	(3,907)	(2,462)	
67,601	(67,588)	13	Cost of Services		86,632	(67,992)	18,639	
4,228	(1,205)	3,023	Other Operating Expenditure	5.1	4,263	(1,099)	3,163	
5,046	(65,614)	(60,568)	Financing & Investment Income and Expenditure	5.2	50,099	(13,857)	36,241	
78	(19,137)	(19,059)	Other Taxation and Non-Specific Grant Income	5.3	1164	(19,713)	(18,549)	
9,353	(85,956)	(76,591)	(Surplus)/Deficit on Provision of Services		55,525	(34,669)	39,495	
1665	(28,636)	(26,971)	(Surplus)/Deficit on Revaluation of Property, Plant & Equipment Assets		0	(6,366)	(6,366)	
312	(12,710)	(12,398)	Remeasurement of the Pension net defined Liability/(Asset)		11253	(37,125)	(25,872)	
1,977	(41,346)	(39,369)	Other Comprehensive Income and Expenditure		11,253	(37,125)	(32,238)	
		(115,960)	Total Group Comprehensive Income and Expenditure				7,257	

Group Balance Sheet

31/03/2022 £'000	Group Balance Sheet	Notes	31/03/2023 £'000
404,093	Property, Plant and Equipment	7.1	408,899
1,091	Heritage Assets	7.3	1,091
190,475	Investment Properties		168,575
347	Intangible Assets	6.1	297
106,297	Long-term Investments	8.1	103,026
2,650	Long-term Debtors	8.2	3,991
704,953	Total Long-term Assets		685,879
20,836	Short-term Investments	18.1	14,709
0	Inventories	9.1	26
5,988	Short-term Debtors	9.2 - 9.3	12,241
4,938	Cash & Cash Equivalents	9.4	1,894
31,762	Total Current Assets		28,870
-	Bank Overdraft		(1,202)
(169,112)	Short-term Borrowing		(108,276)
(28,345)	Short-term Creditors	10.1	(24,703)
(2,466)	Short-term Provisions	10.2	(2,361)
(199,923)	Total Current Liabilities		(136,542)
(117,502)	Long-term Borrowing	18.2	(190,595)
(4,025)	Other Long Term Liabilities	11.2	(3,844)
(2,294)	Grant Receipts in Advance (Revenue)	11.3 - 11.4	(2,331)
(101)	Grant Receipts in Advance (Capital)		(101)
(27,679)	Pension Scheme Liability	17.3 - 17.5	(3,402)
(151,601)	Total Long-term Liabilities		(200,273)
385,191	Total Net Assets		377,934
	Represented by:-		
(32,073)	Usable Reserves	2.1 - 2.4	(82,744)
(353,119)	Unusable Reserves	3.1 - 3.6	(295,190)
(385,191)	Total Reserves		(377,934)

Group Movement in Reserves

Group Movement in Reserves Statement 2022/23	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
Balance as at 31 March 2022		(22,699)	(3,301)	(1,031)	(3,847)	(1,193)	(32,072)	(353,119)	(385,191)
Movement in Reserves during 2022/23									
(Surplus) or Deficit on Provision of Services (accounting basis)	Grp1	42,558	(2,826)				39,732		39,732
Adjustments between Group & Entity Accounts		(237)					(237)	-	(237)
Other Comprehensive Income and Expenditure							-	(32,238)	(32,238)
Total Comprehensive Income and Expenditure		42,321	(2,826)	-	-	-	39,495	(32,238)	7,257
Adjustments between accounting basis & funding basis under regulations (Note 1.1)		(94,156)	4,573	426	(525)	(293)	(89,976)	89,976	-
Net (increase)/decrease before transfers to earmarked reserves		(51,835)	1,747	426	(525)	(293)	(50,481)	57,738	7,257
Transfers to/(from) Reserves		11	(201)	-	-	-	(192)	191	(1)
(Increase)/decrease in year		(51,825)	1,545	426	(525)	(293)	(50,672)	57,929	7,256
Balance as at 31 March 2023		(74,524)	(1,756)	(605)	(4,372)	(1,486)	(82,744)	(295,190)	(377,934)
Group Movement in Reserves Statement 2021/22	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
Balance as at 31 March 2021		(22,927)	(4,355)	(467)	(2,601)	(1,537)	(31,887)	(237,344)	(269,231)
Movement in Reserves during 2021/22									
(Surplus) or Deficit on Provision of Services (accounting basis)	Grp1	(32,117)	(11,607)				(43,724)		(43,724)
Adjustments between Group & Entity Accounts		(32,867)					(32,867)	-	(32,867)
Other Comprehensive Income and Expenditure							-	(39,369)	(39,369)
Total Comprehensive Income and Expenditure		(64,984)	(11,607)	-	-	-	(76,591)	(39,369)	(115,960)
Adjustments between accounting basis & funding basis under regulations (Note 1.1)		65,211	12,661	(564)	(1,247)	344	76,406	(76,406)	-
Net (increase)/decrease before transfers to earmarked reserves		228	1,054	(564)	(1,247)	344	(185)	(115,775)	(115,960)
Transfers to/(from) Reserves		-	-	-	-	-	-	-	-
(Increase)/decrease in year		228	1,054	(564)	(1,247)	344	(185)	(115,775)	(115,960)
Balance as at 31 March 2022		(22,699)	(3,301)	(1,031)	(3,847)	(1,193)	(32,072)	(353,119)	(385,191)

Group Cashflow

2021/22 £'000	Group Cash Flow Statement	Note	2022/23 £'000
76,591	Net Surplus/(Deficit) on the Provision of Services		(39,495)
(48,423)	Adjustments to net Surplus/(Deficit) on the Provision of Services - non cash movements		48,982
(3,034)	Adjustment for items included in the Net Surplus/(Deficit) on the Provision of Services that are investing and financing activities		(1,869)
25,134	Net cash flows from operating activities	13.1	7,618
(86,378)	Net cash flows from investing activities	13.2	(21,323)
61,922	Net cash flows from financing activities	13.3	9,459
678	Net (Decrease) in cash and cash equivalents		(4,246)
4,260	Cash and cash equivalents at the beginning of the reporting period		4,938
4,938	Cash and cash equivalents at the end of the reporting period		692