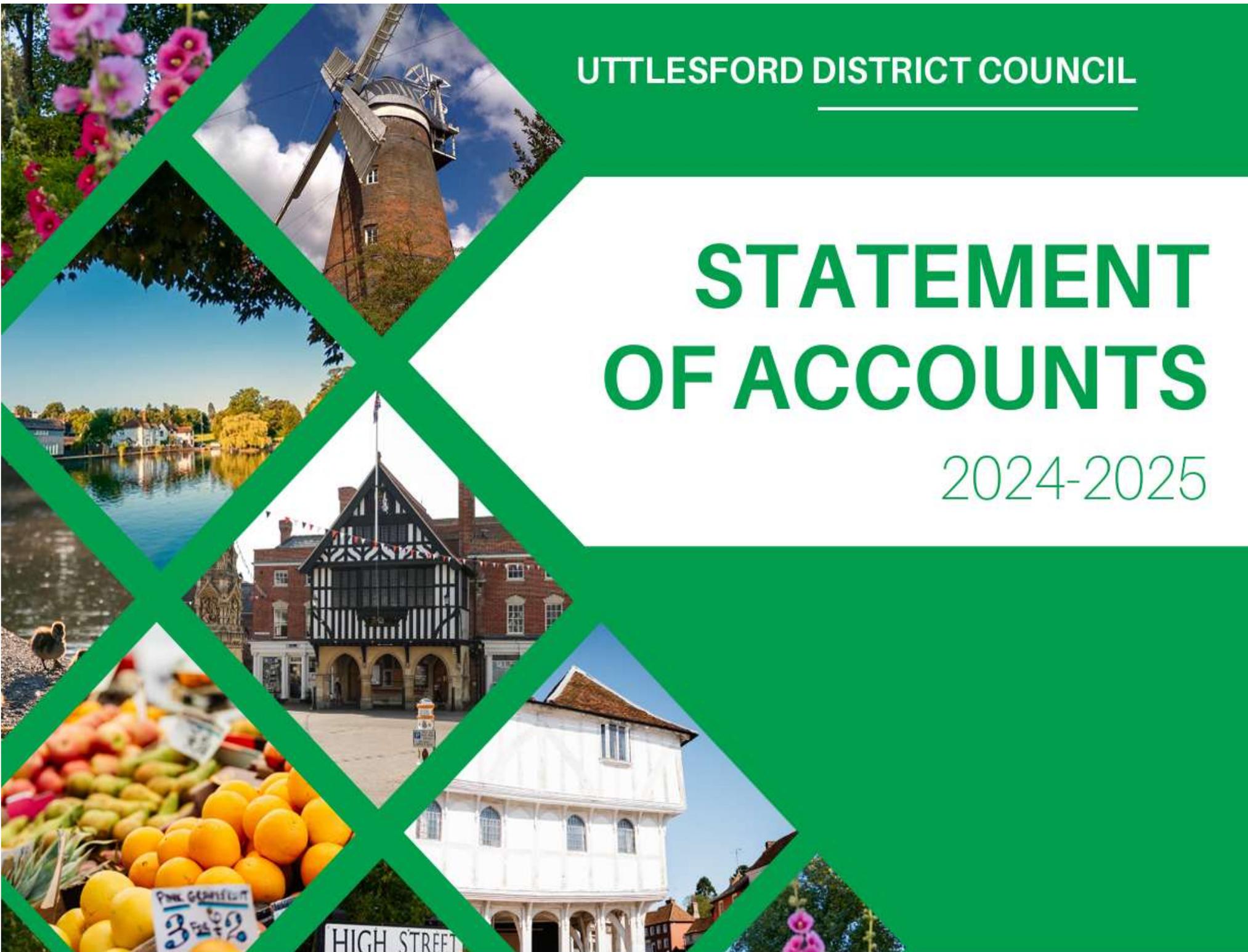


UTTLESFORD DISTRICT COUNCIL

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# STATEMENT OF ACCOUNTS

2024-2025



# UTTLESFORD DISTRICT COUNCIL

## DRAFT STATEMENT OF ACCOUNTS 2024/25

### CONTENTS

<b>SECTION – 1</b>	<b>NARRATIVE STATEMENT</b>	<b>Page 003</b>
<b>SECTION – 2</b>	<b>INDEPENDENT AUDITOR'S REPORT</b> <ul style="list-style-type: none"> <li><i>Independent Auditor's Report To The Members Of Uttlesford District Council</i></li> </ul>	<b>Page 016</b> <ul style="list-style-type: none"> <li><i>Page 017</i></li> </ul>
<b>SECTION – 3</b>	<b>STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS</b>	<b>Page 021</b>
<b>SECTION – 4</b>	<b>PRIMARY STATEMENTS</b> <ul style="list-style-type: none"> <li><i>Comprehensive Income and Expenditure Statement</i></li> <li><i>Movement in Reserves Statement (Single)</i></li> <li><i>Balance Sheet</i></li> <li><i>Cash Flow Statement</i></li> <li><i>Notes To The Core Accounting Statements</i></li> <li><i>Group Accounts and Explanatory Notes</i></li> </ul>	<b>Page 024</b> <ul style="list-style-type: none"> <li><i>Page 025</i></li> <li><i>Page 026</i></li> <li><i>Page 027</i></li> <li><i>Page 028</i></li> <li><i>Page 031</i></li> <li><i>Page ####</i></li> </ul>
<b>SECTION – 5</b>	<b>SUPPLEMENTARY FINANCIAL STATEMENTS</b> <ul style="list-style-type: none"> <li><i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i></li> <li><i>Collection Fund Statement</i></li> <li><i>Notes to the Collection Fund</i></li> </ul>	<b>Page</b> <ul style="list-style-type: none"> <li><i>Page 110</i></li> <li><i>Page 116</i></li> <li><i>Page 118</i></li> </ul>
<b>SECTION – 6</b>	<b>GLOSSARY OF FINANCIAL TERMS</b>	<b>Page</b>

**SECTION – 1**

**NARRATIVE STATEMENT**



# NARRATIVE STATEMENT

## Introduction

The Statement of Accounts presents the financial results of the Council's activities for the year ended 31 March 2025 and summarises the overall financial position of the Council as of 31 March 2025. This Narrative Report sets out the key issues and is intended to give the reader an insight into the Council's performance during 2024/25.

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 had a population of 91,300 in 2021 as per the Census of the same year.

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

The key services and activities of the Council are the provision of Council housing, refuse collection & recycling, litter picking, planning, building control, economic development, environmental health, housing and Council tax benefits, Council Tax and Business Rates collection, off-street car parking, community safety, healthy lifestyles and wellbeing, and voluntary sector support, leisure centres, museum, and licensing. Other key local authority services such as social care, education and roads are provided by Essex County Council.

For more information about Uttlesford District Council please visit the Council's website at:

[www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

**Corporate Plan:**

The Corporate Plan is the key document that sets out the Council's vision and priorities over a four year period 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 26 February 2024, full details can be found on the Council's website.

[Corporate Plan 2023-27 - Uttlesford District Council](#)

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: ensure financial stability; use commercial assets to fund services; enhance digital access and innovation across council services; further develop a skilled, motivated and diverse workforce.

- Encouraging economic growth

We will: improve connectivity infrastructure, support the resilience and growth of the local economy.

- Protecting and enhancing our environment

We will: take action on climate change; conserve and enhance the quality and diversity of the district's natural habitats and wildlife; manage waste in a sustainable way; work with partners to deliver sustainable transport.

- Build Strong Communities

We will: provide and maintain quality homes and invest in thriving communities; plan for future housing needs in a sustainable way; tackle rural priorities

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.

**Uttlesford – The Establishment:**

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.

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 £13.26 which is significantly higher than the National Living Wage of £11.44 per hour and the Real Living Wage of £12.60 per hour.

## NARRATIVE STATEMENT (continued)

### Governance and Risk Management:

The Annual Governance Statement is included as a key document alongside 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.

The immediate strategic and operational risks the Council is currently facing:

- Reforms to the Government funding methodology for Local Authorities,
- Government's outline of proposals for a comprehensive reform of the planning system,
- Government's proposals to transform the way waste and recycling is collected nationally,
- Essex Districts and County Council's approach to Local Government Reorganisation across Essex.

### Medium-Term Financial Plan (MTFP):

After taking into account all the above considerations and below expenditure, income, funding and net reserves drawdowns the Council has set a budget with a small deficit of £854k for 2025/26. In future years the strategy shows increasing deficit positions so by the final year the deficit is £3.651m for the General Fund.

This position is dependent on Blueprint Uttlesford delivering £4.816m in savings over the MTFP period. Due to the erratic trade policies of the President of the United States effecting economic certainty, this is far from sure to be delivered. Without these savings, the 2025/26 deficit increases to £1.349m and balloons to £8.467m by 2029/30. This requires the utmost focus from Council members and officers.

	2025/26	2026/27	2027/28	2028/29	2029/30
	£'000	£'000	£'000	£'000	£'000
<b>Service Net Expenditure</b>	<b>15,682</b>	<b>17,693</b>	<b>18,384</b>	<b>19,099</b>	<b>19,816</b>
Investment Property	1,319	(248)	(1,161)	(1,298)	(1,234)
Corporate Items	2,542	3,008	3,459	4,096	4,697
Transformation	-	-	-	-	-
Local Government	-	-	-	-	-
External Funding	(10,813)	(8,879)	(7,935)	(6,987)	(6,103)
Blueprint Uttlesford	(495)	(3,167)	(3,777)	(4,413)	(4,816)
Reserves	-	-	-	-	-
Council Tax Income	(7,381)	(7,694)	(8,020)	(8,357)	(8,709)
<b>Total</b>	<b>854</b>	<b>713</b>	<b>950</b>	<b>2,140</b>	<b>3,651</b>

The Council's budget and associated strategies for 2024/25 including the Medium-Term Financial Plan (MTFP) for the period were approved at the Council meeting on the 26 February 2024. Full details of the MTFP and supporting budgets and strategies presented at the Council meeting can be viewed via the Council's website. The meeting was also recorded and is available to watch via a link within the webpage.

## NARRATIVE STATEMENT (continued)

### Financial Performance – 2024/25

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) Limited

#### 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
- Inflationary increases in contracts
- Support payments such as Housing Benefit and Local Council Tax Support

A summary of the key operational financial results for 2024/25 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 deficit of £654k made up of a Business Rate deficit of £1.794m and a Council Tax surplus of (£1.140m).

General Fund Revenue Account:

	2024/25	2024/25	2024/25
	Budget	Outturn	Variance
	£'000	£'000	£'000
Business Performance & People	369	130	(239)
Chief Executive	371	337	(34)
Corporate Services	1,591	1,488	(103)
Digital Innovation & Commercialisation	3,334	3,845	511
Environmental Services & Climate Change	3,485	3,669	184
Resources	3,988	3,506	(482)
Housing, Health & Communities	970	933	(37)
Planning	1,244	1,405	161
<b>Net Cost of Services</b>	<b>15,352</b>	<b>15,313</b>	<b>(39)</b>
Transformation	400	-	(400)
Corporate Items	1,011	1,539	528
Treasury	(127)	634	761
Investment Properties	1,945	497	(1,448)
External Funding	(11,525)	(11,556)	(31)
Council Tax Income	(7,056)	(7,056)	-
<b>Total</b>	<b>-</b>	<b>(629)</b>	<b>(629)</b>

\* It is worth noting that there was a technical PFI adjustment, which nominally changed where certain costs fell but there is no change to the £629k surplus. However, as this is purely presentational, it is not included in the 2024/25 outturn above. In 2025/26, both budgets and actuals will be realigned to prevent any presentational impact.

A £629k underspend within the General Fund has occurred within the year 2024/25, and is made up of the following significant variances:

- £(211)k overachievement in car parking income due to increased volumes,
- £(248)k underspend due to the release of an historic provision in land charges,
- £244k overspend in legal services due to hiring agency staff whilst finalising permanent structure.
- £(88)k underspend on Customer Services Centre salaries due to vacancies.
- £242k overspend due to rising IT contract costs.
- £266k of property revenue costs previously charged to capital.
- £524k overspend in Environmental Services due to the high costs of diesel, vehicle hire and vehicle parts (as waste vehicles are aging).
- £(251)k of staffing vacancies and climate control underspends.
- £(312)k underspend in Corporate Management due to a lower than expected pay settlement, a higher recharge to the HRA due to higher staffing and agency costs and no use of centrally held contingency.
- £269k overspend in Financial Services due to the need for a team of agency workers to meet the audit backstop dates for the last 5 financial years.
- £160k overspend Housing Benefit Subsidy Gap (difference between Housing Benefit Subsidy and cost to house residents in temporary accommodation).
- £(249)k overachievement in licensing income due to high volumes but was spent on agency staff.
- £(190)k underspend in Building Control driven by supporting a national conservatory and roof replacement company but was spent on agency staff.
- £366k net overspend in Planning due to agency spend due to difficulty of hiring permanent staff, although that drove higher planning income levels.
- £(400)k use of Transformation budget managed within services
- £(649)k savings to the Treasury after moving £500k to reserves due to spreading the £10.53m loan discount over 10 years following the early repayment of a private sector loan.
- £(103)k of other minor net underspends.



## NARRATIVE STATEMENT (continued)

Housing Revenue Account (HRA): deficit of £112k:

The deficit of £112k reflects:

- £(181)k unexpected underspend in service income due to historic understatement of rent debtor balances
- £(73)k underspend on common service flats
- £(771)k underspend of transformation costs as these costs were managed within service budgets
- £1,093k overspend on other operating income and expenditure. Corrections resulted from recent accounting reviews and the meeting of audit backstop dates for previously understated depreciation, previously understated recharges from the General Fund and previously unrecognised insurance budgets.
- £(287)k underspend after increasing reserves by £2.239m. This was on capital financing due to the delayed capital programme. These will be used to support capital expenditure and transformation from 2025/26 onwards.
- £313k British Gas accrual that wasn't included in the published accounts in June 2025 and £18k of other minor net overspends.

## NARRATIVE STATEMENT (continued)

### Investments:

	31-March-2024	31-March-2025
	Actual £m	Actual £m
Skyway House, Parsonage Road, Takeley - Offices	21.3	21
Deer Park Road, Livingston, Scotland - Veterinarian Practice	5.2	5
Stane Retail Park, Colchester - Retail Park	27.7	28
Chorley - Regional Distribution Centre	58.3	58
Gloucester - Distribution Centre	43.3	44
Tewkesbury - Offices and warehouse	38.2	39
<b>Total</b>	<b>194.0</b>	<b>195.0</b>

These investments generated £9.7m of investment income for the Council in 2024/25 after taking into account direct costs. In addition, as at 31st March 2025 the Council had invested £77.2m in loans to its subsidiary, Aspire (CRP) Limited, which holds a 50% share in investment property at Chesterford Research Park. These loans generated income of £2.5m 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 principal risks of tenant defaults, void periods, and unexpected refurbishment costs are managed by setting aside sums in a commercial asset reserve.

### 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. However, two brief incidences occurred where there was a breach of individual counterparty investment limits. The Treasury Management Strategy places a limit on the total amount which can be invested with any one individual counterparty. The purpose of this is to limit the Council's exposure in the unlikely event of the failure or default of any of the financial institutions with which the Council invests. The individual counterparty investment limit for unsecured investments with banks is £3 million.

As at 31st March 2025, net borrowing would be £301.4m arising from 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.

Interest rates, although still relatively high, have slowly reduced over the past year. Gilt yields fell in late 2023, reaching April 2023 lows in December 2023 before rebounding to an extent in the first three months of 2025. Gilt yields have remained volatile, seeing upward pressure from perceived stickier inflation at times and downward pressure from falling inflation and a struggling economy at other times.

## NARRATIVE STATEMENT (continued)

The treasury management position on 31st March 2025 is shown in the table below;

	31-March-2024	2024/25	31-March-2025	31-March-2025
	Balance	Movement	Balance	Weighted Average Balance
	£m	£m	£m	%
Long-term borrowing	193.6	5.3	198.9	4.12
Short-term borrowing	116.5	(1.8)	114.7	5.39
<b>Total borrowing</b>	<b>310.1</b>	<b>3.5</b>	<b>313.6</b>	<b>4.58</b>
Long-term investments	-	3.0	3.0	4.50
Short-term investments	8.0	(3.0)	5.0	4.75
Cash and cash equivalents	3.3	3.9	7.2	3.06
<b>Total investments</b>	<b>11.3</b>	<b>3.9</b>	<b>15.2</b>	<b>3.90</b>
<b>Net borrowing</b>	<b>298.8</b>	<b>(0.4)</b>	<b>298.4</b>	

### Going Concern Assessment:

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 are regarded as a going concern until statute determines otherwise. Nevertheless Uttlesford District Council is assessed as a going concern on the following considerations:

- Funding vs Net Expenditure
- Liquidity
- Future Outlook
- Judgements/Estimates of the amounts recognised in the financial statements

### Funding vs Net Expenditure

Although the MTFP is showing budget deficits for 2025/26 and throughout its 5 year life, the Council has been very prudent in its assumed funding from Central Government. It is showing these to be in decline so as to plan to increasingly fund itself. However if the Government sustains its current level of funding, the budget deficits would be greatly reduced.

The Council also works hard on generating additional income including reviewing its fees and charges annually 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.

In addition, reserves are of a high enough level that can sustain the deficit in 2025/26 and over the MTFP period.

**Liquidity**

The Council has a treasury management policy to always maintain liquid funds of at least £10m. This has been maintained throughout 2024/25 and its cashflow forecast shows this being maintained throughout 2025/26 also.

**Future Outlook**

This is uncertain in terms of government policies and funding, inflation rates, interest rates and international events. The government only announces its funding one year at a time and only a few months ahead of each financial year. The Council's operational budgets are subject to inflation and its treasury investments and borrowing are affected by fluctuating interest rates. The Council sets a prudent MTFP in order to reduce the risk of adverse events throwing it into financial difficulty. This is done by utilising the expert forecasting of its funding advisors, Pixel, and Treasury Management advisors, Arlingclose.

The MTFP from 2024/25 shows a five-year schedule of the Authority's Investment Programme and its plan to generate additional non-treasury investment income. Although, a net expense in 2025/26, this turns into an average net income of c.£.985m over the following 4 years.

The investment asset portfolio is regularly reviewed for acquisitions and disposals. It is looking to sell its wholly owned company (Aspire) which owns a 50% share in Chesterford Retail Park (CRP).

**Judgement/Estimates**

The main areas where judgement is required to estimate values on the balance sheet are Property, Plant and Equipment (PPE), Investment Property, Debtors Impairment, Provisions and Pension Liability.

PPE are revalued by Wilks Head and Eve each year and Investment Properties are revalued annually by Coldwell Banker Richard Ellis, and these are depreciated by the Council's policy which are industry recognized, so the values on the balance sheet are as accurate as can be professionally estimated.

All aged debt is analysed globally and substantial individual debts are assessed for likelihood of collection by those in the services they relate to. Non-collection is provided for accordingly to give the most accurate debtors estimate possible.

Provisions are raised for the status of potential liabilities where time or amount is uncertain after assessment by the relevant service and legal for likely amount payable, so are recognized as accurate as they can be.

The Pension liability is determined by Essex Pensions' Actuary for the most expert valuation possible.

Third party professional experts or those in the Council working closely with the assets or liabilities being estimated means the best possible judgement is being made for recognition on the balance sheet.

**Going Concern Conclusion**

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

**Financial Statements and what they mean**

**Group Accounts:**

These statements firstly show the Council's single position, with the following columns including figures for the wholly owned company trading subsidiary "Aspire (CRP) Limited" and the consolidated Group position of the Council therefore including the subsidiary. The loan value, its respective transactions and any other transactions or balances between the Council and the subsidiary have been eliminated for the Group position.

**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.

**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.

**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 31st 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. The HRA Financial Statements are supplementary statements and show 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.

Please refer to Note 6 “Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty” for a detailed outline of future risks and uncertainties.

For more information visit our website

<https://www.uttlesford.gov.uk/finance>

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**Adrian Webb**  
Strategic Director of Finance, Commercialisation & Corporate Services (S151 Officer)

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Date Feb 2026



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## SECTION – 2

# INDEPENDENT AUDITOR'S REPORT

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### Independent Auditor's Report

### Page Number

- *Independent Auditor's Report To The Members Of Uttlesford District Council*

17



# INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF UTTLESFORD DISTRICT COUNCIL

## REPORT ON THE AUDIT OF THE COUNCIL'S FINANCIAL STATEMENTS

### Disclaimer of opinion

We were engaged to audit the financial statements of Uttlesford District Council (the "Council") for the year ended 31 March 2025 which comprise the Group and Council Comprehensive Income and Expenditure Statement, Group and Council Balance Sheet, Movement in Reserves Statement, Group and Council Cash Flow Statement, Collection Fund, Housing Revenue Account and the related notes, including the Expenditure and Funding Analysis and the accounting policies in note 1.

We do not express an opinion on the financial statements. Due to the significance of the matter described in the Basis for disclaimer of opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

### Basis for disclaimer of opinion

The Accounts and Audit (Amendment) Regulations 2024 (the "Amendment Regulations") require the Council to publish its financial statements and our opinion thereon for the year ended 31 March 2025 by 27 February 2026 (the "Backstop Date").

We have been unable to obtain sufficient appropriate audit evidence over a number of areas of the financial statements as we have been unable to perform the procedures that we consider necessary to form our opinion on the financial statements ahead of the Backstop Date. These areas include Assets under Construction within Property, Plant and Equipment and the balance of, and movements in, usable and unusable reserves for the year ended 31 March 2025.

In addition, we have been unable to obtain sufficient appropriate audit evidence over any of the disclosed comparative figures for the year ended 31 March 2024 due to the Backstop Date for the Group and Council. As a result, we were unable to determine whether there were any consequential effects on the Council's income and expenditure for the year ended 31 March 2025.

Any adjustments from the above matters would have a consequential effect on the Group and Council's net assets and the split between usable reserves, including the Housing Revenue Account, and unusable reserves as at 31 March 2025 and 31 March 2024, the Collection Fund and on their income and expenditure and cash flows for the years then ended.

We disclaimed our audit opinion on the financial statements for the year ended 31 March 2024 regarding this same limitation.

### Fraud and breaches of laws and regulations – ability to detect

As stated in the Disclaimer of opinion section of our report, we do not express an opinion on the financial statements due to the reasons described in the Basis for disclaimer of opinion section of our report.

### Other information

The Strategic Director of Finance, Commercialisation and Corporate Services (the "Section 151 Officer") is responsible for the other information, which comprises the information included in the Statement of Accounts, other than the financial statements and our auditor's report thereon. Any opinion on the financial statements would not cover the other information and we do not express an opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.

Due to the significance of the matter described in the Basis for disclaimer of opinion section of our report, and the possible consequential effect on the related disclosures in the other information, whilst in our opinion the other information included in the Statement of Accounts for the financial year is consistent with the financial statements, we are unable to determine whether there are material misstatements in the other information.



**Strategic Director of Finance, Commercialisation and Corporate Services' and Audit and Performance Committee's responsibilities**

As explained more fully in the statement set out on page 24 the Section 151 Officer is responsible for the preparation of financial statements in accordance with CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and that give a true and fair view. They are also responsible for: such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group's and the Council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they have been informed by the government of the intention to either cease the services provided by the Group and the Council or dissolve the Group and the Council without the transfer of their services to another public sector entity. The Audit and Performance Committee of the Council is responsible for overseeing the Council's financial reporting process.

**Auditor's responsibilities**

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing (UK), and to issue an auditor's report. However, due to the significance of the matter described in the *Basis for disclaimer of opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

We have fulfilled our ethical responsibilities under, and are independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard.

**REPORT ON OTHER LEGAL AND REGULATORY MATTERS**

**Report on the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources**

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the "NAO Code of Audit Practice"), we are required to report to you if we identify any significant weaknesses in the arrangements that have been made by the Council to secure economy, efficiency, and effectiveness in its use of resources.

We have nothing to report in this respect.

**Respective responsibilities in respect of our review of arrangements for securing economy, efficiency and effectiveness in the use of resources**

The Council is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are required under section 20(1) of the Local Audit and Accountability Act 2014 to be satisfied that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively. We are also not required to satisfy ourselves that the Council has achieved value for money during the year.

We planned our work and undertook our review in accordance with the NAO Code of Audit Practice and related statutory guidance, having regard to whether the Council had proper arrangements in place to ensure financial sustainability, proper governance and to use information about costs and performance to improve the way it manages and delivers its services. Based on our risk assessment, we undertook such work as we considered necessary.

**Statutory reporting matters**

We are required by Schedule 2 to the NAO Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make written recommendations to the Council under Section 24 and Schedule 7 of the Local Audit and Accountability Act 2014; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014; or
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in this respect.

**THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES**

This report is made solely to the members of the Council, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our audit work has been undertaken so that we might state to the members of the Council, as a body, those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Council and the members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

**DELAY IN CERTIFICATION OF COMPLETION OF THE AUDIT**

As at the date of this audit report, we are unable to confirm that we have completed our work in respect of the Council's Whole of Government Accounts consolidation pack for the year ended 31 March 2025 because we have not received confirmation from the NAO that the NAO's audit of the Whole of Government Accounts is complete.

Until we have completed this work, we are unable to certify that we have completed the audit of the Uttlesford District Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the NAO Code of Audit Practice.

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**Sarah McKean**  
**for and on behalf of KPMG LLP**  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL

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Date February 2026



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**SECTION – 3**

**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**



## 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 secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer);
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts (by delegation to the Audit and Performance Committee).

### Responsibilities of the Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer)

The (S151 Officer) 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 Great Britain ('the Code'),

In preparing this statement of accounts, the Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer) has:

- Selected suitable accounting policies and then applied them consistently except where policy changes have been noted in these accounts.
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the local authority Code.

The (S151 Officer) has also:

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

### Confirmation of Strategic Director of Finance, Commercialisation & Corporate Services (S151 Officer)

I hereby confirm that the Statement of Accounts presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2025. I confirm that the date of this declaration is the date up to which events have been considered for inclusion within the Council's Statement of Accounts and that events after the Balance Sheet date have been considered to this date and the accounts amended accordingly for such events and adjustments arising from audit. The accounts are therefore authorised for issue.

---

**Adrian Webb**

Strategic Director of Finance, Commercialisation & Corporate Services (S151 Officer)

---

Date Feb 2026



**STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS**

**Certificate of Approval by Audit and Standards Committee**

I confirm that these account statements were approved by the Audit and Performance Committee of Uttlesford District Council on \_\_\_\_ February \_\_\_\_ 2026.

---

**Councillor Chloe Fiddy**

Chairman- Audit & Standards Committee

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Date February 2026



# SECTION – 4

## PRIMARY STATEMENTS

<b>Core Financial Statements</b>	<b>Page Number</b>
• <i>Comprehensive Income and Expenditure Statement</i>	25
• <i>Movement in Reserves Statement (Single)</i>	26
• <i>Balance Sheet</i>	27
• <i>Cash Flow Statement</i>	28
• <i>Notes To The Core Accounting Statements</i>	31
• <i>Group Accounts and Explanatory Notes</i>	0



# COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the Movement in Reserves Statement.

2023/24 Restated *				2024/25			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
3,323	(1,740)	1,583	Business Performance & People	5,895	(2,621)	3,274	
643	(262)	381	Chief Executive	1,053	(729)	324	
1,862	(55)	1,807	Corporate Services	1,298	(47)	1,251	
1,884	(741)	1,143	Digital Innovation & Commercialisation	4,909	(411)	4,498	
11,482	(4,586)	6,896	Environmental Services & Climate Change	11,046	(4,736)	6,310	
2,562	(1,335)	1,227	Housing, Health & Communities	2,785	(1,332)	1,453	
5,963	(2,410)	3,553	Planning	4,681	(2,739)	1,942	
16,526	(13,333)	3,193	Resources	16,479	(12,999)	3,480	
(618)	-	(618)	Corporate Items	(715)	(124)	(839)	
2,244	(18,233)	(15,989)	Housing Revenue Account	16,794	(20,080)	(3,286)	
<b>45,871</b>	<b>(42,695)</b>	<b>3,176</b>	<b>Cost of Service</b>	<b>64,225</b>	<b>(45,818)</b>	<b>18,407</b>	
4,285	(316)	3,969	Other Operating Expenditure	4,816	(654)	4,162	10
24,056	(14,242)	9,814	Financing and Investment Income and Expenditure	19,749	(33,845)	(14,096)	11
-	(21,415)	(21,415)	Taxation and Non-Specific Grant Income	-	(23,581)	(23,581)	12
<b>74,212</b>	<b>(78,668)</b>	<b>(4,456)</b>	<b>(Surplus)/deficit on provision of services</b>	<b>88,790</b>	<b>(103,898)</b>	<b>(15,108)</b>	
		(17,144)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			4,296	13
		235	Remeasurement of the net defined benefit liability / (asset)			357	40
		<b>(16,909)</b>	<b>Other Comprehensive income and expenditure</b>			<b>4,653</b>	
		<b>(21,365)</b>	<b>Total Comprehensive income and expenditure</b>			<b>(10,455)</b>	

\* The 2023/24 CIES was restated as a result of organisation restructure.

## MOVEMENT IN RESERVES STATEMENT (Single)

This Movement in Reserves Statement shows the movement from the start of the year to the end on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year.

The net increase/decrease line shows the statutory General Fund balance movements in the year following those adjustments.

SINGLE MIRS	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Balance at 31-March-2024 brought forward</b>	<b>(25,165)</b>	<b>(2,379)</b>	<b>(4,292)</b>	<b>(1,106)</b>	<b>(331)</b>	<b>(33,273)</b>	<b>(319,896)</b>	<b>(353,169)</b>	
<b>Total Comprehensive Income and Expenditure</b>	(13,186)	(1,922)	-	-	-	(15,108)	4,653	(10,455)	CIES
Adjustments between accounting basis and funding basis under regulations	12,708	(205)	(1,341)	1,063	142	12,367	(12,367)	-	8
<b>Increase or Decrease in 2024/25</b>	<b>(478)</b>	<b>(2,127)</b>	<b>(1,341)</b>	<b>1,063</b>	<b>142</b>	<b>(2,741)</b>	<b>(7,714)</b>	<b>(10,455)</b>	
<b>Balance at 31-March-2025</b>	<b>(25,643)</b>	<b>(4,506)</b>	<b>(5,633)</b>	<b>(43)</b>	<b>(189)</b>	<b>(36,014)</b>	<b>(327,610)</b>	<b>(363,624)</b>	
<b>GF and HRA Balance analysed over</b>									
Earmarked reserves	(23,643)	(2,957)							9
Balances not earmarked	(2,000)	(1,549)							
<b>Balance at 31-March-2025 carried forward</b>	<b>(25,643)</b>	<b>(4,506)</b>							

SINGLE MIRS	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Council Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Balance at 31-March-2023</b>	<b>(26,152)</b>	<b>(1,756)</b>	<b>(4,371)</b>	<b>(605)</b>	<b>(461)</b>	<b>(33,345)</b>	<b>(298,459)</b>	<b>(331,804)</b>	
<b>Total Comprehensive Income and Expenditure</b>	9,136	(13,592)	-	-	-	(4,456)	(16,909)	(21,365)	CIES
Adjustments between accounting basis and funding basis under regulations	(8,149)	12,969	79	(501)	130	4,528	(4,528)	-	8
<b>Increase or Decrease in 2023/24</b>	<b>987</b>	<b>(623)</b>	<b>79</b>	<b>(501)</b>	<b>130</b>	<b>72</b>	<b>(21,437)</b>	<b>(21,365)</b>	
<b>Balance at 31-March-2024</b>	<b>(25,165)</b>	<b>(2,379)</b>	<b>(4,292)</b>	<b>(1,106)</b>	<b>(331)</b>	<b>(33,273)</b>	<b>(319,896)</b>	<b>(353,169)</b>	
<b>GF and HRA Balance analysed over</b>									
Earmarked reserves	(23,165)	(718)							9
Balances not earmarked	(2,000)	(1,661)							
<b>Balance at 31 March 2024 carried forward</b>	<b>(25,165)</b>	<b>(2,379)</b>							

# BALANCE SHEET

The **Balance Sheet** shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the Council is not able to use to provide services.

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

*I certify that the statement of accounts gives a true and fair view of the financial position of the authority as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.*

.....  
**Adrian Webb**  
 Strategic Director of Finance, Commercialisation & Corporate Services (S151 Officer)

---<sup>th</sup> --- 2025

SINGLE		SINGLE	
2023/24		2024/25	
£'000		£'000	
			Note
438,094	Property, Plant and Equipment (PPE)	430,237	13a
1,091	Heritage Assets	1,091	13b
166,375	Investment Property	171,225	14
270	Intangible Assets	182	15
61,880	Long-Term Investments	79,579	18
1,353	Long-Term Debtors	4,057	17
<b>669,063</b>	<b>Long-Term Assets</b>	<b>686,371</b>	
10,893	Short-Term Investments	7,779	18
5	Inventories	12	
7,555	Short-Term Debtors	10,792	19
1,191	Assets Held for Sale	1,191	13c
21,492	Cash and Cash Equivalents (Assets)	7,575	20
<b>41,136</b>	<b>Current Assets</b>	<b>27,349</b>	
(18,022)	Cash and Cash Equivalents (Liabilities)	(495)	20
(125,386)	Short-Term Borrowing	(117,296)	21
(15,078)	Short-Term Creditors	(19,615)	22
(1,139)	Short-Term Provisions	(1,259)	23
<b>(159,625)</b>	<b>Current Liabilities</b>	<b>(138,665)</b>	
(187,753)	Long-Term Borrowing	(198,919)	24
(3,649)	Other Long-Term Liabilities (PFI)	(5,107)	39
(1,084)	Long-Term Revenue Grants- Receipts in Advance	(1,461)	35
(1,986)	Long-Term Capital Grants- Receipts in Advance	(3,072)	35
(2,933)	Pensions Liability Scheme	(2,872)	25
<b>(197,405)</b>	<b>Long-Term Liabilities</b>	<b>(211,431)</b>	
<b>353,169</b>	<b>Net Assets</b>	<b>363,624</b>	
(33,273)	Usable Reserves	(36,014)	MRS
(319,896)	Unusable Reserves	(327,610)	26
-	Share Capital	-	
<b>(353,169)</b>	<b>Total Reserves</b>	<b>(363,624)</b>	

\* Notes outlined above are single entity only, for group account adjustments please see note 42.



## CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the reporting period.

The statement shows how the Council generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the Council.

SINGLE		SINGLE	
2023/24		2024/25	
£'000		£'000	Note
4,456	<b>Net (surplus) or deficit on the provision of services</b>	15,108	CIES
12,988	Adjust to deficit on the provision of services for non-cash movements	904	27
289	Adjustments for items included in net deficit in the provision of services that are investing & financing activities	(8,241)	28
<b>13,277</b>		<b>(7,337)</b>	
<b>17,733</b>	<b>Net cash outflow/(inflow) from operating activities</b>	<b>7,771</b>	
(20,749)	Net cash flows from investing activities	(16,500)	30
7,687	Net cash flows from financing activities	12,339	31
<b>4,671</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>3,610</b>	
(1,200)	Cash and cash equivalents at the beginning of the reporting period	3,470	BS
<b>3,470</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>7,080</b>	BS

\* Notes outlined above are single entity only, for group account adjustments please see the supplementary

## SECTION – 4

### NOTES TO THE CORE ACCOUNTING STATEMENTS

Note Reference	Description	Page Number
Note 1:	Accounting Policies	031
Note 2:	Accounting Standards Issued, Not Adopted	046
Note 3:	Expenditure and Funding Analysis	047
Note 4:	Expenditure and Funding Analysis	050
Note 5:	Critical Judgements in Applying Accounting Policies	051
Note 6:	Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty	053
Note 7:	Events After the Balance Sheet Date	055
Note 8:	Adjs between Accounting Basis and Funding Basis under Regulations	056
Note 9:	Transfers to/from Earmarked Reserves	059
Note 10:	Other Operating Expenditure	060
Note 11:	Financing and Investment Income & Expenditure	060
Note 12:	Taxation & Non-Specific Grant Income	061
Note 13a:	Property, Plant and Equipment (PPE)	062
Note 14:	Investment Properties	066
Note 15:	Intangible Assets	068
Note 16:	Interests in Subsidiaries / Joint Ventures	069
Note 17:	Long Term Debtors	070
Note 18:	Financial Instruments	071
Note 19:	Short Term Debtors	080
Note 20:	Cash and Cash Equivalents	080
Note 21:	Short Term Borrowing	080
Note 22:	Short Term Creditors	080
Note 23:	Short Term Provisions	081
Note 24:	Long Term Borrowing	082
Note 25:	Other Long Term Liabilities	082
Note 26:	Unusable Reserves	083
Note 27:	Cash Flow Statement – Adjustments to net surplus/deficit	086
Note 28:	Cash Flow Statement – Adj's for items in net surp/def on PoS that are investing and financing activities	086
Note 29:	Cash Flow from Operating Activities	086
Note 30:	Cash Flow Statement - Investing Activities	086
Note 31:	Cash Flow Statement - Financing Activities	087
Note 32:	Reconciliation of Liabilities Arising from Financing Activities	088
Note 33a:	Officers' Remuneration and Termination Benefits	088
Note 33b:	Senior Officer Remuneration	089
Note 33c:	Exit Packages	090
Note 34:	External Audit Costs	090
Note 35:	Grant Income	091



## SECTION – 4

### NOTES TO THE CORE ACCOUNTING STATEMENTS

<b>Note Reference</b>	<b>Description</b>	<b>Page Number</b>
<i>Note 36:</i>	<i>Members' Allowances</i>	<i>092</i>
<i>Note 37:</i>	<i>Related Parties</i>	<i>093</i>
<i>Note 38:</i>	<i>Capital Expenditure and Financing</i>	<i>096</i>
<i>Note 39:</i>	<i>Leases and Private Finance Initiative (PFI)</i>	<i>097</i>
<i>Note 40:</i>	<i>Defined Benefit Pension Scheme</i>	<i>098</i>
<i>Note 41:</i>	<i>Contingent Liabilities</i>	<i>103</i>
		<i>108</i>

# Notes to the Core Accounting Statements

## Note 1: Accounting Policies

### GENERAL PRINCIPLES

The Accounts and Audit Regulations 2015 (SI 2015 No 234) require the Council to prepare a Statement of Accounts for each financial year in accordance with proper accounting practices.

For 2024/25, these proper accounting practices principally comprise:

- the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code) supported by International Financial Reporting Standards (IFRS)
- the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 (SI 2003 No 3146, as amended) (the 2003 Regs)

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

#### Asset and Liability Measurement Basis in the Balance Sheet

Class of Assets	Measurement Basis
Property, Plant and Equipment: Dwellings	Current value, comprising existing use value for social housing Dwellings are valued using market prices for comparable properties, adjusted to reflect occupancy under secure tenancies.
Property, Plant and Equipment: Other Land and Buildings	Current value, comprising existing use value  Where prices for comparable properties are available in an active market, properties are valued at market value taking into account the existing use. Where no market exists or the property is specialised, current value is measured at depreciated replacement cost.
Property, Plant and Equipment: Surplus Assets	Fair value
Investment Properties	Fair value
Financial Instruments – Fair Value through Profit or Loss	Fair value
Pensions Assets	Actuarial basis subject to the impacts of an assets ceiling
Pensions Liabilities	Measured on an actuarial basis (see Note 40)

Where assets or liabilities are measured at fair value, this represents the price that would be received to sell an asset or paid to transfer a liability in an orderly market transaction at the measurement date. For non-financial assets, fair value reflects the asset's highest and best use, considering its physical characteristics, legal restrictions and location. The Council uses valuation techniques that maximise observable inputs and minimise unobservable inputs.

Financial assets and liabilities measured at amortised cost are recognised when the Council becomes a party to the contractual terms. Assets such as loans, investments and receivables, and liabilities such as borrowings and payables, are initially measured at fair value and subsequently at amortised cost using the effective interest rate method. Interest income and expenditure are recognised in the Surplus or Deficit on the Provision of Services as they accrue.

The Statement of Accounts has been adjusted to reflect events after 31 March 2025 and before the date the Statement was authorised for issue only where the events provide evidence of conditions that existed at 31 March.

The Council's over-arching accounting policies are set out below. Further detail on the accounting treatment adopted for specific transactions and balances is included in relevant disclosure notes.

**Notes to the Core Accounting Statements (continued)**

**Note 1: Accounting Policies (continued)**

**ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS (CONTINUED)**

The resources available to the Council in any financial year and the expenses that are charged against those resources are specified by statute (the Local Government Act 2003 and the 2003 Regulations). Where the statutory provisions differ from the accruals basis used in the Comprehensive Income and Expenditure Statement, adjustments to the accounting treatment are made in the Movement in Reserves Statement so that usable reserves reflect the funding available at the year-end. Unusable reserves are created to manage the timing differences between the accounting and funding bases. The material adjustments are:

Expense	Accounting Basis in CIES	Funding Basis in MiRS	Adjustment Account
Property, Plant and Equipment	Depreciation and revaluation/impairment losses	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Intangible Assets	Amortisation and impairment	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Investment Properties	Movements in fair value	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Revenue Expenditure Funded from Capital under Statute	Expenditure incurred in 2024/25	Revenue provision to cover historical cost determined in accordance with the 2003 Regs	Capital Adjustment Account
Capital Grants and Contributions	Grants that became unconditional in 2024/25 or were received in 2024/25 without conditions	No credit	Capital Grants Unapplied Reserve (amounts unapplied at 31 March 2024) Capital Adjustment Account (other amounts)
Non-Current Asset Disposals	Gain or loss based on sale proceeds less carrying amount of asset (net of costs of disposal)	No charge or credit	Capital Adjustment Account (other amounts) Capital Receipts Reserve (sale proceeds and costs of disposal) Deferred Capital Receipts Reserve (where sale proceeds have yet to be received)
Financial Instruments	Premiums payable and discounts receivable on the early repayment of borrowing in 2024/25	Deferred debits and credits of premiums and discounts from earlier years in accordance with the 2003 Regs	
	Losses on soft loans granted in 2024/25 and interest receivable in 2024/25 on an amortised cost basis	Interest due to be received on soft loans in 2024/25	Financial Instruments Adjustment Account

Note 1: Accounting Policies (continued)

ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS (CONTINUED)

Expense	Accounting Basis in CIES	Funding Basis in MIRS	Adjustment Account
Pensions Costs	Movements in pensions assets and liabilities (see Policy 10)	Employer's pensions contributions payable and direct payments made by the Council to pensioners for 2024/25	Pensions Reserve
Council Tax	Accrued income from 2024/25 bills	[Demand on the Collection Fund/precept] for 2024/25 plus [recovery of estimated deficit/share of estimated surplus] for 2023/24	Collection Fund Adjustment Account
Business Rates	Accrued income from 2024/25 bills	Budgeted income receivable from the Collection Fund for 2024/25 plus [recovery of estimated deficit/share of estimated surplus] for 2023/24	Collection Fund Adjustment Account
Holiday Pay	Projected cost of untaken leave entitlements at 31 March 2024	No charge	Accumulated Absences Adjustment Account



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### ASSET RECLASSIFICATION

The Council adheres to CIPFA and RICS guidance on the classification of properties. Where a property has had a change of use the Council will reflect this in the accounts and movements between asset classes are usually between PPE and Investment Property. Assets are revalued immediately before reclassification using the measurement basis specified by the Code for the current category of assets and subsequently valued in line with the new class of asset following transfer.

In certain cases, a property might be used for a combination of investment and operational purposes. In these instances, the Council will split the valuation of the property between PPE and Investment Property and reflect this in the accounts.

#### ACCRUALS OF INCOME AND EXPENDITURE

Activity is accounted for in the year that it takes place rather than when cash payments are made or received. In particular:

- Revenue from the sale of goods or services is recognised in accordance with the terms and conditions of the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- Accruals are recognised where the value exceeds £5,000 for Revenue and £10,000 for capital
- The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation.

#### CASH AND CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable on notice of not more than 24 hours demand without material penalty. Cash equivalents are highly liquid investments that mature in no more than 1-3 months and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### POST-EMPLOYMENT BENEFITS

Employees of the Council are members of the Local Government Pension Scheme, administered by Essex County Council.

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

- the liabilities of the Essex Pension Fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method
- liabilities are discounted to their value at current prices, using a discount rate of 5.80% based on the indicative rate of return on high quality corporate bond .

the assets of Essex Pension Fund attributable to the Council are included in the Balance Sheet at their fair value

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

- Service cost, comprising: current service cost – allocated in the Comprehensive Income and Expenditure Statement (CIES) to the services for which the employees worked
- past service cost – debited to the Surplus or Deficit on the Provision of Services in the CIES as part of Non Distributed Costs
- net interest on the net defined benefit liability – charged to the Financing and Investment Income and Expenditure line of the CIES

Remeasurements, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure, comprising:

- the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset)
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions
- impact of the asset ceiling – limitations on the ability of the Council to recover a net pensions asset from reductions in future contributions

contributions paid to the Essex pension fund – not accounted for as an expense in the CIES

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

The negative balance that arises on the pensions reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

The Pension Fund Scheme actuaries have assessed the Council's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Council. The net pensions asset has therefore been adjusted by the effect of the asset ceiling. The effect of the asset ceiling has been determined by the Scheme's Actuary on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in future employer's contributions. This is because of the minimum funding requirement imposed on it by the Funding Strategy for the Scheme in place as at 31 March 2025.

#### 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.



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES & ERRORS

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

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 Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

#### EVENTS AFTER THE BALANCE SHEET DATE

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue.

Two types of events can be identified:

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

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

#### REVENUE FROM CONTRACTS WITH SERVICE RECIPIENTS

The Council recognises revenue from contracts with service recipients when it satisfies a performance obligation by transferring promised goods or services to a recipient, measured as the amount of the overall transaction price allocated to that obligation

#### CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Services and support services are debited with the following amounts to record the cost of holding non-current assets during the year:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off
- amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance (England and Wales) or the statutory repayment of loans fund advances. Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance MRP or the statutory repayment of loans fund advances, by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### COUNCIL TAX AND NON-DOMESTIC RATES

Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the collection fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the collection fund, billing authorities, major preceptors and central government (for NDR) share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

#### ACCOUNTING FOR COUNCIL TAX AND NDR:

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement (CIES) is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement. The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

#### FINANCIAL INSTRUMENTS

Financial instruments are recognised on the Balance Sheet when the Council becomes a party to their contractual provisions. They are initially measured at fair value.

#### FINANCIAL LIABILITIES:

Financial liabilities are subsequently measured at amortised cost. For the Council's borrowing this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument.

#### FINANCIAL ASSETS

Financial assets are subsequently measured in one of two ways:

- amortised cost – assets whose contractual terms are basic lending arrangements (i.e., they give rise on specified dates to cash flows that are solely payments of principal or interest on the principal amount outstanding, which the Council holds under a business model whose objective is to collect those cash flows)
- fair value – all other financial assets Amortised cost assets are measured in the Balance Sheet at the outstanding principal repayable (plus accrued interest). The exception is loans made at concessionary rates to subsidiaries of the Council, where the loans are accounted for as if they had been made at commercial interest rates and the concessionary interest treated as an investment in the companies (see Note 42). Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) are based on the carrying amount of the asset, multiplied by the effective rate of interest for the instrument. Any gains or losses in fair value that might arise are not accounted for until the instrument matures or is sold.

Allowances for impairment losses have been calculated for amortised cost assets, applying the expected credit losses model (see *Note 18* [Financial Instruments]). Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES. Changes in the value of assets carried at fair value (described as Fair Value through Profit or Loss) are debited/credited to the Financing and Investment Income and Expenditure line in the CIES as they arise.



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### GOVERNMENT GRANTS AND CONTRIBUTIONS

Whether paid on account, by instalments or in arrears, government grants and third-party contributions and donations are recognised as due to the Council when there is reasonable assurance that:

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or taxation and non-specific grant income and expenditure (non-ringfenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

#### INTANGIBLE ASSETS

Expenditure on non-monetary assets that do not have physical substance but are controlled by the Council as a result of past events (e.g. software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the Council.

The Council does not have any internally generated intangible assets. Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at cost less accumulated depreciation and any accumulated impairment loss. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired – any losses recognised are posted to the relevant service line(s) in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation, impairment losses and disposal gains and losses are not permitted to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

#### INVESTMENT PROPERTIES

Investment properties are those that are held solely to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost and subsequently at fair value. Properties are not depreciated, with gains and losses on revaluation being posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The line is also credited/debited with gains/losses on the disposal of properties, measured as the difference between the carrying amount and sale proceeds.



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### PROPERTY, PLANT AND EQUIPMENT

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e., repairs and maintenance) is charged as an expense when it is incurred.

Assets are initially measured at cost, comprising:

- the purchase price;
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;
- borrowing costs (for assets that take a substantial period of time to get ready for their intended use or sale). categories of Property, Plant and Equipment are measured subsequently at current value – see Accounting Policy 1.1 for details. Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains.

Where decreases in value are identified, they are accounted for as follows:

- where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains)
- where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the relevant service line(s) 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. Assets are assessed at each year-end as to whether there is any indication that items may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall. Where impairment losses are identified, they are accounted for in the same way as revaluation losses.

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e., freehold land and certain Community Assets) and assets that are not yet available for use (i.e., assets under construction).

No depreciation is charged in the year an asset is acquired, and a full year's depreciation is charged in the year the asset is disposed of.

The useful lives used by the Council are:

Asset Category	Useful Economic Life
Council Dwellings	60 Years
Operational Buildings	24-60 Years
Vehicles	7-13 Years
Plant and machinery	3 - 15 Years

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the CIES against any receipts arising from the disposal as a gain or loss on disposal.

## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### CURRENT ASSETS HELD FOR SALE AND SURPLUS ASSETS

Current Assets Held for Sale comprise those assets that are actively being marketed for sale the Council has determined are for immediate sale in their present condition and are expected to be sold in the next twelve months. These assets are carried at Fair Value based on their potential highest and best use at the balance sheet date. The assets are not depreciated.

Assets that are not in operational use and do not meet the definition of investment properties, nor current assets held for sale, are classified as surplus assets. They are carried at fair value based on highest and best use. Surplus Assets generally refer to properties where the Council has yet to proceed with the disposal of the properties or is considering developing them for alternative use.

#### TERMINATION BENEFITS

Termination benefits are charged on an accruals basis to the appropriate service (or to the [specified segment in the CIES] line in the Comprehensive Income and Expenditure Statement where they relate to pensions enhancements) at the earlier of when the Council can no longer withdraw the offer of those benefits or when the Council recognises costs for a restructuring.

#### PROVISIONS, CONTINGENT LIABILITIES AND ASSETS

##### Provisions:

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

##### Contingent Liabilities

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

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

##### Contingent assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

#### RESERVES

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant notes.



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### FAIR VALUE MEASUREMENT OF NON-FINANCIAL ASSETS

The Council's accounting policy for fair value measurement of financial assets is set out in note ix. The Council also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

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

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

When measuring the fair value of a non-financial asset, the Council 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 Council 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 for which fair value is measured or disclosed in the Council's financial statements are categorised within the fair value hierarchy, as follows :

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

**Notes to the Core Accounting Statements (continued)**

**Note 1: Accounting Policies (continued)**



## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### CHANGES IN ACCOUNTING POLICY

New Code requirements are set out in Note 2.

The Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 has adopted IFRS 16 Leases with effect from 1 April 2024. IFRS 16 introduces a single lessee accounting model, requiring lessees to recognise a right-of-use asset and a corresponding lease liability for most leases. The Council has applied IFRS 16 from 1 April 2024 in accordance with the transition provisions of the standard. Comparative figures for prior years have not been restated and continue to reflect the previous accounting standard (IAS 17). On transition, right-of-use assets and corresponding lease liabilities have been recognised on the Balance Sheet for leases previously classified as operating leases. The impact on usable reserves is not material, as the pattern of lease expense recognition over the lease term is broadly unchanged.

The Council has not adopted any other new accounting standards or amendments with a significant impact on the Council's position

#### INTERESTS IN COMPANIES AND OTHER ENTITIES

The Council has material interests in subsidiary and associate companies, which have been consolidated into the Council's Group Accounts on a line by line basis for subsidiaries and the equity method for associates, after first realigning accounting policies with the Council where appropriate and eliminating intra-Group transactions.

In the Council single entity accounts, interests in companies and other entities are classified as long- term investments and measured at cost less provision for any losses.

#### REVENUE EXPENDITURE FUNDED BY CAPITAL UNDER STATUTE

Legislation requires defined items of revenue expenditure charged to services within the Comprehensive Income and Expenditure Statement to be treated as capital expenditure. All such expenditure is transferred from the General Fund balance via the Movement in Reserves Statement to the Capital Adjustment Account and is included in the Capital Expenditure and Capital Financing disclosure at Note 38.

#### SUPPORT SERVICES AND OVERHEADS

The costs of support services and overheads are charged to those that benefit from the supply or service in accordance with the absorption costing principle. The full cost of overheads and support services is shared between users in proportion to the benefits received.

#### VALUE ADDED TAX

The Comprehensive Income and Expenditure Account excludes amounts relating to VAT and will be included as an expense only if it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income within the Council's Income and Expenditure account.

#### LEASES (IFRS 16)

Arrangements that do not have the legal status of a lease but convey a right to control the use of an identified asset are accounted for under this policy.

## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### COUNCIL AS LESSEE

From 1 April 2024, Uttlesford District Council (UDC) has applied IFRS 16 Leases as adopted by the CIPFA Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) UDC's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset.

Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between:

- a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and
- a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

Where leases are for items of low value, or the lease term is less than 12 months from commencement, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, UDC has determined that items with a value of less than £10k when new are low value. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

#### COUNCIL AS LESSEE (continued)

Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset.

#### COUNCIL AS LESSOR

##### *Finance Leases*

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal and replaced by a long-term debtor in the Balance Sheet valued on the future income due under the finance lease. This value then reduces over time as principal repayments are made.

##### *Operating Leases*

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease).

## Notes to the Core Accounting Statements (continued)

### Note 1: Accounting Policies (continued)

#### PRIVATE FINANCE INITIATIVE AND SIMILAR CONTRACTS

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

As the Council is deemed to control the services that are provided under its PFI contracts, and as ownership of the property, plant and equipment will pass to the Council at the end of the contracts for no additional charge, the assets used are recognised on the Balance Sheet as part of Property, Plant and Equipment.

The original recognition of these assets at fair value was balanced by the recognition of a liability for amounts due to the scheme operator to pay for the capital investment.

The amounts payable to the PFI operators each year are analysed into five elements:

- fair value of the services received during the year – debited to the relevant service in the Comprehensive Income and Expenditure Statement (CIES)
- finance cost – debited to the Financing and Investment Income and Expenditure line in the CIES
- contingent rent – debited to the Financing and Investment Income and Expenditure line in the CIES
- payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator
- lifecycle replacement costs – a proportion of the amounts payable is posted to the Balance Sheet as a prepayment and then recognised as additions to Property, Plant and Equipment when the relevant works are eventually carried out.

Link to expanded version of Accounting Policies: please visit the Council’s website at:

[www.uttlesford.gov.uk](http://www.uttlesford.gov.uk)

## Note 2: Accounting Standards Issued, Not Adopted

At the balance sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the Code of Practice of Local Authority Accounting in the United Kingdom and will be adopted in 25/26:

From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices. No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.

- Removal of the requirement to measure Intangible Assets at fair value where an active market exists.
- IFRS 17 Insurance Contracts – Replaces IFRS 4 Insurance Contracts. approach to identifying, quantifying and reporting on insurance contracts. Code treats IFRS 4 Insurance Contracts as a standard with 'limited application to local authorities' and IFRS 17 will be too. CIPFA will consider guidance outside the Code: e.g. to identify less common situations where IFRS 17 may apply
- Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* (Lack of Exchangeability). Issued in August 2023 with effect from 1 January 2025. Requires a consistent approach to assessing whether a currency is exchangeable into another currency, and if not, how to determine the exchange rate to use and disclosures. Unlikely to apply to local authorities - Likely no change to the Code will be proposed, but adoption of amended standard would be signalled in Appendices C and D of the Code.

**Note 3: Expenditure and Funding Analysis**

The expenditure and funding analysis shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's services/departments. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24 - Restated				EFA	2024/25			
Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Adj between Funding & Accounting Basis CIES	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund Balances	Adjustments between Funding and Accounting Basis	Adj between Funding & Accounting Basis CIES	Net Expenditure in the CIES
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
773	(480)	(330)	1,583	Business Performance & People	(198)	(340)	(3,132)	3,274
302	-	(79)	381	Chief Executive	337	-	13	324
1,431	-	(376)	1,807	Corporate Services	1,488	-	237	1,251
905	-	(238)	1,143	Digital Innovation & Commercialisation	3,845	(15)	(638)	4,498
5,210	(251)	(1,435)	6,896	Environmental Services & Climate Change	3,668	(266)	(2,376)	6,310
844	(128)	(255)	1,227	Housing, Health & Communities	933	28	(548)	1,453
2,592	(222)	(739)	3,553	Planning	1,405	(635)	98	1,942
2,668	139	(664)	3,193	Resources	3,507	(98)	125	3,480
(1,270)	(1,194)	542	(618)	Corporate Items	1,735	(417)	2,991	(839)
(9,881)	(365)	6,472	(15,989)	Housing Revenue Account	(2,380)	2,239	(1,333)	(3,286)
<b>3,574</b>	<b>(2,501)</b>	<b>2,898</b>	<b>3,176</b>	<b>Net Cost of Services</b>	<b>14,340</b>	<b>496</b>	<b>(4,563)</b>	<b>18,407</b>
4,562	-	593	3,969	Other Operating Expenditure	4,865	-	703	4,162
10,541	892	(165)	9,814	Financing and Investment Income & Expenditure	3,705	1,432	16,369	(14,096)
(20,092)	-	1,323	(21,415)	Taxation and Non-Specific Grant Income	(23,428)	159	(6)	(23,581)
<b>(1,415)</b>	<b>(1,609)</b>	<b>4,649</b>	<b>(4,456)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(518)</b>	<b>2,087</b>	<b>12,503</b>	<b>(15,108)</b>

## Note 3: Expenditure and Funding Analysis (continued)

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

2023/24 - Restated				EFA	2024/25			
Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net Change for Pensions Adjustments	Other Differences	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
(351)	21	-	(330)	Business Performance & People	(3,164)	30	2	(3,132)
(84)	5	-	(79)	Chief Executive	(2)	14	1	13
(400)	24	-	(376)	Corporate Services	194	46	(3)	237
(253)	15	-	(238)	Digital Innovation & Commercialisation	(686)	46	2	(638)
(1,528)	93	-	(1,435)	Environmental Services & Climate Change	(2,549)	160	13	(2,376)
(272)	17	-	(255)	Housing, Health & Communities	(579)	30	1	(548)
(787)	48	-	(739)	Planning	-	94	4	98
(707)	43	-	(664)	Resources	-	115	10	125
-	542	-	542	Corporate Items	3,203	-	(212)	2,991
6,411	61	-	6,472	Housing Revenue Account	(6,216)	30	4,853	(1,333)
<b>2,029</b>	<b>869</b>	-	<b>2,898</b>	<b>Net Cost of Services</b>	<b>(9,799)</b>	<b>565</b>	<b>4,671</b>	<b>(4,563)</b>
593	-	-	593	Other Operating Expenditure	(1,593)	-	2,296	703
-	(165)	-	(165)	Financing and Investment Income & Expenditure	7,037	(147)	9,479	16,369
-	-	1,323	1,323	Taxation and Non-Specific Grant Income	-	-	(6)	(6)
<b>2,622</b>	<b>704</b>	<b>1,323</b>	<b>4,649</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(4,355)</b>	<b>418</b>	<b>16,440</b>	<b>12,503</b>

**Note 3: Expenditure and Funding Analysis (continued)**

- a) Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the services line, and for:
- Other operating expenditure – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
  - Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
  - Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivables in the year to those receivables without conditions or for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.
- b) Net Change for the Pensions Adjustments - net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income:
- For services this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.
  - For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.
- c) Other statutory adjs - between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:
- For services this represents the removal of Accumulated Absences accrual.
  - For financing and investment income and expenditure the other statutory adjustments column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
  - The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

Council's Fees, Charges and Other Service Income is analysed by type in the table below:

Restated	2023/24	2024/25
	£'000	£'000
<b>Income from services (rev. from external customers (excluding grants/contr)):</b>		
Business Performance & People	(2,826)	(2,520)
Chief Executive	(901)	(729)
Corporate Services	(1,574)	(47)
Digital Innovation & Communication	(5,163)	(411)
Environmental Services & Climate Change	(6,936)	(4,734)
Financing and Investment Income & Expenditure	-	(10,404)
Housing Revenue Account	(18,300)	(20,064)
Housing, Health & Communities	(1,224)	(1,255)
Planning	(3,061)	(2,735)
Resources	(17,972)	(12,985)
<b>Total income analysed on a segment basis</b>	<b>(57,957)</b>	<b>(55,884)</b>

**Note 4: Expenditure and Funding Analysis**

The Expenditure and Funding Analysis demonstrates how the Council has used available funding for the year (i.e. government grants, rents, council tax and business rates) in providing services, in comparison with those resources that the Council has consumed or earned in accordance with generally accepted accounting practices. It also shows how the Council has allocated this expenditure for decision making purposes between the Council's Corporate Management Teams. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24 Restated *		2024/25
£'000		£'000
	<b>Expenditure</b>	
18,018	Employee benefits expenses	18,434
48,279	Other services expenses	32,355
5,865	Depreciation and Amortisation	6,287
1,856	Impairment	5,175
11,975	Interest payments	13,366
4,258	Precepts and levies	4,816
1,206	NNDR payments	-
31	Loss on disposal	-
698	Changes in the FV of Inv Prop and IP exp	689
	Revaluation losses	1,974
165	Net interest on the net defined benefit liability/asset	5,694
<b>92,351</b>	<b>Total expenditure</b>	<b>88,790</b>
	<b>Income</b>	
(57,958)	Fees, charges and other service income	(55,884)
(14,242)	Interest and investment income	(13,981)
(13,634)	Income from council tax and non-domestic rates income	(15,357)
(345)	Gain on disposal	(654)
-	Net interest on the net defined benefit liability/asset	(5,612)
(10,628)	Government grants and contributions	(8,560)
-	Changes in the FV of Inv Prop and IP inc	(3,850)
<b>(96,807)</b>	<b>Total income</b>	<b>(103,898)</b>
<b>(4,456)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(15,108)</b>

**Note 5: Critical Judgements in Applying Accounting Policies**

In applying the accounting policies set out in Note 1, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are provided as follows:

- **Future Funding for Local Government**- There is an element of risk about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision. In addition, the Council has made judgements about the adequacy of its balances and has also put in place processes to achieve savings that will mitigate or counteract any future changes in its levels of funding or other income.
- **Asset Classifications** - The Council has made judgements on whether assets are classified as Investment Property or Property, Plant and Equipment. These judgements are based on an understanding of the main purpose that the Council is holding the asset. If the asset is used in delivering services or is occupied by third parties who are subsidised by the Council, the asset is deemed to be Property, Plant and Equipment. A non-current asset used solely to earn rentals and/or for capital appreciation is classified as an Investment Property. The Council holds six properties classified as Investment Properties, as they are held solely to earn rentals and/or for capital appreciation.  
  
In 2024/25, the Council reviewed Property Assets reported as Property, Plant, and Equipment to determine their primary purpose. This review included Canfield Depot and Shire Hill Depot, both of which generate unsubsidised rental income. As a result, Shire Hill Depot was reclassified from Property, Plant, and Equipment to Investment Property, as it is now held solely to earn rental income and does not facilitate service delivery. Canfield Depot remains classified as Property, Plant, and Equipment because, despite generating rental income, it is also used to facilitate service delivery.
- **Property, Plant and Equipment - Non-current assets** are depreciated over their useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to them. If the useful life of a non-current asset is reduced, depreciation increases and the carrying amount of the non-current asset falls. Annual depreciation charge for buildings would increase proportionately for every year that an asset useful life has to be reduced.
- **Pensions** - The Pension Fund Scheme actuaries have assessed the Council's estimated future service costs less the estimated minimum funding requirement contributions to establish the economic benefit that is available to the Council. The net pensions asset has therefore been adjusted by the effect of the asset ceiling. The effect of the asset ceiling has been determined by the Scheme's Actuary on the basis of the limitation on the Council's ability to recover the full economic benefit of its assets through reductions in future employer's contributions. This is because of the minimum funding requirement imposed on it by the Funding Strategy for the Scheme in place as at 31 March 2025. The details are included in Note 40 Defined Benefit Pension Scheme.
- **Contractual Arrangements** - The Council has made judgements on whether its contractual arrangements contain embedded leases i.e. arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment where fulfilment of the arrangement is dependent on the use of specific assets. One particular area to consider is waste collection. Many councils contract this service to external suppliers, and by doing so, the contract will inevitably have embedded assets within the service provision itself, as vehicles (often large specialist ones) are implicit to facilitate the service of waste collection. However, Uttlesford Council provides waste collection services internally, not through an external partner. As such, waste collection vehicles are owned directly and are held on the Fixed Asset Register. Therefore, they are not considered under IFRS 16 terms, and IFRS 16 accounting does not apply to them.

The Council has undertaken a review of the contracts register and assessed the contracts which have non-current assets embedded within them. An assessment was then undertaken to determine whether the contracts are exempt from IFRS 16. The contracts identified were short-term and contained low-value assets such as printers and bicycles, and have therefore been deemed exempt.

**Note 5: Critical Judgements in Applying Accounting Policies (continued)**

- Potential Liabilities - The Council has made judgements about the likelihood of potential liabilities and whether a provision should be made. The judgements are based on the degree of certainty and an assessment of the likely impact.
- The Council has interest in 7 subsidiaries of which 5 were dissolved during the year and 1 has been determined not to be material for consolidation due to their insignificant level of activity in 2024/25.

All of these judgements are the responsibility of the Chief Financial Officer as set out in the Statement of Responsibilities for the Statement of Accounts.

**Note 6: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

The statement of accounts contains estimated figures that are based on assumptions made by the Council about the future or that are otherwise uncertain. Estimates are made taking into account historical experience, current trends and other relevant factors. The assumptions and other sources of estimation uncertainty disclosed below relate to the estimates that require the Council's most difficult, subjective or complex judgements. As the number of variables and assumptions affecting the possible future resolution of the uncertainties increases, those judgements become more subjective and complex. As a result, balances cannot be determined with certainty and actual results could be materially different from the assumptions and estimates.

The items in the Council's Balance Sheet at 31st March 2025 for which there is a risk of adjustment in the forthcoming financial year are provided below:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment  Useful Economic Life and Depreciation	<p>Depreciation and amortisation are provided for PPE and intangible assets respectively.</p> <p>This enables the assets to be written down over their estimated useful lives and show an appropriate cost to the asset in the CIES. Management judgement based on independent external advice is used to determine the useful economic lives of the Council's property.</p>	<p>The NBV of the Council's PPE is £434m as at 31 March 2025; of this £129m relates to land which is not subject to depreciation and is considered to have an infinite life.</p> <p>VPE (Vehicles, Plant &amp; Equipment) accounts for £3.8m with asset lives between 3 and 15 years. Broadly a 1-year asset life adjustments would account for approximately £250k adjustment to depreciation.</p> <p>Building asset lives up to 60 years unless the asset has major components assessed separately. Broadly a 1-year asset life adjustment would account for approximately £89k adjustment to depreciation.</p>
Property, Plant and Equipment  Valuation	<p>PPE are reviewed for both economic and price impairment on an annual basis.</p> <p>As at 1 April each year the Council's valuers carry out a valuation review of the Council's assets. In addition, a year-end review is also undertaken. The recoverable amount is then estimated having regard to the application of the concept of materiality.</p>	<p>If an asset is impaired the carrying amount of the asset is reduced.</p> <p>Land and buildings are subject to market value movements all other assets are held at depreciated historical cost.</p> <p>The HRA housing stock (Council Dwellings) is valued at existing use value for social housing.</p> <p>For assets held at revalued amounts a valuation impairment of 1% would equate (broadly) to a reduction in the Council's net worth of £3.8m.</p> <p>An increase/decrease in the value of operational buildings 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 the previous year, and subsequently charged to the CIES.</p>

## Note 6: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty (continued)

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Investment Property FV Measurements	<p>The Council's external valuer use valuation techniques to determine the fair value of investment property. This includes lease profile, tenant covenant, rent status and location. This involves developing estimates and assumptions consistent with how markets participants would price the property. The valuers base their assumptions on observable data as far as possible, but this is not always available. In that case the valuer use the best information available. When the fair values of financial assets cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values.</p> <p>These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities. Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties an external valuer). Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes 13 and 14 below.</p>	<p>The authority uses the discounted cash flow (DCF) model to measure the fair value of its investment properties and financial assets.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels and discount rates – adjusted for regional factors (for both investment properties and some financial assets)</p> <p>The total value of investment properties at 31st March 2025 is £171.225m. All properties are valued at a Level 2 valuation using other significant observable inputs. A reduction of 5% in the estimated value of the Investment Properties would lead to a £8.561m reduction in the Investment Asset portfolio. This would have a negative impact on the Council's CIES Surplus/Deficit and unusable reserves.</p>
Pensions Liability	<p>Estimated 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 actuaries.</p>	<p>The effect on net pensions of changes in individual assumptions can be measured. For instance:</p> <ul style="list-style-type: none"> <li>● 0.1% decrease in the discount rate assumption would result in an increase in the pension liability by £1.981m</li> <li>● 0.1% increase in assumed earnings inflation would increase the value of liabilities by £1.916m;</li> <li>● an increase of one year in longevity will decrease the net pension asset by £1.988m.</li> <li>● The potential economic benefit from the reduction in future contributions has been calculated to be nil. Since this is less than the unadjusted net asset of £38,617k, the initial impact of the asset ceiling is £38,617k</li> </ul> <p>Please refer to the Pension notes for the effect on scheme obligations.</p>
Impairment allowance for doubtful debts	<p>At 31 March 2024, the Council had a balance of £7.960m for debtors. A review of balances suggested that an impairment of doubtful debts of £3.071m was appropriate. Therefore, a total of £4.889m net debts are recognised on 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 2024, the Council recognised a provision of £2.301m representing the total of expected liabilities in respect of Business Rate appeals lodged at the Balance Sheet date, the Council's share of this is £0.920m.</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 of rateable value (RV), the timing of the losses expected and the overall % 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>

**Note 7: Events After the Balance Sheet Date**

The financial statements and notes have not been adjusted for any events, which took place after 31 March 2025, as they provide information that is relevant to an understanding of the Council's financial position but do not relate to conditions at that date.

In December 2024 the Ministry for Housing, Communities and Local Government set out their latest plans for Local Government Reorganisation affecting the 15 Councils in Essex, including a timeline concluding with the fewer new Essex Unitary Councils going live from April 2028. Business cases are currently being devised to submit to the government in September 2025 recommending the number of unitary councils to replace the current 15. Although yet to be determined, it will mean Uttlesford District Council merging with some neighbouring Essex Councils. This has no impact on the 2024/25 Statement of Accounts or its Going Concern status at this time.



## Note 8: Adjs between Accounting Basis and Funding Basis under Regulations

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

### General Fund balance:

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

### HRA balance:

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.

### Major Repairs Reserve:

The major repairs reserve records the unspent amount of Housing Revenue Account (HRA) balances for capital financing purposes in accordance with statutory requirements.

### Capital receipts reserve:

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

### Capital grants unapplied:

The capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## Note 8: Adjs between Accounting Basis and Funding Basis under Regulations (continued)

2024/25	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Adjustments to Revenue Resources</b>							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Financial instruments	9,479	-	-	-	-	(9,479)	Financial Instruments Adjustment Account
• Pensions costs	393	25	-	-	-	(418)	Pension Reserves
• Council tax & business rates	(1,867)	-	-	-	-	1,867	Collection Fund Adjustment Account
• Holiday pay	31	1	-	-	-	(32)	Accumulated Absences Account
<b>Reversal of entries in the Surplus/Deficit on the Provision of Services in relation to capital expenditure:</b>							
• Amortisation of intangible assets	(112)	(4)	-	-	-	116	Capital Adjustment Account
• Movement in fair value of loans	349	-	-	-	-	(349)	
• Charges for depreciation and impairment	(1,595)	(4,576)	-	-	-	6,171	
• Revaluation gains/losses on Property, Plant & Equipment	(3,543)	(1,974)	-	-	-	5,517	
• Revenue expenditure funded from capital under statute	(1,535)	(97)	-	-	-	1,632	
• Carrying amounts of non-current assets written off on disposal or sale	(39)	(1,554)	-	-	-	1,593	
• Movements in the market value of Investment Properties	3,850	-	-	-	-	(3,850)	
<b>Transfers between Revenue and Capital Resources:</b>							
• Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve and Deferred Capital Receipts Reserve	24	2,272	(2,296)	-	-	-	Deferred Capital Receipts
• Posting of HRA resources from revenue to the Major Repairs Reserve	-	4,580	-	(4,580)	-	-	Capital Adjustment Account
• Statutory revenue provisions for the financing of capital investment	4,001	-	-	-	-	(4,001)	
• Capital expenditure financed from revenue balances	2,039	435	-	-	-	(2,474)	
• Capital Grants & Contributions unapplied credited to the CIES	1,232	417	-	-	(1,649)	-	
<b>Adjustments to Capital Resources:</b>							
• Use of the Capital Receipts Reserve to finance capital expenditure			955			(955)	Capital Adjustment Account
• Use of the Major Repairs Reserve to finance capital expenditure				5,643		(5,643)	
• Application of capital grants to finance capital expenditure					1,791	(1,791)	
• Cash payments in relation to deferred capital receipts		272				(272)	Deferred Capital Receipts
• Other adjustments	1	(2)					
<b>Total Adjustments</b>	<b>12,708</b>	<b>(205)</b>	<b>(1,341)</b>	<b>1,063</b>	<b>142</b>	<b>(12,367)</b>	

## Note 8: Adjs between Accounting Basis and Funding Basis under Regulations (continued)

2023/24	Usable Reserves						Corresponding Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserves	Major Repairs Reserves	Capital Grants Unapplied	Unusable Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Adjustments to Revenue Resources</b>							
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement differ from increases / decreases in revenue for the year calculated in accordance with statutory requirements:							
• Financial instruments	-	-	-	-	-	-	Financial Instruments Adjustment Account
• Pensions costs	700	4	-	-	-	(704)	Pension Reserves
• Council tax & business rates	1,229	-	-	-	-	(1,229)	Collection Fund Adjustment Account
• Holiday pay	(25)	(2)	-	-	-	27	Accumulated Absences Account
<b>Reversal of entries in the Surplus/Deficit on the Provision of Services in relation to capital expenditure:</b>							
• Amortisation of intangible assets	(82)	(4)	-	-	-	86	Capital Adjustment Account
• Movement in fair value of loans	-	-	-	-	-	-	
• Charges for depreciation and impairment	(1,604)	(4,174)	-	-	-	5,778	
• Revaluation gains/losses on Property, Plant & Equipment	(1,332)	10,694	-	-	-	(9,362)	
• Revenue expenditure funded from capital under statute	(2,085)	(103)	-	-	-	2,188	
• Carrying amounts of non-current assets written off on disposal or sale	(366)	(1,722)	-	-	-	2,088	
• Movements in the market value of Investment Properties	(11,218)	-	-	-	-	11,218	
<b>Transfers between Revenue and Capital Resources:</b>							
• Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve and Deferred Capital Receipts Reserve	391	2,040	(2,052)	-	-	(379)	Deferred Capital Receipts
• Transfer of Aspire loan repayment	366	-	(366)	-	-	-	Capital Adjustment Account
• Provision for expected credit gain/loss	(400)	-	-	-	-	400	
• Posting of HRA resources from revenue to the Major Repairs Reserve	-	4,181	-	(4,181)	-	-	
• Statutory revenue provisions for the financing of capital investment	3,567	-	-	-	-	(3,567)	
• Capital expenditure financed from revenue balances	1,129	2,057	-	-	-	(3,186)	
• Capital Grants & Contributions unapplied credited to the CIES	(130)	-	-	-	130	-	
<b>Adjustments to Capital Resources:</b>							
• Use of the Capital Receipts Reserve to finance capital expenditure	-	-	2,485	-	-	(2,485)	Capital Adjustment Account
• Use of the Major Repairs Reserve to finance capital expenditure	-	-	-	3,680	-	(3,680)	
• Application of capital grants to finance capital expenditure	1,709	-	-	-	-	(1,709)	Deferred Capital Receipts
• Cash payments in relation to deferred capital receipts	-	-	12	-	-	(12)	
• Other adjustments	2	(2)	-	-	-	-	
<b>Total Adjustments</b>	<b>(8,149)</b>	<b>12,969</b>	<b>79</b>	<b>(501)</b>	<b>130</b>	<b>(4,528)</b>	

**Note 9: Transfers to/from Earmarked Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement.

Where expenditure has been incurred which is to be financed from an earmarked reserve, the expenditure is charged to the relevant service within the Surplus or Deficit on the Provision of Services within the Comprehensive Income and Expenditure Statement. An amount is then transferred from the earmarked reserve to the General Fund Balance via an entry in the Movement in Reserves Statement.

General Fund Earmarked Reserves	Bal at 01-April-2023	Transfers out 2023/24	Transfers in 2023/24	Bal at 31-March-2024	Transfers out 2024/25	Transfers in 2024/25	Bal at 31-March-2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Budget Equalisation Reserve	(4,892)	-	-	(4,892)	870	(1,500)	(5,522)
Business Rates Reserve	(5,725)	5,239	-	(486)	-	(1,896)	(2,382)
Capital slippage	(935)	935	-	-	-	-	-
Climate Change Reserve	(843)	294	-	(549)	284	-	(265)
Development Projects Reserve	(1,464)	251	-	(1,213)	641	-	(572)
Economic Development	(669)	370	-	(299)	209	-	(90)
GF S106 Grants	(854)	-	-	(854)	15	(123)	(962)
G F Transformation Reserve	-	-	(1,000)	(1,000)	-	-	(1,000)
Health and Wellbeing	(205)	53	(84)	(236)	-	(9)	(245)
Homelessness	(273)	-	(65)	(338)	-	-	(338)
HRA Capital Slippage	(77)	-	-	(77)	77	-	-
HRA Investment Reserve	(270)	-	-	(270)	-	(1,687)	(1,957)
HRA Potential Projects	(10)	-	-	(10)	10	-	-
HRA Revenue Projects	(160)	-	-	(160)	160	-	-
HRA Transformation Reserve	(200)	-	-	(200)	-	(800)	(1,000)
Licensing	(63)	66	(81)	(78)	-	(42)	(120)
Local Gov Reorg Reserve	-	-	-	-	-	(2,750)	(2,750)
MTFP Reserve	(6,903)	1,810	(5,929)	(11,022)	5,494	(1,456)	(6,984)
Neighbourhood Planning	(67)	-	-	(67)	12	-	(55)
NHB ward members	-	-	-	-	-	(24)	(24)
Other Ring Fenced Grants	(363)	-	-	(363)	63	(76)	(376)
PFI Reserve	(1,102)	96	-	(1,006)	105	-	(901)
Planning development Reserve	(733)	84	(45)	(694)	35	(67)	(726)
Sports Reserve	(255)	255	-	-	17	(255)	(238)
Voluntary Sector Grant Reserve	-	-	(68)	(68)	-	-	(68)
Youth Grants	-	-	-	-	-	(25)	(25)
<b>Total</b>	<b>(26,063)</b>	<b>9,453</b>	<b>(7,272)</b>	<b>(23,882)</b>	<b>7,992</b>	<b>(10,710)</b>	<b>(26,600)</b>

**Note 10: Other Operating Expenditure**

Other operating expenditure reported includes all levies payable, total payments made to the Government Housing Receipts Pool in line with statutory arrangements for certain property sales within the Housing Revenue Account and gains/losses generated from in year disposals of non-current assets.

2023/24		2024/25
£'000		£'000
4,285	Parish Council Precepts	4,816
(317)	(Gain)/Loss on the Disposal of Non-Current Assets	(654)
	Other Non-Service Specific Expenditure	
<b>3,968</b>	<b>Total</b>	<b>4,162</b>

**Note 11: Financing and Investment Income & Expenditure**

Financing and investment income and expenditure includes interest receivable and payable on the Council's investment portfolio. The Council's net rental income on the properties it holds purely for investment purposes is also included. It also includes the interest element of the pension fund liability.

2023/24		2024/25
£'000		£'000
11,491	Interest payable and similar charges	13,366
397	Allowance for Expected Credit Losses	(349)
165	Net interest on the net defined benefit liability / (asset)	82
(3,665)	Interest receivable and similar income	(3,099)
-	Income in relation to investment properties and changes in their fair value	(10,403)
1,426	Expenditure in relation to investment properties and changes in their fair value	689
-	Changes in fair value of investment properties	(3,849)
-	Loan Discount Recognition	(10,533)
<b>9,814</b>		<b>(14,096)</b>

**Note 12: Taxation & Non-Specific Grant Income**

This note consolidates all non-specific grants and contributions receivable that cannot be identified with individual service expenditure and therefore cannot be credited to the gross income amount relevant to the service area. All capital grants and contributions are credited to non-specific grant income even if service specific. The note also identifies the Council's proportion of council tax and business rates used to fund in year service activities.

2023/24		2024/25
£'000		£'000
	<b>Council Tax income</b>	
(6,694)	- District Council element	(7,056)
(4,258)	- Town/Parish Council element	(4,816)
	<b>Business Rates retention</b>	
(2,936)	- District Council element of NNDR income in year	(3,571)
1,206	- Safety Net reimbursement/Levy payment due	1,031
(3,903)	- Section 31 funding from Central Government	(3,766)
	<b>Collection Fund</b>	
54	- Council Tax - Net value of est/actual income recognised in CIES	(135)
(1,155)	- NNDR - Net value of est/actual income recognised in CIES	219
	<b>Non-ringfenced government grants</b>	
(432)	- New Homes Bonus	(560)
(2,737)	- Supplementary Grants	-
-	- Other covid related funding from Central Government	(3,067)
(561)	- Capital Grants and Contributions	(1,860)
<b>(21,415)</b>	<b>Total</b>	<b>(23,581)</b>

**Note 13a: Property, Plant and Equipment (PPE)****Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Property, plant and equipment is recognised where the initial cost or value exceeds £10,000.

2024/25	Council dwellings	Land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Infrastructure assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 1 April</b>	<b>379,831</b>	<b>46,667</b>	<b>8,319</b>	<b>986</b>	<b>4,035</b>	<b>470</b>	<b>3,035</b>	<b>443,343</b>
Additions	2,015	359	1,230	-	736	-	4,423	8,763
Reval inc/(dec) in the Revaluation Reserve	(10,848)	957	2	-	770	-	-	(9,119)
Reval inc/(dec) in the Surp/Def on the POS	292	(1,767)	(450)	-	(2,398)	-	-	(4,323)
Derecognition- Disposal	(1,580)	-	(387)	-	-	-	-	(1,967)
Derecognition- Other	-	-	-	-	-	-	-	-
Reclassifications	2,786	(486)	146	(595)	219	-	(3,070)	(1,000)
<b>at 31 March</b>	<b>372,496</b>	<b>45,730</b>	<b>8,860</b>	<b>391</b>	<b>3,362</b>	<b>470</b>	<b>(1,000)</b>	<b>435,697</b>
<b>Accumulated Depreciation at 1 April</b>	<b>-</b>	<b>-</b>	<b>(4,828)</b>	<b>(154)</b>	<b>-</b>	<b>(267)</b>	<b>-</b>	<b>(5,249)</b>
Depreciation charge	(4,470)	(643)	(983)	-	(51)	(24)	-	(6,171)
Deprec written out to Revaluation Reserve	4,350	460	-	-	13	-	-	4,823
Deprec written out to the Surp/Def on PoS	93	183	450	-	38	-	-	764
Derecognition- Disposal	27	-	348	-	-	-	-	375
Reclassifications	-	(154)	2	154	-	-	(4)	(2)
<b>at 31 March</b>	<b>-</b>	<b>(154)</b>	<b>(5,011)</b>	<b>-</b>	<b>-</b>	<b>(291)</b>	<b>(4)</b>	<b>(5,460)</b>
<b>NBV at 31-March-2025</b>	<b>372,496</b>	<b>45,576</b>	<b>3,849</b>	<b>391</b>	<b>3,362</b>	<b>179</b>	<b>(1,004)</b>	<b>430,237</b>
NBV at 31-March-2024	379,831	46,667	3,491	832	4,035	203	3,035	438,094

## Note 13a: Property, Plant and Equipment (PPE) (continued)

2023/24	Council dwellings	Land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Infrastructure assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 1 April</b>	<b>350,927</b>	<b>45,323</b>	<b>7,830</b>	<b>986</b>	<b>1,191</b>	<b>470</b>	<b>6,399</b>	<b>413,126</b>
Additions	3,684	2,318	489	-	-	-	4,892	11,383
Reval inc/(dec) in the Revaluation Reserve	11,774	1,058	-	-	(178)	-	-	12,654
Reval inc/(dec) in the Surp/Def on the POS	10,609	(1,269)	-	-	(236)	-	-	9,104
Derecognition- Disposal	(1,715)	-	-	-	-	-	(17)	(1,732)
Derecognition- Other	-	-	-	-	-	-	-	-
Reclassifications	4,552	(763)	-	-	3,258	-	(8,239)	(1,192)
<b>at 31 March</b>	<b>379,831</b>	<b>46,667</b>	<b>8,319</b>	<b>986</b>	<b>4,035</b>	<b>470</b>	<b>3,035</b>	<b>443,343</b>
<b>Accumulated Depreciation at 1 April</b>	<b>-</b>	<b>-</b>	<b>(3,844)</b>	<b>(140)</b>	<b>-</b>	<b>(242)</b>	<b>-</b>	<b>(4,226)</b>
Depreciation charge	(4,116)	(633)	(984)	(14)	(7)	(25)	-	(5,779)
Deprec written out to Revaluation Reserve	3,990	492	-	-	7	-	-	4,489
Deprec written out to the Surp/Def on PoS	117	132	-	-	-	-	-	249
Derecognition- Disposal	9	9	-	-	-	-	-	18
<b>at 31 March</b>	<b>-</b>	<b>-</b>	<b>(4,828)</b>	<b>(154)</b>	<b>-</b>	<b>(267)</b>	<b>-</b>	<b>(5,249)</b>
<b>NBV at 31-March-2024</b>	<b>379,831</b>	<b>46,667</b>	<b>3,491</b>	<b>832</b>	<b>4,035</b>	<b>203</b>	<b>3,035</b>	<b>438,094</b>
NBV at 31-March-2023	350,927	45,323	3,986	846	1,191	228	6,399	408,900

**Note 13a: Property, Plant and Equipment (PPE) (continued)****Depreciation**

Depreciation is provided for on all Property, Plant and Equipment assets by the systematic allocation of their depreciable amounts over their useful lives. An exception is made for assets without a determinable finite useful life (i.e. freehold land and certain Community Assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation is calculated on the following bases:

Buildings - straight-line allocation over the useful life of the property as estimated by a qualified valuer;

HRA dwellings are depreciated based upon a component accounting basis. In the year of disposal, a full year's depreciation is charged to the accounts and nothing in the year of acquisition.

The following useful lives and depreciation rates have been used in the calculation of depreciation:

	Useful lives
Council Dwellings	up to 60 years
Other Land and Buildings	up to 60 years (buildings only, land has infinite life)
Vehicles, Plant and Equipment	between 3 and 15 years

**Capital Commitments**

The Council has no material capital contractual commitments / obligations at balance sheet date, to purchase, construct or develop non-current assets.

**Effects of Changes in Estimates**

In 2024/25, the Council made no material changes to its accounting estimates for Property, Plant and Equipment.

**Revaluations**

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. WHE initially valued the land and property assets as at 31st December 2024 and provided an update on 1st May 2025 with a supplementary market update report as at 31st March 2025. This report commented on any market changes between the valuation date of the 31st December 2024 and the financial year end of 31st March 2025 and provided indexation

2024/25	Council dwellings	Land and buildings	Vehicles, plant and equipment	Community assets	Surplus assets	Infrastructure assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at historical cost	-	-	3,849	391	-	179	4,384	8,803
Valued at current value at:								
31st March 2025	372,496	45,576	-	-	3,362	-	-	421,434
<b>Total</b>	<b>372,496</b>	<b>45,576</b>	<b>3,849</b>	<b>391</b>	<b>3,362</b>	<b>179</b>	<b>4,384</b>	<b>430,237</b>

**Note 13b: Heritage Assets**

2023/24	Heritage Assets	2024/25
£'000		£'000
936	Saffron Walden Motte and Bailey	936
155	Museum Artefacts- Fine Arts Collection	155
<b>1,091</b>	<b>Total</b>	<b>1,091</b>

Saffron Walden Motte and Bailey Castle:

The structure and retaining wall is a Grade 1 scheduled monument which was passed to the Council's ownership in 1979. The castle is Norman dating from the 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](http://www.uttlesford.gov.uk)

Saffron Walden Museum Artefacts:

Under the terms of a 99 year lease with Saffron Walden Museum Society Limited, the Council is responsible for operating and managing the Saffron Walden Museum and associated artefacts. It has been established that the risks and rewards associated with the arrangement are held by the Council and therefore the Fine Arts Collection is included in the accounts \*.

Under the terms of the lease the Council is responsible for the repair and restoration of the museum artefacts and the nature of the displays, acquisitions and disposals. Governance arrangements are also conducted through the Museum Board of the Society and the Council's Museum Management Working Group. The collection of an estimated 11,000 artefacts is, on the whole, of significant local worth, with a small proportion of high value items. Valuations were carried out for the following collections;

- Natural Sciences undertaken by G Lucy – Geologist (2001) derived a value of £0.5m and;
- Decorative Collection undertaken by J Dutton – Ceramics specialist (2011) these resulted in a value of £1.3m.

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.*

**Note 13c: Assets Held for Sale (AHfS)**

2023/24	AHfS	2024/25
£'000		£'000
-	Opening	<b>1,191</b>
1,191	Transfers from PPE to AHfS classification	-
-	Assets sold	-
<b>1,191</b>	<b>Closing</b>	<b>1,191</b>

**Note 14: Investment Properties**

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 (excluding FV movement):

2023/24	Investment Property Income & Expenditure	2024/25
£'000		£'000
(10,002)	Rental income from investment property	(10,403)
209	Direct operating expenses from investment property	689
<b>(9,793)</b>	<b>Net income / expenditure</b>	<b>(9,714)</b>

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

All Investment Properties were re-valued as at 31st March 2025

2023/24	Investment Property Fair Value Movement	2024/25
£'000		£'000
<b>168,575</b>	<b>Opening Balance</b>	<b>166,375</b>
9,018	Additions (purchases)	-
-	Transfers from Property, Plant and Equipment	1,000
(11,218)	Net gains / (losses) from fair value adjustments taken to the CIES	3,850
<b>166,375</b>	<b>Balance at the end of the year</b>	<b>171,225</b>

**Fair Value Hierarchy**

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

## Notes to the Core Accounting Statements (continued)

## Note 14: Investment Properties (continued)

## Valuation Techniques Used to Determine Level 2 Fair Value for Investment Property

The fair value for the residential properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area.

Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

2024/25 FV Hierarchy	Levels (No. of Prop)			Fair Value as at 31-March-2025
	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	£'000
Office Units	-	2	-	19,175
Industrial Units	-	4	-	122,750
Retail Warehouses	-	1	-	29,300
<b>Balance at 31 March</b>	-	<b>7</b>	-	<b>171,225</b>

2023/24 FV Hierarchy	Levels (No. of Prop)			Fair Value as at 31-March-2024
	Quoted prices in active markets for identical assets	Other significant observable inputs	Significant unobservable inputs	
	Level 1	Level 2	Level 3	£'000
Office Units	-	2	-	19,900
Industrial Units	-	3	-	119,350
Retail Warehouses	-	1	-	27,125
<b>Balance at 31 March</b>	-	<b>6</b>	-	<b>166,375</b>

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

There has been no change in the valuation techniques used during the year for investment properties.

The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally by CBRE, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with finance officers reporting directly to the chief financial officer on a regular basis regarding all valuation matters.

**Note 15: 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

2023/24 £'000	Intangible Asset Movement	2024/25 £'000
	<i>Balance at start of year:</i>	
526	Gross carrying amounts	585
(229)	Accumulated amortisation	(315)
<b>297</b>	<b>Net carrying amount at start of year</b>	<b>270</b>
59	Purchases	28
-	- Disposals	-
(86)	Amortisation	(116)
-	- Reversal of past amort on disposal	-
<b>270</b>	<b>Net carrying amount at end of year</b>	<b>182</b>
	<i>Comprising:</i>	
585	Gross carrying amounts	613
(315)	Accumulated amortisation	(431)
<b>270</b>	<b>Total</b>	<b>182</b>

**Note 16: Interests in Subsidiaries / Joint Ventures**

At the reporting date the Council has interest in two companies that are classified as a subsidiary, all of which have been considered for consolidation. Only one of these, Aspire (CRP) Limited is considered to be material to the financial statements. Uttlesford Norse Services LIMITED (UNSL), the joint venture ended on 31 March 2025, we still have the risk of significant financial liabilities should it be found that the company has a significant deficit as Norse claims at the moment. We still have representatives on the board of the company and will not resign those roles until any deficit situation is resolved.

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.
- 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

**Aspire (CRP) Limited**

Aspire is a wholly owned subsidiary of Uttlesford District Council. The only asset owned by Aspire (CRP) Limited is 50% of Chesterford Research Park in a joint venture with Aviva. On a quarterly basis, we receive management accounts for the joint venture and assess the performance. Aspire accounts are audited and prepared by GT. The Council is, through its wholly owned subsidiary Aspire (CRP) Limited marketing for sale the 50% share of Chesterford Research Park. A sale would likely occur in the financial period 25/26 and will be accounted for accordingly.

The Council has determined its Group relationships as follows:

Organisation	Company No	Group relationship	
Aspire (CRP) Limited	10515074	Subsidiary	Consolidated

The financial position of Aspire (CRP) LIMITED is outlined in Subsidiary notes. Full accounts can be found on the Companies House Website.

## Note 16: Interests in Subsidiaries / Joint Ventures (continued)

## 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.

2023/24		2024/25
£'000		£'000
250	Cleaning and Corporate Facilities Services	-
3,986	Housing Revenue Account (HRA) Services	4,218
3,680	HRA services (capital)	4,964
(35)	Share of joint venture profits	-
<b>7,881</b>	<b>Total transactions related to the joint venture</b>	<b>9,182</b>

## Note 17: Long Term Debtors

2023/24	Long Term Debtors	2024/25
£'000		£'000
17	General Fund	2,770
1,336	Housing Revenue Account (HRA)	1,287
<b>1,353</b>	<b>Total</b>	<b>4,057</b>

Included in long term debtors are items from 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 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 2024/25 the value held for the % of the property the charge is against is £1.287m (2023/24 £1.336m).

## Note 18: 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 the PFI note 39
- 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.

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.

## Note 18: Financial Instruments (continued)

## Categories of Financial Instruments

Financial Assets 2024/25	Non-current		Non-current		Current		Current		TOTAL	
	Inv		Debtors		Inv & cash		Debtors			
	31-March- 2024	31-March- 2025								
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Amortised cost- investments	-	-	-	-	10,893	7,779	-	-	10,893	7,779
Amortised cost- cash & cash equivalents	-	-	-	-	3,470	7,080	-	-	3,470	7,080
Amortised cost- debtors	-	-	1,353	3,932	-	-	6,746	9,449	8,099	13,381
<b>Total financial assets</b>	-	-	<b>1,353</b>	<b>3,932</b>	<b>14,363</b>	<b>14,859</b>	<b>6,746</b>	<b>9,449</b>	<b>22,462</b>	<b>28,240</b>
Non-financial assets	62,280	79,230	-	-	-	-	-	-	62,280	79,230
Non-financial assets- expected cr gain/(loss)	(400)	349	-	-	-	-	-	-	(400)	349
Non-financial assets- debtors	-	-	-	125	-	-	809	1,343	809	1,468
<b>Total</b>	<b>61,880</b>	<b>79,579</b>	<b>1,353</b>	<b>4,057</b>	<b>14,363</b>	<b>14,859</b>	<b>7,555</b>	<b>10,792</b>	<b>85,151</b>	<b>109,287</b>

Financial Liabilities 2024/25	Non-current		Non-current		Current		Current		TOTAL	
	Borrowing		Creditors		Borrowing & Creditors		Creditors			
	31-March- 2024	31-March- 2025	31-March- 2024	31-March- 2025	31-March- 2024	31-March- 2025	31-March- 2024	31-March- 2025	31-March- 2024	31-March- 2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value through profit or loss	-	-	-	-	-	-	-	-	-	-
Amortised cost- Borrowing	(187,753)	(198,919)	-	-	(125,386)	(117,296)	-	-	(313,139)	(316,215)
Amortised cost- cash & cash equivalents	-	-	-	-	-	-	-	-	-	-
Amortised cost- Creditors	-	-	-	-	-	-	(8,085)	(13,224)	(8,085)	(13,224)
Amortised cost- PFI	-	-	(3,649)	(5,107)	-	-	-	-	(3,649)	(5,107)
<b>Total financial liabilities</b>	<b>(187,753)</b>	<b>(198,919)</b>	<b>(3,649)</b>	<b>(5,107)</b>	<b>(125,386)</b>	<b>(117,296)</b>	<b>(8,085)</b>	<b>(13,224)</b>	<b>(324,873)</b>	<b>(334,546)</b>
Liabilities not defined as Fin. Instruments	-	-	-	-	-	-	(6,993)	(6,391)	(6,993)	(6,391)
<b>Total</b>	<b>(187,753)</b>	<b>(198,919)</b>	<b>(3,649)</b>	<b>(5,107)</b>	<b>(125,386)</b>	<b>(117,296)</b>	<b>(15,078)</b>	<b>(19,615)</b>	<b>(331,866)</b>	<b>(340,937)</b>

## Note 18: Financial Instruments (continued)

## Categories of Financial Instruments (continued)

2023/24	2023/24 Total	Fin Assets at Amort Cost	Fin Assets at FV thru P&L	Fin Liability at Amort Cost	2024/25 Total
	£'000	£'000	£'000	£'000	£'000
<b>Interest Revenue:</b>					
Interest exp to S/D on Prov of Services	11,479	13,366	-	(196)	<b>13,170</b>
(G)/L on revaluation	397	-	-	-	-
Investment Inc to the S/D on Prov of Services	(3,749)	(3,099)	-	-	<b>(3,099)</b>
Impairment loss reversals	-	(365)	-	-	<b>(365)</b>
<b>Total</b>	<b>8,127</b>	<b>9,902</b>	-	<b>(196)</b>	<b>9,706</b>

**Fair value (FV)**

The FV 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 holder's perspective.

Financial instruments, except those classified at amortised cost, are carried in the Balance Sheet at FV. For most assets, including bonds, shares in money market funds and other pooled funds, the FV is taken from the market price.

Financial instruments classified at amortised cost are carried in the Balance Sheet at amortised cost. Their FVs have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2024, 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 Council loans
- The FV of all financial liabilities is equal to the carrying value reported in the balance sheet
- The FV for all financial assets is equal to the carrying value reported in the balance sheet
- The FV 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 FV 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 assessed against the following fair value hierarchy:

- Level 1 – FV is only derived from quoted prices in active markets for identical assets or liabilities, e.g. bond prices
- Level 2 – FV 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 – FV is determined using unobservable inputs, e.g. non-market data such as cash flow forecasts or estimated creditworthiness.

## Notes to the Core Accounting Statements (continued)

### Note 18: Financial Instruments (continued)

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.

Some of the Council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them.

Financial Assets FV Hierarchy- FV through the P&L	Fair Value Hierarchy	31-March-2024	31-March-2025
	£'000	£'000	£'000
Equity in shareholding companies- 'Aspire (CRP) Limited'	Level 3	30,061	26,944

### The fair values of financial assets and financial liabilities that are not measured at fair value (but for which fair value disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets held by the Council are carried in the Balance Sheet at amortised cost. The fair values calculated for these instruments are as follows;

	Carrying amount	Fair Value	Carrying amount	Fair Value
	31-March-2024	31-March-2024	31-March-2025	31-March-2025
	£'000	£'000	£'000	£'000
<b>Financial assets;</b>				
Fin Assets held at amort cost	10,893	10,893	7,779	7,779
Cash & CE	3,470	3,470	7,080	7,080
ST Debtors- FI's	6,746	6,746	9,449	9,449
ST Debtors- not FI's	809	809	1,343	1,343
LT inv in shareholding company	61,880	27,765	79,579	77,203
Other LT debtors	1,353	1,353	4,057	4,057
<b>Total</b>	<b>85,151</b>	<b>51,036</b>	<b>109,287</b>	<b>106,911</b>
<b>Financial Liabilities;</b>				
LT Borrowing	(187,753)	(172,254)	(198,919)	(187,111)
Cash & CE	-	-	-	-
ST Creditors- FI's	(8,085)	(8,085)	(13,224)	(13,224)
ST Creditors- not FI's	(6,993)	(6,993)	(6,391)	(6,391)
PFI Creditors	(3,649)	(3,649)	(5,107)	(5,107)
ST Borrowing	(125,386)	(125,386)	(117,296)	(117,296)
<b>Total</b>	<b>(331,866)</b>	<b>(316,367)</b>	<b>(340,937)</b>	<b>(329,129)</b>

Short-term debtors and creditors are carried at cost as this is a fair approximation of their value.

**Note 18: Financial Instruments (continued)**

**Fair value hierarchy for financial assets and financial liabilities that are not measured at fair value**

Level 2 and 3 fair value hierarchy are used as and where appropriate; borrowing and investments based upon interest rates and others by unobservable inputs.

**Long-term Borrowing**

The long-term borrowing consists of two elements; borrowing from PWLB for the housing revenue account and borrowing from Phoenix life Limited 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 £88.407m on 28th March 2012 to buy itself out of the subsidy regime; this financial year was the fifth year of principal repayment at £2m per year leaving a long-term balance as at 31 March 2025 of £78.407m. The Housing revenue Account maintains a 30-year 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 Limited) to undertake an investment in Chesterford Research Park, to enable the investment the Council has committed to a forward starting loan totalling £37m. In 2017/18 the first element of the loan was drawn down totalling £10m. The borrowing was then drawn down to reduce internal cash balances loaned to Aspire CRP Limited over a three-year period with the second draw down in 2020/21 of £12m.

The final element of £15m was drawn down in 2021/22. During the year the loan was repaid at a significant discount. The current loan to Aspire outstanding is £77.270m as at 31 March 2025.

**Note 18: Nature and Extent of Risks arising from Financial Instruments**

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 Council's activities expose it to a variety of financial risks, including:

- Credit Risk: the possibility that other parties might fail to pay amounts due to the Council
- Liquidity Risk: the possibility that the Council might not have funds available to meet its commitments to make payments
- Market Risk: the possibility that financial loss may arise for the Council as a result of changes in such measures as interest rates and stock market movements.

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

**Credit Risk: Treasury Investments and Commitments****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 its customers as at 31 March 2025.

Note: the debtors included below exclude 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)

2023/24		2024/25
£'000		£'000
792	Neither past due nor impaired	208
110	Past due <3months	312
-	Past due 3-6months	13
-	Past due 6-12months	13
25	Past due 12+months	30
<b>927</b>	<b>Total</b>	<b>576</b>

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

**Note 18: Nature and Extent of Risks arising from Financial Instruments (continued)****Credit Risk: Loans to Subsidiary – See Arlingclose ECL calculation**

The Council has lent money to its subsidiary company Aspire (CRP) Limited. The total amount loaned as at 31st March 2025 is £77.270m (23/24 £62.903m).

The council's financial advisor Arlingclose has calculated a shadow credit rating for 'Aspire (CRP) Limited' of Ba3 (BB-) using Moody's published rating methodology for 'REITs and Other Commercial Real Estate Firms'. REITs are 'Real Estate Investment Trusts' which are a type of investment fund that invest in property. This methodology is most aligned with the nature of 'Aspire (CRP) Limited' as a company that owns commercial property. The methodology is based on both qualitative and quantitative factors such as the market and operating environment of the firm, the proportion of debt funding, assets and access to liquidity. Moody's 'Corporates – Global: Annual default study' has historical default rates for Ba3 rated institutions from 1983-2025: these can be used to approximate the risk of default in these loan agreements. Based on this the one year risk of default on these loans is 1.30%.

IFRS 9 requires any probability of default to take into account current market conditions. Moody's are projecting that defaults in the coming year will be below historical averages. This is primarily because central banks are expected to continue to reduce interest rates, easing pressure on borrowers and encouraging economic growth. Default rates for speculative grade institutions which would include those rated Ba3 are estimated to be 2.2% against a historical average of 4.2%. Historical default rates have therefore been multiplied by a factor of 0.52.

The annual default study publishes the recovery rate for unsecured loans made for all sectors between 1983 and 2025. This rate of 46.3% can be used to approximate the percentage of the original repayments that 2 Arlingclose is authorised and regulated by the Financial Conduct Authority Confidential - not for disclosure to third parties UDC could be expected to receive for unsecured loans if a default occurred. It is assumed that there would be a one year delay in receiving money in a default scenario. For the secured loan Moody's project that recovery rates over the next 12 months for secured loans will be 56.1% so this has been assumed to be the recovery rate. Although the property valuation is currently well in excess of the loan amounts offering a good level of security Arlingclose do not believe it is prudent to break with our previous methodology and use a reduced recovery rate: secured loans still have risks and in the event of a default the market price of the asset is likely to have fallen from its current level. It is assumed that there would be a two year delay in receiving money in a default scenario as selling assets to recoup funds can typically be a time consuming process.

**Amounts arising from expected credit losses on loans to Aspire (CRP) Limited**

Arlingclose does not believe that there has been a serious deterioration in credit quality of this institution since the loans were made. Only 12 month credit losses therefore need to be considered.

The changes in the loss allowance during the year are as follows:

		12 Month expected credit losses £'000
Opening	01-April-2024	640
Change in risk		(349)
<b>Closing</b>	<b>31-March-2025</b>	<b>291</b>

The decrease in ECL is due to the improved financial performance of 'Aspire (CRP) Limited' resulting in it having an improved shadow rating since last year (Ba3 as opposed to B1), and to an expectation of an improved economic backdrop as interest rates are expected to fall.

**Note 18: Nature and Extent of Risks arising from Financial Instruments (continued)****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 50% of the Council's borrowing matures in any one financial year

The maturity analysis of financial instruments is as follows:

2023/24				2024/25		
Liabilities	Assets	Net		Liabilities	Assets	Net
£'000	£'000	£'000		£'000	£'000	£'000
(122,341)	8,383	<b>(113,958)</b>	< 1 year	(114,707)	5,400	(109,307)
(16,387)	1,711	<b>(14,676)</b>	1-5 years	(37,922)	4,788	(33,134)
(78,376)	2,610	<b>(75,766)</b>	6-10 years	(99,596)	2,727	(96,869)
(52,121)	4,908	<b>(47,213)</b>	11-20 years	(38,263)	4,314	(33,949)
(31,534)	-	<b>(31,534)</b>	21-40 years	(14,883)	-	(14,883)
(9,336)	53,291	<b>43,955</b>	>40 years	(8,255)	71,051	62,796
<b>(310,095)</b>	<b>70,903</b>	<b>(239,192)</b>	<b>Total</b>	<b>(313,626)</b>	<b>88,280</b>	<b>(225,346)</b>

**Market Risks****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 Council. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the surplus or deficit on the provision of services will rise
- Borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- Investments at variable rates – the interest income credited to the surplus or deficit on the provision of services will rise
- Investments at fixed rates – the fair value of the assets will fall.

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.

**Note 18: Nature and Extent of Risks arising from Financial Instruments (continued)**

The Treasury Management Strategy aims to mitigate these risks by setting an upper limit of £1.5m 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:

2023/24		2024/25
£'000		£'000
896	Increase in interest payable on variable rate borrowing	889
(73)	Increase in interest receivable on variable rate investments	(68)
<b>823</b>	<b>Impact on surplus/deficit on the Provision of Services</b>	<b>821</b>

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

**Financial Instruments - Collateral**

2023/24		2024/25
£'000		£'000
1,336	Rent to mortgages	1,287
<b>1,336</b>	<b>Total</b>	<b>1,287</b>

**Price Risk**

The market prices of the Council's fixed rate bond investments are governed by prevailing interest rates and the price risk associated with these instruments is managed alongside interest rate risk.

**Foreign exchange risk**

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

**Note 19: Short Term Debtors**

2023/24 Restated		2024/25
£'000		£'000
3,503	Trade Receivables	3,957
1,194	Payments in advance / Prepayments	1,165
2,858	Other Receivables	5,670
<b>7,555</b>	<b>Total</b>	<b>10,792</b>

**Note 20: Cash and Cash Equivalents**

2023/24 Restated		2024/25
£'000		£'000
2,706	MMF	4,641
816	Cash and Bank balances	2,896
-	Short Term Deposits / Cash Equivalents	38
<b>3,522</b>	<b>Total Cash &amp; Cash Equivalents (Assets)</b>	<b>7,575</b>
-	Cash and Bank balances	-
(52)	Short Term Deposits / Cash Equivalents	(495)
<b>(52)</b>	<b>Total Cash &amp; Cash Equivalents (Liabilities)</b>	<b>(495)</b>

**Note 21: Short Term Borrowing**

2023/24		2024/25
£'000		£'000
(119,233)	Borrowing from LA's and public sector orgs	(99,056)
(5,269)	Borrowing PWLB (ST element of LT borrowing)	(15,240)
(884)	Borrowing from private sector	(3,000)
<b>(125,386)</b>	<b>Total</b>	<b>(117,296)</b>

**Note 22: Short Term Creditors**

2023/24 Restated		2024/25
£'000		£'000
(5,929)	Trade payables	(6,088)
(2,477)	Receipts in advance	(6,953)
(6,672)	Other payables	(6,574)
<b>(15,078)</b>	<b>Total</b>	<b>(19,615)</b>

**Note 23: Short Term Provisions**

Provisions are recognised where the Council has a legal or constructive obligation arising from a past event that will probably require settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are determined to be short or long term dependent on when settlement is expected.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, considering relevant risks and uncertainties.

2023/24 £'000	NNDR Appeals	2024/25 £'000
(2,077)	Opening Balance	(921)
(387)	Increase in provision during year	(494)
1,544	Utilised during year	264
<b>(920)</b>	<b>Closing Balance</b>	<b>(1,151)</b>

The total provision for NNDR appeals at 31st March 2025 is £2.877m; the above table reflects only the Council's share (40%) of the provision, at a value of £1.151m.

2023/24 £'000	Legal	2024/25 £'000
(245)	Opening Balance	(218)
(219)	Increase in provision during year	(43)
245	Utilised during year	218
<b>(219)</b>	<b>Closing Balance</b>	<b>(43)</b>

2023/24 £'000	Housing Benefit	2024/25 £'000
-	Opening Balance	-
-	Increase in provision during year	(65)
-	Utilised during year	-
-	<b>Closing Balance</b>	<b>(65)</b>

2023/24 £'000	New Homes Bonus (NHB)	2024/25 £'000
(38)	Opening Balance	-
-	Increase in provision during year	-
38	Utilised during year	-
-	<b>Closing Balance</b>	<b>-</b>

<b>(1,139)</b>	<b>All Provisions Total Closing Balance</b>	<b>(1,259)</b>
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**Note 24: Long Term Borrowing**

The long-term borrowing consists of two elements;

- Borrowing for the Housing Revenue Account and
- Borrowing for loans to Aspire (CRP) Limited a subsidiary of the Council for the investment in Chesterford Research Park.

2023/24		2024/25
£'000		£'000
(34,827)	Private Sector LT borrowing	-
(79,519)	General PWLB LT borrowing	(128,512)
(73,407)	HRA PWLB LT borrowing	(70,407)
<b>(187,753)</b>	<b>Total</b>	<b>(198,919)</b>

**Note 25: Other Long Term Liabilities**

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.

**\*2023/24 Restated:** The PFI liability represent the debt associated with financing a council asset by a finance lease arrangement. As at 31st March 2025 the Finance leases include Dunmow, Stansted and LBLC sports centres.

2023/24		2024/25	
£'000		£'000	Note
(3,649)	Lease Liabilities*	(5,107)	39
(2,933)	Pensions Liability	(2,872)	40
<b>(6,582)</b>	<b>Total</b>	<b>(7,979)</b>	

**Note 26: Unusable Reserves**

Adjustments between Accounting and Funding Basis 2024/25

2024/25		Adjustments between Accounting and Funding Basis					
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Transfers Between Revenue and Capital Resources	Adjustments to Capital Resources	Other Movements	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(146,640)	4,296	-	-	-	2,802	(139,542)
Capital Adjustment Account	(174,058)	-	10,831	(6,475)	(8,389)	(2,802)	(180,893)
Deferred Capital Receipts Reserve	(1,015)	-	-	-	(272)	-	(1,287)
Financial Instruments Adjustment Account	-	-	(9,479)	-	-	-	(9,479)
Pension Reserve	2,933	357	(418)	-	-	-	2,872
Collection Fund Adjustment Account	(1,302)	-	1,867	-	-	-	565
STACAA	186	-	(32)	-	-	-	154
<b>Total adjustments</b>	<b>(319,896)</b>	<b>4,653</b>	<b>2,769</b>	<b>(6,475)</b>	<b>(8,661)</b>	<b>-</b>	<b>(327,610)</b>

Adjustments between Accounting and Funding Basis 2023/24

2023/24		Adjustments between Accounting and Funding Basis					
Unusable Reserves	Opening Balance 1 April	Other Comprehensive Income and Expenditure	Adjustments to Revenue Resources	Transfers Between Revenue and Capital Resources	Adjustments to Capital Resources	Other Movements	Closing Balance 31 March
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revaluation Reserve	(131,991)	(17,144)	-	-	1	2,494	(146,640)
Capital Adjustment Account	(168,955)	-	12,410	(6,753)	(8,266)	(2,494)	(174,058)
Deferred Capital Receipts Reserve	(1,004)	-	-	-	(11)	-	(1,015)
Financial Instruments Adjustment Account	-	-	-	-	-	-	-
Pension Reserve	3,402	235	(704)	-	-	-	2,933
Collection Fund Adjustment Account	(72)	-	(1,230)	-	-	-	(1,302)
STACAA	159	-	27	-	-	-	186
<b>Total adjustments</b>	<b>(298,461)</b>	<b>(16,909)</b>	<b>10,503</b>	<b>(6,753)</b>	<b>(8,276)</b>	<b>-</b>	<b>(319,896)</b>

## Notes to the Core Accounting Statements (continued)

### Note 26: Unusable Reserves (continued)

#### Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost
- used in the provision of services and the gains are consumed through depreciation, or
- disposed of and the gains are realised.

The reserve contains only revaluation gains accumulated since 1st April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

#### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions.

The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement

The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on property, plant and equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

#### Deferred Capital Receipts Reserve

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.

#### Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions.

The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible.

**Notes to the Core Accounting Statements (continued)**

**Note 26: Unusable Reserves (continued)**

**Collection Fund Adjustment Account**

The Collection Fund Adjustment Account (CFAA) manages the differences arising from the recognition of council tax income in the Comprehensive Income and Expenditure Statement as it falls due from council taxpayers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

**Accumulated Absences Account**

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



**Note 27: Cash Flow Statement – Adjustments to net surplus/deficit**

The surplus or deficit on the provision of services has been adjusted for the following:

**Restated**

2023/24		2024/25
£'000		£'000
5,779	Depreciation of tangible assets	6,171
12,972	Impairment and downward valuations	5,517
86	Amortisation of intangible	116
-	Deferred revenue/ deferred payment agreements (IFRS 15)	-
98	Inc/(dec) in provision for doubtful debts	-
(2,036)	Inc/(dec) in creditors	5,534
(141)	Inc/(dec) in debtors	(2,923)
21	Inc/(dec) in inventory	(8)
(704)	Movement in pension liability	(418)
1,723	Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	1,593
(4,810)	Other non-cash items charged to the net surplus or deficit on the provision of services	(14,678)
<b>12,988</b>	<b>Total</b>	<b>904</b>

**Material items in 'Other non-cash items charged to the net surplus or deficit on the provision of services'****2024/25**

Reductions in fair value of non PWLB Concessionary Loans	(10,400)
Movement in Investment Property Values	(3,850)

**Note 28: Cash Flow Statement – Adj's for items in net surp/def on PoS that are investing and financing activities**

2023/24		2024/25
£'000		£'000
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	-
(2,040)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,567)
2,329	Capital grants	(5,674)
<b>289</b>	<b>Total</b>	<b>(8,241)</b>

**Note 29: Cash Flow from Operating Activities**

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation and grant income or from the recipients of services provided by the Council

2023/24		2024/25
£'000		£'000
2,835	Interest received	3,099
(7,233)	Interest paid	(3,160)
<b>(4,398)</b>	<b>Total</b>	<b>(61)</b>

**Note 30: Cash Flow Statement - Investing Activities**

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery.

2023/24		2024/25
£'000		£'000
(20,460)	Purchase of property, plant and equipment, investment property and intangible assets	(8,253)
(1,001,796)	Purchase of short-term and long-term investments	(138,210)
-	Other payments for investing activities	(5,754)
2,040	Proceeds from the sale of property, plant & equipment, investment property and intangible assets	2,296
999,467	Proceeds from short-term and long-term investments	126,974
-	Capital grants	6,447
<b>(20,749)</b>	<b>Net cash flows from investing activities</b>	<b>(16,500)</b>

**Note 31: Cash Flow Statement - Financing Activities**

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (ie borrowing) to the authority.

2023/24		2024/25
£'000		£'000
189,000	Cash receipts of short and long term borrowing ( <i>Note 1a.</i> )	293,245
-	Other receipts for financing activities	378
(195)	Cash payments for the reduction of o/s liabilities relating to finance leases and BS PFI contracts	(212)
(177,690)	Repayments of short- and long-term borrowing ( <i>Note 1b.</i> )	(279,769)
(3,428)	Other payments for financing activities ( <i>Note 1c.</i> )	(1,303)
<b>7,687</b>	<b>Net cash flows from financing activities</b>	<b>12,339</b>

**Notes 1a-c. Movements from 23/24 to 24/25**

- a. Receipts from more borrowing
- b. Repayments of borrowing
- c. Movement in NNDR and Ctax debtor/creditor

**Note 32: Reconciliation of Liabilities Arising from Financing Activities**

	01-April-2024	Fin cash flows	Non-cash changes	31-March-2025
	£'000	£'000	£'000	£'000
Long Term Borrowing	(187,753)	(11,166)	-	(198,919)
Short Term Borrowing	(125,386)	8,090	-	(117,296)
PFI Liabilities	(3,649)	-	(1,458)	(5,107)
<b>Total Liabilities from Financing Activities</b>	<b>(316,788)</b>	<b>(3,076)</b>	<b>(1,458)</b>	<b>(321,322)</b>

	01-April-2023	Fin cash flows	Non-cash changes	31-March-2024
	£'000	£'000	£'000	£'000
Long Term Borrowing	(190,595)	2,842	-	(187,753)
Short Term Borrowing	(108,276)	(17,110)	-	(125,386)
PFI Liabilities	(3,844)	-	195	(3,649)
<b>Total Liabilities from Financing Activities</b>	<b>(302,715)</b>	<b>(14,268)</b>	<b>195</b>	<b>(316,788)</b>

**Note 33a: Officers' Remuneration and Termination Benefits**

The number of employees whose remuneration (including taxable benefits, but excluding employers' pension contributions) was £50,000 or more, in bands of £5,000 is shown below. This table **excludes** senior employees, they are listed in the next table.

Remuneration band	Number of employees	
	2023/24	2024/25
£ 50,000 - £ 54,999	7	14
£ 55,000 - £ 59,999	7	7
£ 60,000 - £ 64,999	6	3
£ 65,000 - £ 69,999	-	3
£ 70,000 - £ 74,999	-	-
£ 75,000 - £ 79,999	-	-
£ 80,000 - £ 84,999	-	-
£ 85,000 - £ 89,999	-	-
£ 90,000 - £ 94,999	-	-
£ 95,000 - £ 99,999	-	-
£ 100,000 - £ 104,999	-	-
<b>Total</b>	<b>20</b>	<b>27</b>

## Note 33b: Senior Officer Remuneration

	Note	Year	Salary, Fees and Allowances	Bonus, Car Allow and BiK	Total exc pension contr.	Pension Contr.	Other	Total
			£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive		2024/25	134,231	-	134,231	29,799	-	164,030
		2023/24	136,266	-	136,266	30,251	-	166,517
Strategic Director of Finance Commercialisation & Corporate Services		2024/25	106,157	-	106,157	23,567	-	129,724
		2023/24	104,323	-	104,323	22,992	-	127,315
Director of Finance Revenues & Benefits	1	2024/25	30,101	-	30,101	6,682	-	36,783
		2023/24	80,907	-	80,907	17,925	-	98,832
Strategic Director of Planning & Building Control		2024/25	104,989	-	104,989	23,308	-	128,297
		2023/24	102,040	-	102,040	22,486	-	124,526
Director of Corporate Services		2024/25	82,764	-	82,764	18,374	-	101,138
		2023/24	81,247	-	81,247	17,925	-	99,172
Director of Digital Innovation and Commercialisation		2024/25	82,764	-	82,764	18,374	-	101,138
		2023/24	81,247	-	81,247	17,925	-	99,172
Director of Environment and Climate Change		2024/25	82,764	-	82,764	18,374	-	101,138
		2023/24	81,315	-	81,315	17,925	-	99,240
Director of Business & Change Management		2024/25	82,764	-	82,764	18,374	-	101,138
		2023/24	81,247	-	81,247	17,925	-	99,172
Assistant Director Housing, Health and Communities	2	2024/25	-	-	-	-	-	-
		2023/24	58,807	-	58,807	13,144	-	71,951
Strategic Director of Housing Environment & Communities	3	2024/25	53,373	-	53,373	11,849	-	65,222
		2023/24	-	-	-	-	-	-
Head of Legal/Monitoring Officer	4	2024/25	74,313	-	74,313	16,497	-	90,810
		2023/24	36,152	-	36,152	8,026	-	44,178
<b>Totals</b>		<b>2024/25</b>	<b>834,220</b>	<b>-</b>	<b>834,220</b>	<b>185,198</b>	<b>-</b>	<b>1,019,418</b>
Totals		2023/24	843,551	-	843,551	186,524	-	1,030,075

(1) Director of Finance & Corporate Services left the position 27th May 2024. The new appointment commenced 13th January 2025.

(2) Assistant Director Housing, Health and Communities commenced 5th June 2023 & left the position 10th March 2024.

(3) Strategic Director of Housing Environment & Communities commenced 1st October 2024

(4) Previous title was Assistant Director of Governance & Legal left the position 3rd February 2023 & the new appointment commenced 2nd October 2023 with the current title Head of Legal/Monitoring Officer.

\* Director of Property is currently a vacant post and being resourced by an agency member of staff

**Note 33c: Exit Packages**

Exit Package costs band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£ 0 - £ 20,000	1	4	1	-	2	4	10,904	18,779
£ 20,001 - £ 40,000	-	1	-	-	-	1	-	30,383
£ 40,001 - £ 60,000	-	-	-	-	-	-	-	-
£ 60,001 - £ 80,000	-	-	-	-	-	-	-	-
<b>Total</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>-</b>	<b>2</b>	<b>5</b>	<b>10,904</b>	<b>49,162</b>

The Council terminated the contracts of a number of employees in 2024/25, incurring liabilities of £49k (£11k in 2023/24) – see above for the number of exit packages and total cost per band.

**Note 34: External Audit Costs**

2023/24		2024/25
£'000		£'000
151	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor	166
54	Fees payable in respect of other services provided by external auditors during the year	129
<b>205</b>	<b>Total</b>	<b>295</b>

**Note 35: Grant Income**

2023/24 £'000	Grants credited to the Comprehensive Income and Expenditure Statement- Taxation and Non-specific Grant Income	2024/25 £'000
(432)	New Homes Bonus Grant	(560)
(3,903)	NNDR S31 grant	(3,766)
(2,737)	Supplementary grants	(3,067)
<b>(7,072)</b>	<b>Total</b>	<b>(7,393)</b>
	<b>Capital Grants and Contributions:</b>	
(561)	Other Grants and Contributions	(417)
<b>(561)</b>	<b>Total</b>	<b>(417)</b>

2023/24 £'000	Grants credited to the Comprehensive Income and Expenditure Statement- Net Cost of Services	2024/25 £'000
(10)	DLUHC - Localising Council Tax admin subsidy	(8)
(6,127)	DWP - HB subsidy Rent allowances	(6,265)
(5,183)	DWP - HB subsidy Rent rebates	(5,402)
(181)	DWP - HB admin subsidy	(169)
(80)	DWP - Disc Hou benefits	(80)
(519)	Grant towards REFCUS	-
(450)	PFI grant	(450)
(2,788)	Misc. grant	(3,623)
<b>(15,338)</b>	<b>Total</b>	<b>(15,997)</b>

## Notes to the Core Accounting Statements (continued)

## Note 35: Grant Income (continued)

The Council has received a number of grants, contributions and donations that have yet to be recognised as income as they have conditions attached to them that will require the monies or property to be returned to the giver. The balances at the year-end are as follows:

## Revenue Grant Receipts in Advance - Non-current Liabilities

2023/24		2024/25
£'000		£'000
(2,670)	S106 Developer contributions	(4,345)
<b>(2,670)</b>	<b>Total</b>	<b>(4,345)</b>

## Capital Grant Receipts in Advance - Non-current Liabilities

2023/24		2024/25
£'000		£'000
(400)	Grants received from Govt Depts (Heritage Quest Centre and PLACE schemes)	(188)
<b>(400)</b>	<b>Total</b>	<b>(188)</b>

## Note 36: Members' Allowances

2023/24	Amounts paid to Members of the Council during the year.	2024/25
£'000		£'000
215	Basic allowances	230
10	Group Leader allowances	9
73	Special responsibilities allowances	74
5	Travel & subs	4
<b>303</b>	<b>Total</b>	<b>317</b>

## Note 37: Related Parties

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

### 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.

Grant receipts outstanding at 31 March 2025 are shown in Note 35.

### Members

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.

The total of members' allowances paid in 2024/25 is shown in Note 36.

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.

### Officers

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 Strategic Director of Finance Commercialisation and Corporate Services, Director of Corporate Services and 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 Director Commercial & Digital Change Management is Director of Uttlesford Norse Services Limited. 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.

**Note 37: Related Parties (continued)**

**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. The transactions are immaterial for disclosure.

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 are immaterial for disclosure.

Saffron Walden Museum Society Limited:

The Council rents the Saffron Walden Museum and artefacts under the terms of a 99 year lease from the Museum charity at a nominal annual rent. The asset is classified as a donated asset under the international accounting standards, on the basis that the Council receives all the rewards and benefits of the asset used to provide a service. The Museum service is fully funded by the Council and all staff associated with this service are employed by the Council. A nominated Council member has a seat on the Museum Charity board.

The net costs of running the Museum are;	2024/25	£284,981
	2023/24	£455,067

**Partnership Schemes**

Community Safety Partnership:

The Council is a member of the district wide Community Safety Partnership, this comprises of statutory, private and voluntary organisations working together to tackle crime and disorder.

The Partnership consists of Uttlesford District Council, Essex County Council, Essex Police, Essex Fire Authority, Hertfordshire and West Essex Integrated Care Board and Uttlesford Council for Voluntary Services. The Partnership reports into the Responsible Authorities Group.

The finances of the Partnership over the last two financial years are immaterial for disclosure. The unspent funds will contribute towards the costs of the partnership's strategic vision in future financial years.



**Notes to the Core Accounting Statements (continued)****Note 37: Related Parties (continued)**

## 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.

The net fees paid to NEPP are;	2024/25	£167,700
	2023/24	£186,200

**Entities Controlled or Significantly Influenced by the Council**

For Further detail on entities controlled by the Council, please see the Interests in subsidiaries and joint ventures note 16 and 18.

**Note 38: Capital Expenditure and Financing**

The total amount of capital expenditure incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the capital financing requirement (CFR), a measure of the capital expenditure incurred historically by the Council that has yet to be financed. The CFR is analysed in the second part of this note.

2023/24 Restated		2024/25
£'000		£'000
<b>339,213</b>	<b>Opening Capital Financing Requirement</b>	<b>350,543</b>
	Opening adjustment	856
<b>339,213</b>	<b>Revised Opening Capital Financing Requirement</b>	<b>351,399</b>
	Capital Investment:	
11,384	- Property Plant and Equipment	8,763
59	- Intangible Assets	29
9,018	- Investment Properties	-
3,300	- Aspire investment (wholly owned subsidiary)	14,750
2,188	- Rev. Exp. Funded from Capital Under Statute	1,631
<b>25,949</b>	<b>Total Capital Investment</b>	<b>25,173</b>
400	Expected credit gain/loss on Financial Instruments	(349)
<b>26,349</b>	<b>Total</b>	<b>24,824</b>
	<b>Sources of Finance:</b>	
(2,485)	- Capital receipts	(956)
(733)	- Government Grants and other contributions	(1,791)
(1,367)	- REFCUS income	
(3,187)	- Direct revenue contributions	(2,474)
(3,680)	- Major Repairs Reserve (MRR)	(5,643)
(3,567)	- Minimum revenue provision (MRP)	(4,001)
<b>(15,019)</b>	<b>Total Sources of Finance applied</b>	<b>(14,865)</b>
<b>350,543</b>	<b>Closing Capital Financing Requirement</b>	<b>361,358</b>

2023/24		2024/25
£'000		£'000
11,330	Increase in underlying need to borrow (unsupported by government financial assistance)	9,957
<b>11,330</b>	<b>Inc/(dec) in Capital Financing Requirement</b>	<b>9,957</b>

**Note 39: Leases and Private Finance Initiative (PFI)****Private Finance Initiative (PFI)**

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 2025 was £21.274m (£20.417m 31 March 2024). The contract was operational from the financial year 2003/04 and runs for a period of 32 years (ending 2035/36) leaving 11 years outstanding.

Actual contract payments are dependent on the service provided. The remaining capital liability as at the balance sheet date is £5.475m as measured according to IFRS 16. The use of IFRS 16 to measure the PFI liability has been introduced as per CIPFA guidance for balance sheet measurement as at 31/3/25. Prior to IFRS16 being utilitied, the Council prepared the PFI liability using IAS 17.

**Initial application of IFRS 16 liability measurement principles to PFI**

IFRS 16 liability measurement principles have been applied to PFI in these financial statements from 1/4/24. The change in measurement basis has been applied using a cumulative catch up approach with the cumulative impact of remeasuring the liability on 1/4/24 recognised in the General fund.

Comparatives for PFI have not been restated on an IFRS 16 basis, as this is not required by the CIPFA Code of Practice 2024/25. Under IAS 17 measurement principles which applied in 2023/24 and earlier, movements in the liability were limited to repayments of the liability and the annual finance cost arising from application of the implicit interest rate. The cumulative impact of indexation on payments for the asset was charged to finance costs as contingent rent as incurred. The opening transition difference for 2024/25 (i.e. PFI balance as at 1/4/24 per IAS 17 versus IFRS 16) is £175,000.

	2023/24	2024/25	1 Year	2 - 5 Years	6 - 10 Years	11 - 15 Years
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Leisure PFI- Unitary Charge</b>	1,401	1,442	1,436	5,665	6,337	578
<i>Summary:</i>						
Capital repayment	181	328	368	1,877	2,859	371
Interest expense	334	514	484	1,562	907	17
Services	886	600	584	2,226	2,571	190
<b>Total Unitary Charge</b>	<b>1,401</b>	<b>1,442</b>	<b>1,436</b>	<b>5,665</b>	<b>6,337</b>	<b>578</b>

**Leases****Council as Lessee****Finance Leases**

The Council has no Finance Leases where the Council is a Lessee.

**Operating Leases**

Though the Council has operating leases as lessee, these are deemed immaterial for 2024/25. Based on our comprehensive assessment, no leases require recognition as ROU assets or lease liabilities under IFRS 16 at this time. Opening balances and comparatives remain unchanged under the modified retrospective approach. We will continue monitoring for new arrangements that may bring contracts into scope.

## Note 40: Defined Benefit Pension Scheme

### Council as Lessor

#### Finance Leases

The Council has no Finance Leases where the Council is a Lessor.

#### Operating Leases

Though the Council has operating leases as lessor, these are deemed immaterial for 2024/25.

#### Participation in Pension Schemes

As part of the terms and conditions of employment of its officers, the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlement.

The Council participates in two post-employment schemes:

- The Local Government Pension Scheme, administered locally by Essex County Council. This is a funded defined benefit plan with benefits earned up to 31 March 2014 being linked to final salary. Benefits after 31st March 2014 are based on a Career Average Revalued Earnings scheme. The funded nature of the scheme requires employers and its employees to pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.
- Arrangements for the award of discretionary post-retirement benefits upon early retirement. This is an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. However, there are no investment assets built up to meet these pension liabilities, and cash has to be generated to meet actual pension payments as they eventually fall due.

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Essex County Council. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund the amounts required by statute as described in the accounting policies note.

#### Discretionary post-retirement benefits

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

## Note 40: Defined Benefit Pension Scheme (continued)

## Transactions relating to post-employment benefits

The cost of retirement benefits in the reported cost of services is recognised when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required to be made against council tax is based on the cash payable in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund balance via the Movement in Reserves Statement during the year.

2023/24					2024/25			
Scheme Assets	Asset Ceiling	Pensions Obligations	Net Pensions Liability		Scheme Assets	Asset Ceiling	Pensions Obligations	Net Pensions Liability
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
102,445	(14,670)	(91,177)	(3,402)	<b>Opening Balance at 1 April</b>	114,855	(26,447)	(91,341)	(2,933)
-	-	(2,000)	(2,000)	Current Service Cost	-	-	(2,003)	(2,003)
-	-	-	-	Past Service cost and gains/losses on curtailments	-	-	-	-
4,915	(704)	(4,305)	(94)	Interest Income and Expense	5,612	(1,296)	(4,398)	(82)
(71)	-	-	(71)	Admin Expense	(69)	-	-	(69)
	-	-	-	• Settlements	-	-	-	-
<b>4,844</b>	<b>(704)</b>	<b>(6,305)</b>	<b>(2,165)</b>	<b>Total post-employment benefits charged to Surplus or Deficit on Provision of Services</b>	<b>5,543</b>	<b>(1,296)</b>	<b>(6,401)</b>	<b>(2,154)</b>
				<b>Contributions</b>				
2,901	-	-	2,901	• The Council	2,572	-	-	2,572
715	-	(715)	-	• Employees	763	-	(763)	-
<b>3,616</b>	<b>-</b>	<b>(715)</b>	<b>2,901</b>	<b>Employers contributions payable to scheme</b>	<b>3,335</b>	<b>-</b>	<b>(763)</b>	<b>2,572</b>
				<b>Payments</b>				
(3,734)	-	3,734	-	• Retirement Grants and Pensions	(3,988)	-	3,988	-
<b>(3,734)</b>	<b>-</b>	<b>3,734</b>	<b>-</b>		<b>(3,988)</b>	<b>-</b>	<b>3,988</b>	<b>-</b>
				<b>Remeasurements</b>				
7,684	-	-	7,684	• Return on Plan Assets	222	-	-	222
-	-	1,292	1,292	• Actuarial Gains and Losses arising from changes in demographic assumptions	-	-	242	242
-	-	2,111	2,111	• Actuarial Gains and Losses from changes in Financial Assumptions	-	-	11,993	11,993
-	-	(281)	(281)	• Experience gain/(loss) on defined benefit obligation	-	-	210	210
	(11,073)	-	(11,073)	Changes on Impact on Asset Ceiling		(13,024)		(13,024)
<b>7,684</b>	<b>(11,073)</b>	<b>3,122</b>	<b>(267)</b>	<b>Post-Employment Benefits Charged to other Comprehensive Income and Expenditure Statement</b>	<b>222</b>	<b>(13,024)</b>	<b>12,445</b>	<b>(357)</b>
<b>114,855</b>	<b>(26,447)</b>	<b>(91,341)</b>	<b>(2,933)</b>	<b>Closing Balance at 31 March 2025</b>	<b>119,967</b>	<b>(40,767)</b>	<b>(82,072)</b>	<b>(2,872)</b>

## Note 40: Defined Benefit Pension Scheme (continued)

## Local Govt Pension Scheme assets comprised

2023/24			Fair value of scheme assets	2024/25		
Quoted	Unquoted	Total		Quoted	Unquoted	Total
£'000	£'000	£'000		£'000	£'000	£'000
-	2,833	2,833	Cash and Cash equivalents		2,340	2,340
58,681	-	58,681	Equity instruments:			
			Overseas	60,795	-	60,795
<b>58,681</b>	<b>-</b>	<b>58,681</b>	<b>Sub-total equity</b>	<b>60,795</b>	<b>-</b>	<b>60,795</b>
			Private equity:			
-	4,938	4,938	Overseas	-	5,072	5,072
<b>-</b>	<b>4,938</b>	<b>4,938</b>	<b>Sub-total private equity</b>	<b>-</b>	<b>5,072</b>	<b>5,072</b>
			Debt securities:			
2,052	-	2,052	Guilts	1,818	-	1,818
<b>2,052</b>	<b>-</b>	<b>2,052</b>	<b>Sub-total debt securities</b>	<b>1,818</b>	<b>-</b>	<b>1,818</b>
			Property:			
1,723	6,205	7,928	All	2,034	7,650	9,684
<b>1,723</b>	<b>6,205</b>	<b>7,928</b>	<b>Sub-total property</b>	<b>2,034</b>	<b>7,650</b>	<b>9,684</b>
			Other investment funds:			
-	17,462	17,462	Alternative Assets	-	18,083	18,083
-	20,961	20,961	Other Managed Funds	-	22,175	22,175
<b>-</b>	<b>38,423</b>	<b>38,423</b>	<b>Sub-total other investment funds</b>	<b>-</b>	<b>40,258</b>	<b>40,258</b>
<b>62,456</b>	<b>52,399</b>	<b>114,855</b>	<b>Total Assets</b>	<b>64,647</b>	<b>55,320</b>	<b>119,967</b>

## Notes to the Core Accounting Statements (continued)

### Note 40: Defined Benefit Pension Scheme (continued)

#### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc.

Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the Essex County Council (Pensions) Fund being based on the latest full valuation of the scheme as at 31st March 2023.

The significant assumptions used by the actuary have been:

	LGPS	
	2023/24	2024/25
<b>Longevity at 65 for current pensioners:</b>		
<i>Men</i>	20.8 years	20.7 years
Women	23.3 years	23.3 years
<b>Longevity at 65 for future pensioners:</b>		
<i>Men</i>	22.0 years	22.0 years
Women	24.7 years	24.7 years
Rate for discounting scheme liabilities	4.90%	5.80%
Rate of inflation	3.25%	3.20%
Rate of increase in pensions (CPI)	2.90%	2.90%
Rate of increase in salaries	3.90%	3.90%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

## Note 40: Defined Benefit Pension Scheme (continued)

	Impact on the defined benefit obligation in the scheme	
	Approx monetary amount Present value of total obligation £82,072 base	Approx monetary amount Projected service cost £1,916 base
	£'000	£'000
0.5% increase in real discount rate	76,796	1,619
0.5% increase in the salary increase rate	82,519	1,916
0.5% increase in the pensions increase rate (CPI)	87,699	2,277
1 year increase in member life expectancy	85,235	1,988

**Impact on the Council's cash flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The scheme's actuary assessed the scheme to be fully funded. Funding levels are monitored on an annual basis. The next triennial valuation is due to be completed on 31 March 2026.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and the other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The Council is anticipated to pay £2.475m expected contributions to the scheme in 2024/25.

In June 2023, the UK High Court (Virgin Media Limited v NTL Pension Trustees II Limited) ruled that certain historical amendments for contracted-out defined benefit schemes were invalid if they were not accompanied by the correct actuarial confirmation. The judgment is subject to appeal, and the Court of Appeal heard the arguments on 26 and 27 June 2024.

The Local Government Pension Scheme is a contracted out defined benefit scheme and amendments have been made during the period 1996 to 2016 which could impact member benefits. Work is being performed by the Government Actuary's Department as the Local Government Pension Scheme actuary to assess whether section 37 certificates are in place for all amendments and some of these have been confirmed however, at the date of these financial statements, the full assessment is not complete. Until this analysis is complete, we are unable to conclude whether there is any impact on the assessed actuarial present value of promised retirement benefits under IAS 19, or if it can be reliably estimated. As a result, Essex Pension fund does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in the disclosure of the actuarial present value of promised retirement benefits in its financial statements.

## Note 41: 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.

### 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

<http://www.mminsurace.co.uk>

### Potential uninsured loss at one of the commercial portfolio assets

A flood at the MOOG premises resulted in an insurance claim which has been declined on the basis of ineffective design. The Council is currently identifying which parties in the build process may be liable for the cost of both reinstatement of the flooded areas and rectification of the substantive issue. The main problem is the developer went into administration immediately after completing the build. It is therefore possible that the cost of repair and rectification will fall on the Council.

## Group Accounts and Explanatory Notes

### INTRODUCTION

The purpose of the Group Accounts is to provide a picture of Uttlesford District Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group Accounts show the full extent of the Authority's wider assets and liabilities, provide transparency and enable comparison with other entities.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement - summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accrual's basis.
- Group Movement in Reserves - shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group reserves.
- Group Balance Sheet - reports the Council Group financial position at the year-end.
- Group Cash Flow Statement - shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cashflows as operating, financing and investing activities.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts.

In the Consolidated accounts, the loan value, its respective transactions and any other transactions or balances between the Council and the subsidiary have been eliminated.

### GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24 Restated *				2024/25			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
3,323	(1,740)	1,583	Business Performance & People	5,895	(2,621)	3,274	
643	(262)	381	Chief Executive	1,053	(729)	324	
1,862	(55)	1,807	Corporate Services	1,298	(47)	1,251	
1,884	(741)	1,143	Digital Innovation & Commercialisation	4,909	(411)	4,498	
11,482	(4,586)	6,896	Environmental Services & Climate Change	11,046	(4,736)	6,310	
2,562	(1,335)	1,227	Housing, Health & Communities	2,785	(1,332)	1,453	
5,963	(2,410)	3,553	Planning	4,681	(2,739)	1,942	
16,526	(13,333)	3,193	Resources	16,479	(12,999)	3,480	
(619)	-	(619)	Corporate Items	(715)	(124)	(839)	
2,245	(18,233)	(15,988)	Housing Revenue Account	16,794	(20,080)	(3,286)	
93	(2,702)	(2,609)	Aspire	157	(2,673)	(2,516)	42
<b>45,964</b>	<b>(45,397)</b>	<b>567</b>	<b>Cost of Service</b>	<b>64,382</b>	<b>(48,491)</b>	<b>15,891</b>	
4,285	(316)	3,969	Other Operating Expenditure	4,816	(654)	4,162	10
27,324	(11,824)	15,500	Financing and Investment Income and Expenditure	23,921	(31,413)	(7,492)	10 Fair value
-	(21,415)	(21,415)	Taxation and Non-Specific Grant Income	-	(23,581)	(23,581)	12
<b>77,573</b>	<b>(78,952)</b>	<b>(1,379)</b>	<b>(Surplus)/deficit on provision of services</b>	<b>93,119</b>	<b>(104,139)</b>	<b>(11,020)</b>	
(719)	-	(719)	Tax expense of Subsidiary	(971)	-	(971)	
<b>76,854</b>	<b>(78,952)</b>	<b>(2,098)</b>	<b>(Surplus)/deficit on Group</b>	<b>92,148</b>	<b>(104,139)</b>	<b>(11,991)</b>	
		(17,144)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			4,296	13
		235	Remeasurement of the net defined benefit liability / (asset)			357	40
		<b>(16,909)</b>	<b>Other Comprehensive income and expenditure</b>			<b>4,653</b>	
		<b>(19,007)</b>	<b>Total Comprehensive income and expenditure</b>			<b>(7,338)</b>	



## GROUP MOVEMENT IN RESERVES STATEMENT

GROUP	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve (Capital)	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Authority's share of group entities	Total Group Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Balance at 31-March-2024 brought forward</b>	<b>(25,165)</b>	<b>(2,379)</b>	<b>(4,292)</b>	<b>(1,106)</b>	<b>(331)</b>	<b>(33,273)</b>	<b>(319,896)</b>	<b>(353,169)</b>	<b>(30,061)</b>	<b>(383,230)</b>	
Total Comprehensive Income and Expenditure	(10,069)	(1,922)	-	-	-	(11,991)	4,653	(7,338)		(7,338)	CIES Pg 99
Adjustments between group accounts and authority accounts	(3,117)	-	-	-	-	(3,117)	-	(3,117)	3,117	-	
<b>Net increase before transfers</b>	<b>(13,186)</b>	<b>(1,922)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(15,108)</b>	<b>4,653</b>	<b>(10,455)</b>	<b>3,117</b>	<b>(7,338)</b>	
Adjustments between accounting basis & funding basis under regulations	12,708	(205)	(1,341)	1,063	142	12,367	(12,367)	-		-	Note 8
<b>(Increase)/Decrease in 2024/25</b>	<b>(478)</b>	<b>(2,127)</b>	<b>(1,341)</b>	<b>1,063</b>	<b>142</b>	<b>(2,741)</b>	<b>(7,714)</b>	<b>(10,455)</b>	<b>3,117</b>	<b>(7,338)</b>	
<b>Balance at 31-March-2025 carried forward</b>	<b>(25,643)</b>	<b>(4,506)</b>	<b>(5,633)</b>	<b>(43)</b>	<b>(189)</b>	<b>(36,014)</b>	<b>(327,610)</b>	<b>(363,624)</b>	<b>(26,944)</b>	<b>(390,568)</b>	BS and Note 42

GROUP	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve (Capital)	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Authority's share of group entities	Total Group Reserves	Note
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000			
<b>Balance at 31-March-2023 brought forward</b>	<b>(26,152)</b>	<b>(1,756)</b>	<b>(4,371)</b>	<b>(605)</b>	<b>(461)</b>	<b>(33,345)</b>	<b>(298,459)</b>	<b>(331,804)</b>	<b>(32,419)</b>	<b>(364,223)</b>	
Total Comprehensive Income and Expenditure	11,494	(13,592)	-	-	-	(2,098)	(16,909)	(19,007)		(19,007)	CIES
Adjustments between group accounts and authority accounts	(2,358)	-	-	-	-	(2,358)	-	(2,358)	2,358	-	
<b>Net increase before transfers</b>	<b>9,136</b>	<b>(13,592)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(4,456)</b>	<b>(16,909)</b>	<b>(21,365)</b>	<b>2,358</b>	<b>(19,007)</b>	
Adjustments between accounting basis & funding basis under regulations	(8,149)	12,969	79	(501)	130	4,528	(4,528)	-		-	Note 8
<b>(Increase)/Decrease in 2023/24</b>	<b>987</b>	<b>(623)</b>	<b>79</b>	<b>(501)</b>	<b>130</b>	<b>72</b>	<b>(21,437)</b>	<b>(21,365)</b>	<b>2,358</b>	<b>(19,007)</b>	
<b>Balance at 31 March 2024 carried forward</b>	<b>(25,165)</b>	<b>(2,379)</b>	<b>(4,292)</b>	<b>(1,106)</b>	<b>(331)</b>	<b>(33,273)</b>	<b>(319,896)</b>	<b>(353,169)</b>	<b>(30,061)</b>	<b>(383,230)</b>	

## GROUP BALANCE SHEET

GROUP 2023/24 £'000		GROUP 2024/25 £'000	Note
438,094	Property, Plant and Equipment (PPE)	430,237	13a
1,091	Heritage Assets	1,091	13b
269,433	Investment Property	284,861	14
270	Intangible Assets	182	15
-	Long-Term Investments	3,000	
1,353	Long-Term Debtors	4,057	17
<b>710,241</b>	<b>Long-Term Assets</b>	<b>723,428</b>	
8,297	Short-Term Investments	5,183	
5	Inventories	12	
7,743	Short-Term Debtors	11,160	
1,191	Assets Held for Sale	1,191	13c
23,261	Cash and Cash Equivalents (Assets)	8,845	
<b>40,497</b>	<b>Current Assets</b>	<b>26,391</b>	
(18,022)	Cash and Cash Equivalents (Liabilities)	(495)	21
(125,386)	Short-Term Borrowing	(117,296)	22
(15,280)	Short-Term Creditors	(19,754)	
(1,139)	Short-Term Provisions	(1,259)	24
(217)	Current Tax Liability	-	
<b>(160,044)</b>	<b>Current Liabilities</b>	<b>(138,804)</b>	
(187,753)	Long-Term Borrowing	(198,919)	25
(3,649)	Other Long-Term Liabilities (PFI)	(5,107)	
(2,670)	Long-Term Revenue Grants- Receipts in Advance	(1,461)	35
(400)	Long-Term Capital Grants- Receipts in Advance	(3,072)	35
(2,933)	Pensions Liability Scheme	(2,872)	
(10,059)	Deferred Tax Liability	(9,016)	
<b>(207,464)</b>	<b>Long-Term Liabilities</b>	<b>(220,447)</b>	
<b>383,230</b>	<b>Net Assets</b>	<b>390,568</b>	
(63,334)	Usable Reserves	(62,958)	
(319,896)	Unusable Reserves	(327,610)	
-	Share Capital	-	
<b>(383,230)</b>	<b>Total Reserves</b>	<b>(390,568)</b>	

## GROUP CASH FLOW STATEMENT

GROUP 2023/24 Restated £'000		GROUP 2024/25 £'000	Note
2,098	<b>Net (surplus) or deficit on the provision of services</b>	<b>11,991</b>	CIES
20,941	Adjust to deficit on the provision of services for non-cash movements	15,840	27
(2,129)	Adjustments for items included in net deficit in the provision of services that are investing & financing activities	(5,809)	28
<b>18,812</b>		<b>10,031</b>	
<b>20,910</b>	<b>Net cash outflow/(inflow) from operating activities</b>	<b>22,022</b>	
(24,049)	Net cash flows from investing activities	(31,250)	30 & 42
7,687	Net cash flows from financing activities	12,339	31
<b>4,548</b>	<b>Net (increase) or decrease in cash and cash equivalents</b>	<b>3,111</b>	
691	Cash and cash equivalents at the beginning of the reporting period	5,239	BS
<b>5,239</b>	<b>Cash and cash equivalents at the end of the reporting period</b>	<b>8,350</b>	



**Note 42: Subsidiary (Group Accounts Notes)**

In the Consolidated accounts, the loan value, its respective transactions and any other transactions or balances between the Council and the subsidiary have been eliminated.

Investment Properties- Income & Expenditure	2023/24			2024/25		
	Single	Aspire	Group	Single	Aspire	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Rental income from Inv Prop	(8,669)	(2,702)	(11,371)	(10,121)	(2,673)	(12,794)
Direct operating expenses from Inv prop	209	93	302	689	157	846
<b>Net (Gain)/Loss</b>	<b>(8,460)</b>	<b>(2,609)</b>	<b>(11,069)</b>	<b>(9,432)</b>	<b>(2,516)</b>	<b>(11,948)</b>

Investment Properties- Movements in year	2023/24			2024/25		
	Single	Aspire	Group	Single	Aspire	Group
	£'000	£'000	£'000	£'000	£'000	£'000
Opening Balance	168,575	103,026	271,601	166,375	103,058	269,433
Additions	9,018	3,300	12,318	-	14,750	14,750
Disposals	-	-	-	-	-	-
Net (Gain)/Loss from fair value (CIES)	(11,218)	(3,268)	(14,486)	3,850	(4,172)	(322)
Transfers from Property, Plant and Equipment	-	-	-	1,000	-	1,000
<b>Closing Balance</b>	<b>166,375</b>	<b>103,058</b>	<b>269,433</b>	<b>171,225</b>	<b>113,636</b>	<b>284,861</b>

Investment Properties Recurring fair value measuring usage 31-March-2025	Quoted Prices active market (Level1)	Single Other sig observable (Level2)	Aspire Other sig observable (Level2)	Significant unobservable (Level3)	Group Fair Value 31- March-2025
	£'000	£'000	£'000	£'000	£'000
	Land & Buildings	-	171,225	113,636	-
<b>Total</b>	-	<b>171,225</b>	<b>113,636</b>	-	<b>284,861</b>

Investment Properties Recurring fair value measuring usage 31-March-2024	Quoted Prices active market (Level1)	Single Other sig observable (Level2)	Aspire Other sig observable (Level2)	Significant unobservable (Level3)	Group Fair Value 31- March-2025
	£'000	£'000	£'000	£'000	£'000
	Land & Buildings	-	166,375	103,058	-
<b>Total</b>	-	<b>166,375</b>	<b>103,058</b>	-	<b>269,433</b>

Note 42: Subsidiary (Group Accounts Notes) (continued)

2023/24 £'000	Profit/Loss from Aspire	2024/25 £'000
(2,702)	Turnover	(2,673)
93	Admin expenses	157
<b>(2,609)</b>	<b>Operating (profit)/loss</b>	<b>(2,516)</b>
2,418	Financing costs- interest payable	2,432
3,268	Fair value loss/(gain)	4,172
<b>3,077</b>	<b>(Profit)/Loss before tax</b>	<b>4,088</b>
(719)	Tax on ordinary activities	(971)
-	Dividends	-
<b>2,358</b>	<b>Total (profit)/loss for the year</b>	<b>3,117</b>
<b>30,061</b>	<b>Shareholders' funds</b>	<b>26,944</b>

2023/24 £'000	Share of Ownership Interests between Aspire and UDC	2024/25 £'000
-	Investment in shareholding company(s)	-
62,903	Loans with Uttlesford District Council	77,254
<b>62,903</b>	<b>Total</b>	<b>77,254</b>



## SECTION – 5

### SUPPLEMENTARY FINANCIAL STATEMENTS

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#### Supplementary Financial Statements

#### Page Number

• <i>Housing Revenue Account (HRA) - Income and Expenditure Statement</i>	110
• <i>Movement Of Hra Statement</i>	111
• <i>Council Dwelling Non-Current Assets - Balance Sheet</i>	112
• <i>Housing Revenue Account Notes</i>	113
• <i>Collection Fund Statement</i>	116
• <i>Notes to the Collection Fund</i>	118

## HOUSING REVENUE ACCOUNT (HRA) - INCOME AND EXPENDITURE STATEMENT

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.

2023/24	HRA income and Expenditure Statement	2024/25
£'000		£'000
	<b>Expenditure:</b>	
3,178	Repairs and Maintenance	5,912
2,500	Supervision and Management	2,511
194	Rent, Rates and Other Charges	520
2,478	Overheads	-
4,173	Depreciation- Dwellings & amortisation	4,580
8	Depreciation- Other non-current assets	-
(10,694)	Change in valuation of non-current assets	1,974
103	REFCUS	97
	Movement in the Provision for Bad Debts	208
403	Share of corporate core	-
<b>2,343</b>	<b>Total Expenditure</b>	<b>15,802</b>
	<b>Income:</b>	
(16,584)	Dwelling Rents	(18,923)
(735)	Non-dwelling Rents	(270)
(1,014)	Charges for Services and Facilities	(861)
-	Contributions towards expenditure	(26)
<b>(18,333)</b>	<b>Total Income</b>	<b>(20,080)</b>
<b>(15,990)</b>	<b>Total</b>	<b>(4,278)</b>
1	HRA services share of non-distributed costs	993
<b>(15,989)</b>	<b>Net Cost of HRA services as included in the CIES</b>	<b>(3,285)</b>
(316)	Loss/(Gain) on sale of HRA non-current assets & pooling	(670)
2,684	Interest Payable and similar charges	2,644
-	Interest and Investment Income	(199)
28	IAS19 Pensions- net interest on defined assets/liabilities	5
-	Anticipated credit loss	-
2	Other	-
-	Capital grant and contributions	(417)
<b>(13,591)</b>	<b>(Surplus)/Deficit for the year on HRA services</b>	<b>(1,922)</b>

## MOVEMENT OF HRA STATEMENT

2023/24	Movement of HRA Statement	2024/25
£'000		£'000
(673)	<b>HRA balance brought forward</b>	<b>(1,661)</b>
(13,591)	(Surplus)/Deficit for the year on the HRA Income and Expenditure Account	(1,922)
12,969	Adjustments between accounting basis and funding basis under statute	(205)
<b>(622)</b>	<b>Net increase/(decrease) in year on HRA before transfers to/from reserves</b>	<b>(2,127)</b>
(366)	Transfer to/from earmarked reserves	2,239
-	Other	-
<b>(988)</b>	<b>Dec/(inc) in the HRA balance for the year</b>	<b>112</b>
<b>(1,661)</b>	<b>HRA balance at the end of the year, carried forward</b>	<b>(1,549)</b>



## COUNCIL DWELLING NON-CURRENT ASSETS - BALANCE SHEET

2023/24 £'000	Council Dwelling Non-current Assets- Balance Sheet	2024/25 £'000
	<b>Cost or valuation:</b>	
<b>350,926</b>	<b>Brought Forward 1 April</b>	<b>379,831</b>
3,684	Additions	2,015
11,774	Revaluation inc/(dec) recognised in the Revaluation Reserve	(10,847)
10,609	Revaluation inc/(dec) recognised in the Surplus/Deficit on the Provision of Services	292
(1,715)	Derecognition- Disposal	(1,581)
-	Derecognition - other	-
4,554	Reclassification- within PPE	2,786
-	Reclassification- outside PPE	-
<b>379,832</b>	<b>Balance carried forward 31 March</b>	<b>372,496</b>
	<b>Accumulated Depreciation and impairment:</b>	
-	<b>Brought Forward 1 April</b>	-
(4,116)	Depreciation annual charge	(4,470)
3,990	Depreciation written out to Reval Reserve	4,350
117	Depreciation written out to Provision of Service	93
9	Derecognition- Disposal	27
-	Derecognition - other	-
-	Reclassification- within PPE	-
-	Reclassification- outside PPE	-
-	<b>Balance carried forward 31 March</b>	-
<b>379,832</b>	<b>NBV carried forward 31 March</b>	<b>372,496</b>
<b>350,926</b>	<b>NBV brought forward 1 April</b>	<b>379,831</b>



# HOUSING REVENUE ACCOUNT NOTES

## Housing Stock and Build Type

2023/24		2024/25	
No. of Properties		No. of Properties	
696	Flats	703	
748	Bungalows	749	
1,321	Houses	1,310	
<b>2,765</b>	<b>Total Properties</b>	<b>2,762</b>	
	Houses : Number of beds		
10	1	9	
217	2	218	
1,040	3	1,030	
53	4	52	
1	5	1	
	Flats : Number of beds		
3	1	3	
420	2	428	
252	3	252	
21	4	20	
	Bungalows : Number of beds		
135	1	135	
604	2	605	
9	3	9	
<b>2,765</b>	<b>Total</b>	<b>2,762</b>	



## HRA Balance Sheet Values

2023/24		2024/25
£'000		£'000
379,832	Council Dwellings	375,893
2,364	Other Land & Buildings-Garages	2,443
1,020	Other Land & Buildings-Temporary Accommodation	1,020
607	Other Land & Buildings- rest	409
2	Vehicles, Plant & Equipment	-
35	Community	35
3,685	Surplus	2,929
8	Infrastructure	6
2,803	Assets under Construction	851
7	Intangibles	4
<b>390,363</b>	<b>Balance carried forward 31 March</b>	<b>383,590</b>

## Rent Arrears

2023/24		2024/25
£'000		£'000
570	Arrears due from: Current Tenants	571
1	Arrears due from: Former Tenants	52
<b>571</b>	<b>Total Rent Arrears</b>	<b>623</b>
3.4%	Total as a % of Gross Rent	3.4%

## HRA Reserves (balances and earmarked)

2023/24		2024/25
£'000		£'000
<b>(673)</b>	<b>Balances as at 1 April</b>	<b>(1,661)</b>
(988)	Movement	112
<b>(1,661)</b>	<b>Balances as at 31 March (year-end)</b>	<b>(1,549)</b>
(1,083)	Earmarked Reserves at 1 April	(718)
365	Movement	(2,239)
<b>(718)</b>	<b>Earmarked Reserves at 31 March (year-end)</b>	<b>(2,957)</b>
<b>(2,379)</b>	<b>Housing Revenue Account Total Reserves (Balances &amp; EM) as at 31 Mar. (year-end)</b>	<b>(4,506)</b>

## Major Repairs Reserve

2023/24		2024/25
£'000		£'000
(605)	<b>Balance as at 1 April</b>	<b>(1,106)</b>
(4,181)	Transfers in	(4,580)
3,680	Transfers out	5,643
<b>(1,106)</b>	<b>Balance as at 31 March</b>	<b>(43)</b>

## HRA Capital Expenditure

2023/24		2024/25
£'000		£'000
<b>8,444</b>	<b>Total HRA Capital Expenditure</b>	<b>7,142</b>
(2,057)	Financed by: Revenue Contributions	(435)
(3,680)	Financed by: Contribution from Major Repairs Reserve	(5,643)
(2,369)	Financed by: Capital Receipts	(647)
(338)	Financed by: Capital Grant & Contributions	(417)
<b>(8,444)</b>	<b>Total Financing</b>	<b>(7,142)</b>

## HRA Capital Receipts Reserve

2023/24		2024/25
£'000		£'000
<b>(4,313)</b>	<b>Balance 1 April</b>	<b>(3,984)</b>
(2,051)	Capital Receipts received	(2,272)
11	Notional Capital receipts received	-
2,369	Capital Receipts used for Financing	647
-	Expenses from sales of Capital Receipts	-
<b>(3,984)</b>	<b>Balance 31 March</b>	<b>(5,609)</b>

## COLLECTION FUND STATEMENT

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 Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates.

31-March-2024				31-March-2025		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
-	(80,394)	<b>(80,394)</b>	<b>Income:</b>	-	(86,111)	(86,111)
(49,761)	-	<b>(49,761)</b>	Council Tax Receivable	(55,388)	-	(55,388)
(2,836)	-	<b>(2,836)</b>	Business Rates Receivable	(781)	-	(781)
<b>(52,597)</b>	<b>(80,394)</b>	<b>(132,991)</b>	Trans Protection Payments rec'able	<b>(56,169)</b>	<b>(86,111)</b>	<b>(142,280)</b>
			<b>Total amounts to be credited</b>			
			<b>Expenditure:</b>			
			<b>Precepts, demands and shares:</b>			
4,713	56,567	<b>61,280</b>	Essex County Council	5,014	60,782	65,796
-	9,107	<b>9,107</b>	Essex Police Authority	-	9,838	9,838
524	3,131	<b>3,655</b>	Essex Fire Authority	557	3,298	3,855
20,948	10,952	<b>31,900</b>	Uttlesford DC / Parishes	22,282	11,872	34,154
26,185	-	<b>26,185</b>	Central Government	27,853	-	27,853
			<b>Apportm't of Prev. Year Sur/Def:</b>			
(49)	(156)	<b>(205)</b>	Essex County Council	391	79	470
-	(22)	<b>(22)</b>	Essex Police Authority	-	13	13
(5)	(9)	<b>(14)</b>	Essex Fire Authority	43	4	47
(220)	(30)	<b>(250)</b>	Uttlesford DC / Parishes	1,736	15	1,751
(274)	-	<b>(274)</b>	Central Government	2,171	-	2,171
			<b>Charges to Collection Fund:</b>			
492	406	<b>898</b>	Inc/(dec) in allowance debt impair.	60	(701)	(641)
15	-	<b>15</b>	Interest charged to the Coll. Fund	66	-	66
-	-	-	Trans Protection Payments pay'able	-	-	-
136	-	<b>136</b>	Bus. Rates Renewable Energy	166	-	166
144	-	<b>144</b>	Bus. Rates Cost of Collection Allow	144	-	144
(969)	-	<b>(969)</b>	Bus. Rates:- Change in Provision	(659)	-	(659)
(1,924)	-	<b>(1,924)</b>	Bus. Appeal Provision created in year	1,236	-	1,236
<b>49,716</b>	<b>79,946</b>	<b>129,662</b>	<b>Total amounts to be debited</b>	<b>61,060</b>	<b>85,200</b>	<b>146,260</b>
(2,882)	(448)	<b>(3,330)</b>	(Surplus)/Deficit arising in year	4,891	(911)	3,980
(215)	219	<b>4</b>	(Surplus)/Deficit b/f at 1 April	(3,097)	(229)	(3,326)
<b>(3,097)</b>	<b>(229)</b>	<b>(3,326)</b>	(Surplus)/Deficit c/f at 31 March	<b>1,794</b>	<b>(1,140)</b>	<b>654</b>

## COLLECTION FUND STATEMENT (continued)

31-March-2024				31-March-2025		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
			<b>Allocated to;</b>			
(279)	(163)	<b>(442)</b>	Essex County Council	161	(805)	(644)
-	(26)	<b>(26)</b>	Essex Police Authority	-	(132)	(132)
(31)	(9)	<b>(40)</b>	Essex Fire Authority	18	(45)	(27)
(1,239)	(31)	<b>(1,270)</b>	Uttlesford DC / Parishes	718	(158)	560
(1,548)	-	<b>(1,548)</b>	Central Government	897	-	897
<b>(3,097)</b>	<b>(229)</b>	<b>(3,326)</b>	<b>Total</b>	<b>1,794</b>	<b>(1,140)</b>	<b>654</b>
(31)	-	(31)	<i>UDC renewable energy</i>	18	-	18

## Notes to the Collection Fund

### Note 1: Council Tax Base

Council Tax derives from charges raised according to the value of residential properties which have been classified into 8 valuation bands estimating 1st April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police and Crime Commissioner, Essex Fire Authority and the Council for the forthcoming year and dividing this by the Council Tax base, the total number of properties in each band adjusted to convert the number to a Band D equivalent and adjusted for discounts: 39,921.77 for 2024/25.

The average amount for a Band D property in 2024/25 was £2,028.31p (2023/24 was £1,935.52p), 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 Town/Parish Precepts in 2024/25 was £2,148.96p (2023/24 was £2,044.67).

Council Tax Base (24/25) bills are based on the following dwellings and proportions:

	Discounted Equivalent Dwelling	Weighting	Band D Equivalent
Valuation Band A	1,100	6 / 9	733
Valuation Band B	3,342	7 / 9	2,599
Valuation Band C	7,867	8 / 9	6,993
Valuation Band D	7,229	1	7,229
Valuation Band E	7,089	11 / 9	8,664
Valuation Band F	5,056	13 / 9	7,303
Valuation Band G	4,693	15 / 9	7,821
Valuation Band H	425	18 / 9	850
<b>Total Band D Equivalents</b>	<b>36,801</b>		<b>42,192</b>
Less Local Council Tax Support	(1,973)		(1,973)
Less allowance for non-collection (2%)			(563)
Valuation Band O (MoD)	265		265
<b>Total Band D Equivalents</b>			<b>39,921</b>

#### Council Tax Income Analysis

2023/24		2024/25
£'000		£'000
92,829	Gross Council Tax Collectable	99,461
(1,982)	Less- Exemptions	(2,181)
(6,420)	Less- Discounts	(7,032)
(4,033)	Less- Reductions	(4,310)
-	Transitional Relief	-
<b>80,394</b>	<b>Income from Council Taxpayers</b>	<b>85,938</b>

**Notes to the Core Accounting Statements (continued)****Note 1: Council Tax Base (continued)**

Council Tax Collection Fund Balances

2023/24		2024/25
£'000		£'000
(163)	Essex County Council	(805)
(26)	Essex Police Authority	(132)
(9)	Essex Fire Authority	(45)
(31)	Uttlesford DC / Parishes	(158)
<b>(229)</b>	<b>Total (Surplus)/Deficit Apportioned</b>	<b>(1,140)</b>

**Note 2: Income from Non-Domestic Rates**

The Council collects non-domestic rates for its area, which are based on local rateable values multiplied by a uniform rate specified by the government. In 2013/14 the administration of NDR changed following the introduction of the business rates retention scheme, so instead of paying the NDR to the pool the local Council retains a share of the total collectable rates due. For Uttlesford this is 40%, Essex County Council 9%, Essex Fire Authority 1% and the Government (DLUHC) 50%.

The rateable value of properties at 31st March 2025 is £128.844m (£128.496m 31st March 2024) and the national non-domestic multiplier was 54.6p (small businesses 49.9p).

Business Rates Income Analysis

2023/24		2024/25
£'000		£'000
63,473	Gross Business Rate Collectable	68,603
(3,623)	Small Business Rate Relief	(3,915)
(2,218)	Mandatory Relief	(2,671)
(1,111)	Property Relief	(1,888)
(3,924)	Discretionary Relief	(3,960)
(2,836)	Transitional Relief	(781)
<b>49,761</b>	<b>Income from Business Rates Payers</b>	<b>55,388</b>

## Notes to the Core Accounting Statements (continued)

### Note 2: Income from Non-Domestic Rates (continued)

#### Business Rates Fund Balances

2023/24		2024/25
£'000		£'000
(1,548)	Central Government	897
(279)	Essex County Council	161
(31)	Essex Fire Authority	18
(1,239)	Uttlesford District Council	718
<b>(3,097)</b>	<b>Total (Surplus)/Deficit Apportioned</b>	<b>1,794</b>
(31)	<i>UDC renewable energy</i>	18

#### Business Rates Revaluation 2023

At revaluation, the Valuation Office Agency (VOA) adjusts the rateable value of business properties to reflect changes in the property market. The most recent revaluation came into effect in England and Wales on 1st April 2023, based on rateable values from 1st April 2021.

Across England as a whole, the revaluation was expected to lead to an increase in the rateable value of the average non-domestic property, with changes unevenly distributed across the country.

The business rates multiplier was adjusted so that revaluation would be revenue neutral, after accounting for a forecast of the cost of appeals against the new values. A complex package of reliefs was introduced to phase in the biggest increase in bills to ratepayers resulting from the revaluation.

The impact of revaluation on the amount of business rates retained by individual councils has been offset by changes to the redistributive “tariffs” and “top-ups” between councils, with the aim of leaving underlying budgets unaffected by revaluation.

## SECTION – 6

### GLOSSARY OF FINANCIAL TERMS



# GLOSSARY OF FINANCIAL TERMS

For the purposes of compiling the Statement of Accounts the following definitions have been adopted:

## ACCOUNTING POLICIES

These principles, bases, conventions, rules and practices applied by an entity that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- recognising;
- selecting measurement bases for; and
- presenting assets, liabilities, gains, losses and changes to reserves

## ACCRUALS CONCEPT

Income and expenditure is recognised where it is earned or incurred, not when money is received or paid.

## ACCUMULATED ABSENCES

Holiday entitlements, or any other form of leave such as time off in lieu earned by employees, which has not been taken by the end of the financial year and can be carried forward to the next financial year.

## ACTUARIAL GAINS AND LOSSES

For a defined benefit pension scheme, actuarial gains and losses are the changes in the actuarial surplus/deficits which arise because either events have not coincided with previous actuarial assumptions or where actuarial assumptions have changed.

## ACTUARY

An expert who advises on the cost of pensions and determines whether the Pension Fund is adequate to meet its commitments.

## AMORTISATION

Spreading the cost of an intangible asset over the expected periods of its use and benefit to the Council.

## APPROPRIATIONS

The transfer of resources between revenue/capital accounts and the reserves held by the Council.

## ASSETS HELD FOR SALE

Non-current assets which are no longer required by the Council and are marketed for sale/disposal.

## BALANCE SHEET

This statement is fundamental to the understanding of an authority's financial position at year end. It shows:

- the balances and reserves at an authority's disposal
- long-term indebtedness (which is over one year)
- the long-term and net current assets employed in its operations
- summarised information on the long-term assets (items that are held for more than one year) by category

## **GLOSSARY OF FINANCIAL TERM (continued)**

### **CAPITAL ADJUSTMENT ACCOUNT (CAA)**

An account which reflects the timing difference between the charges to the CIES account for the use of non-current assets to provide services over a number of years, and actual funds set aside to pay for the original cost of assets.

### **CAPITAL EXPENDITURE**

Expenditure relating to the acquisition or enhancements of property, plant & equipment assets, heritage assets, intangible assets and investment property and certain other items meeting the definition of capital expenditure under statute.

### **CAPITAL FINANCING REQUIREMENT(CFR)**

This is a measure of the Council's need to borrow funds to pay for capital expenditure.

### **CAPITAL RECEIPTS**

Proceeds from the sale of an asset. Sums received and not yet used for further capital expenditure are held in the Usable Capital Receipts reserve.

### **CAPITAL PROGRAMME**

The Council's budget for capital expenditure and resources over the current and future years. Income generated from the sale of capital assets and the repayment of grants/loans given for capital purposes. The government prescribes the amount of the receipt which must be set aside to repay debt and the usable amount which may be used for finance capital expenditure.

### **CASH AND EQUIVALENTS**

Cash available at immediate notice and short-term investments readily convertible to cash without risk to the principal sum.

### **COLLECTION FUND**

A fund administered by the Council recording receipts from Council Tax and Business Rates, and payments to the General Fund and other public authorities, including Central Government.

### **COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**

A statement that reports the net cost for the year of all the functions for which the authority is responsible and demonstrates how that cost has been financed from general government grants and income from taxpayers. The most obvious difference from the Income and Expenditure Statement (which, under IFRS, it replaces) is that it now includes the Statement of Total Recognised Gains and Losses (STRGL).

### **CONDITION**

With reference to grants, a condition typically means that the grant awarding body may ask for it back if it is not used for a stated purpose. This is not the same as a specific grant, which is given for a specific purpose but which may legally be spent on something else if the recipient sees fit.

Grants may either be "with conditions" or "without conditions" – the nearest equivalent terms previously used were "ring fenced" and "non-ring fenced."

### **CONTINGENT ASSET AND LIABILITY**

A contingency is a condition which exists at the balance sheet date, the outcome of which depends on one or more uncertain future events and which cannot, therefore, be reliably or accurately estimated. Contingencies in the council's favour are called contingent assets; contingencies which, if realised, would incur a cost to the council are called contingent liabilities.

## GLOSSARY OF FINANCIAL TERM (continued)

### DEPRECIATION

The measure of wearing out, consuming, or other reduction in the useful economic life of a fixed asset, whether arising from use, passing of time or obsolescence. It means that, rather than the whole cost of an asset being charged to revenue in the year in which it is acquired, the cost is spread out over the life of the asset.

### FAIR VALUE

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

### GENERAL FUND (GF)

The account that summarises the revenue cost of providing services that are met by the council's demand on the collection fund, specific government grants and other income.

### MATCHING

The matching concept says that expenditure and income transactions, including accruals, are matched with one another so far as their relationship can be established, or justifiably assumed, and dealt with in the period to which they relate.

### MINIMUM REVENUE PROVISION (MRP)

The minimum revenue provision (MRP) is the minimum amount that must be charged to an authority's revenue account each year and set aside as a provision for debt repayment or other credit liabilities.

### MOVEMENT IN RESERVES STATEMENT (MIRS)

This replaces the Statement of Movement on the General Fund Balance (SMGFB), reconciling the Comprehensive Income and Expenditure Statement for the year with the authority's budget requirement, which is governed by statute and differs in certain key respects from accounting conventions.

### PROVISION

Amounts set aside for any liability or loss that is likely to be incurred, but where the exact amount and date is uncertain.

### PRIVATE FINANCE INITIATIVE (PFI)

PFI offers a form of Public-Private Partnership in which local authorities do not buy assets but rather pay for the use of assets held by the private sector.

### REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE (REFCUS)

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation or enhancement of Council Owned assets.

### RESERVES

Funds set aside to meet future expenditure which falls outside the definition of provisions. Reserves can be for general contingencies and to provide working balances or earmarked for specific future expenditure.

Note that certain reserves are statutory in nature – for example, the council is obliged to hold a revaluation reserve and its use is closely prescribed under the IFRS as interpreted for use in local government. The council has no discretion in the existence or use of these reserves.

**GLOSSARY OF FINANCIAL TERM (continued)**

**STATUTORY PROVISION FOR THE FINANCING OF CAPITAL INVESTMENT**

Formerly known as the Minimum Revenue Provision (MRP), this is the minimum amount that must be charged to a local authority's revenue account each year and set aside to provide for debt repayment or other credit liabilities.

**SUBSTANCE OVER FORM**

The concept of substance over form requires that transactions and other events are accounted for and represented in financial statements with regard to their economic substance and financial reality rather than just their legal form.



