



Statement of Accounts 2022/23

Uttlesford District Council

Uttlesford District Council
London Road
Saffron Walden
Essex
CB11 4ER

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NARRATIVE REPORT

Introduction

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

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

Uttlesford – The District

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

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

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

Uttlesford – The Council

The Council is governed by 39 elected members. The following table sets out the changes to the political balance over the last 12 months and includes the most up to date position as at 31st March 2023.

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

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

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

Corporate Plan

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

The Corporate Plan was presented by the Cabinet to all members and adopted at the Full Council meeting on 9 February 2023, full details can be found at the following link: [Corporate Plan 2023 to 2027](#).

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

- **Putting Residents First**

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

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

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

- **Progressive Custodian of our Rural Environment**

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

- **Champion for our District**

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

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

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

Uttlesford – The Establishment

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

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

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

In January 2015, the Living Wage Foundation accredited the Council as a Living Wage Employer. The Living Wage commitment will see that everyone working at the council, regardless of whether they are permanent employees or third-party contractors and suppliers, receive a minimum hourly wage of at least the Living Wage.

The minimum hourly rate that we pay our employees is £11.62 (excluding apprenticeships), which is significantly higher than the National Living Wage of £9.50 per hour and the Real Living Wage of £9.90 per hour during 22/23.

Governance and Risk Management

The Annual Governance Statement is included as a key document in the Statement of Accounts. This sets out the Council's Governance Framework, reporting on its arrangements for ensuring its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for. In addition, the Council maintains a Corporate Risk Register which is updated biannually and presented to the Governance, Audit and Performance Committee in March 2023. [Corporate Risk Register Update 2022/23](#)

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

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

Medium Term Financial Strategy

After taking into account all the above expenditure, income, funding and net reserves drawdowns the Council has achieved a balanced budget for 2023/24; in future years the strategy shows a deficit position and by the final year the deficit is £6.598m for the General Fund.

General Fund 5 Year Budget Model	2022/23 Current Budget £'000	2023/24 Original Budget £'000	2024/25 Forecast £'000	2025/26 Forecast £'000	2026/27 Forecast £'000	2027/28 Forecast £'000
Net service expenditure						
Gross service expenditure	37,662	40,198	39,276	38,616	39,096	39,674
Gross service income	(20,139)	(20,947)	(21,037)	(21,230)	(20,976)	(21,384)
Demand growth	-	-	250	500	750	1,000
Subtotal - Net service expenditure	17,523	19,251	18,489	17,886	18,870	19,290
Investment property	(5,658)	(760)	(622)	(1,108)	(1,304)	(2,602)
Corporate items						
Capital financing	4,136	2,441	1,462	1,429	1,453	1,477
Net recharges to Housing Revenue Account (HRA)	(1,747)	(1,967)	(1,993)	(2,020)	(2,048)	(2,092)
Other corporate items	426	542	72	96	538	58
Subtotal - Corporate items	2,815	1,016	(459)	(495)	(57)	(557)
External funding						
Retained business rates (including 531 grants)	(3,774)	(5,272)	(5,401)	(2,354)	(2,430)	(2,525)
Collection fund (surplus)/deficit	(559)	249	-	-	-	-
Government grants	(3,217)	(3,333)	(3,495)	(1,817)	(932)	(101)
Subtotal - External funding	(7,550)	(8,356)	(8,896)	(4,171)	(3,362)	(2,626)
Subtotal - Net operating expenditure	7,130	11,151	8,512	12,112	14,147	13,505
Transfers to/(from) earmarked reserves	(726)	(4,457)	101	121	622	976
Total - Council tax requirement	6,404	6,694	8,613	12,233	14,769	14,481
Council tax	(6,404)	(6,694)	(6,973)	(7,309)	(7,594)	(7,883)
(Surplus)/deficit	-	-	1,640	4,924	7,175	6,598

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

Financial Performance – 2022/23

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

Income

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

Expenditure

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

A summary of the key operational financial results for 2022/23 are shown in the following tables. The figures shown are direct costs and income only, rather than the accounting basis used to produce figures for the Core Financial Statements. However, the bottom-line results are consistent with the movement in usable reserves as shown in the core accounting statements in the main body of this document.

Collection Fund (Business Rates and Council Tax)

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

General Fund Revenue Account

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

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

The following table provides a summary of the budget outturn:

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

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

Direct Services Net Expenditure

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

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

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

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

£'000	2021/22 Final Outturn	2022/23				2022/23	
		Original Budget	Current Budget	Final Outturn	Final Variance	Variance funded through earmarked reserves	Net variance after reserve transfers
Portfolio Budgets							
Communities & Partnerships	1,076	1,066	1,064	1,036	(16)	148	130
Housing & Economic Development	1,488	2,698	2,679	2,044	(635)	342	(293)
Environmental Services	3,993	5,812	5,812	5,093	(719)	933	214
Finance & Administration	6,910	7,765	7,978	7,735	(243)	162	(61)
Airport compensation	0	0	0	2,100	2,100	(2,100)	0
Subtotal - Portfolio Budgets	13,468	17,342	17,523	18,008	485	(515)	(30)

General Fund Reserves

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

Housing Revenue Account (HRA)

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

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

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

Investments

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

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

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

Treasury Management

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

The Council holds significant invested funds, representing income received in advance of expenditure plus cash balances and reserves held.

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

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

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

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

The treasury management position at 31st March 2023 and the change during the year is shown in the table below.

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

Going Concern Assessment

The policy of the Council is to maintain a prudent level of reserves. Local authority financial statements must be prepared on a going concern basis. This is because local authorities cannot be created or dissolved without statutory prescription and so they have no ability to cease being a going concern.

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

The Medium-Term Financial Strategy 2022/23 shows a five-year schedule of the Authority's Investment Programme in its progress on generating additional investment income. The Council acquired £15.8m of Investment Property during 2022/23.

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

The council has set a balanced budget for 2022/23, but the financial effects of the pandemic continue to be felt as well as inflationary pressures.

Based on the assumptions within the MTFP, and the recovery of the majority of the councils sales, fees and charges income streams from the 1 April 2022, the council will need to identify further efficiency savings to balance the 2023/24 budget.

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

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

Financial Statements and what they mean

Group Accounts

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

Movement in Reserves Statement

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

Comprehensive Income and Expenditure Statement

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

Balance Sheet

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

Cash Flow Statement

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

Notes to the Core Financial Statements

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

Housing Revenue Account (HRA) Comprehensive Income and Expenditure Account

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

Collection Fund

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

Principal Risks and Uncertainties

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

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

Audit of the Accounts

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

BDO LLP,

55 Baker Street, London, W1U 7EU

Further Information

The Council produces a detailed Budget Book, which sets out the financial plans for the following financial year. A copy of this may be obtained by contacting Gareth Robinson, Director of Finance, Revenues and Benefits, at Uttlesford District Council, Council Offices London Road, Saffron Walden, CB11 4ER. Email grobinson@uttlesford.gov.uk

For more information visit our website. <https://www.uttlesford.gov.uk/finance>

Adrian Webb

Strategic Director of Finance, Commercialisation and Corporate Services

Section 151 Officer

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

THE COUNCIL'S RESPONSIBILITIES

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the 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.
- Approve the Statement of Accounts (by delegation to the Performance and Audit Committee)

THE STRATEGIC DIRECTOR OF FINANCE, COMMERCIALISATION AND CORPORATE SERVICES (S151 OFFICER) – RESPONSIBILITIES

The Strategic Director of Finance, Commercialisation and Corporate Services (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 United Kingdom (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.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority 'Code'.
- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

I hereby certify that the Statement of Accounts presents a true and fair view of the financial position of Uttlesford District Council and its Income and Expenditure for the year ended 31 March 2023.

Signature:



Adrian Webb

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

Date: 27th January 2025

APPROVAL OF THE ACCOUNTS

I confirm that the Statement of Accounts was approved by a resolution of the Governance, Audit and Performance Committee on 27th January 2025.

Signature:

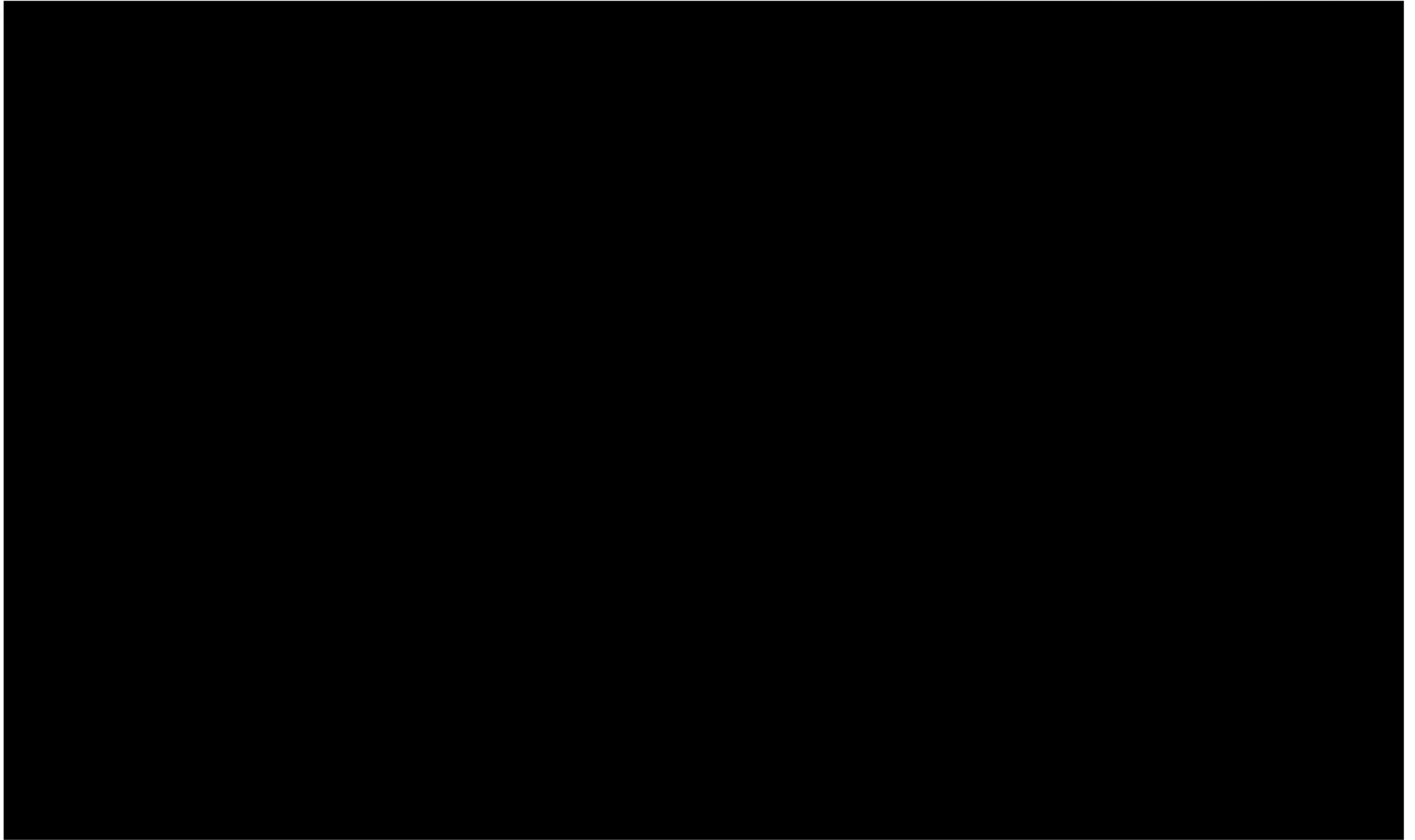


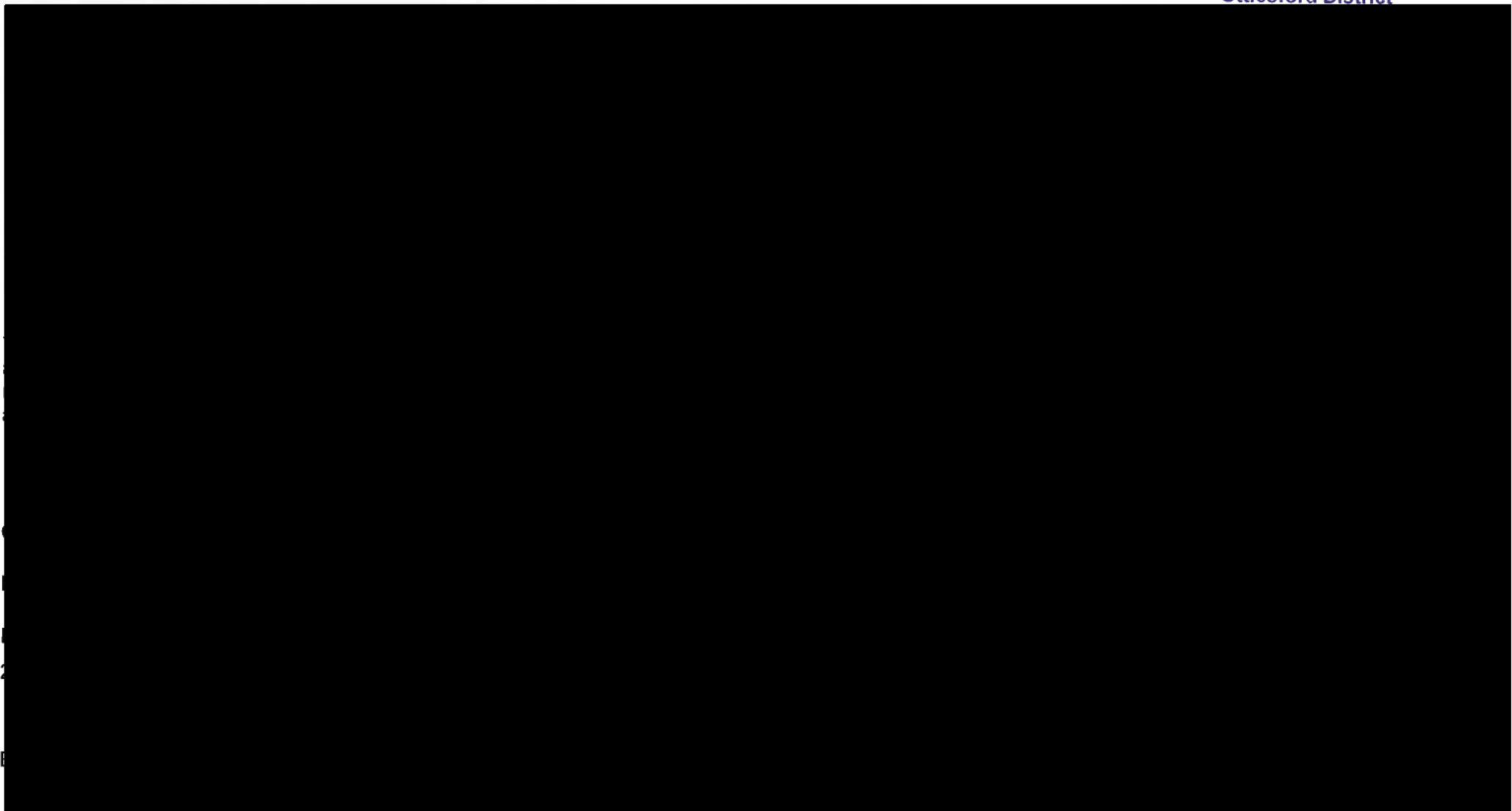
Councillor Edward Oliver

Chairman Governance, Audit and Performance Committee Uttlesford
District Council

Date: 27th January 2025

INDEPENDENT AUDITOR'S REPORT





SECTION A – Statement of Accounting Policies

1. GENERAL PRINCIPLES

The general principles adopted in compiling the Accounts summarises the Council's financial transactions for the 2022/23 financial year and its position at the year- end of 31st March 2023.

The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015, and this requires the preparation to be in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2022/23, supported by International Financial Reporting Standards (IFRS) and statutory guidance.

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

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

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

P2. ACCRUALS OF INCOME AND EXPENDITURE

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

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

- Interest receivable on investments is accounted for on the cash flows fixed by the contract.

Where income and expenditure has been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where it is doubtful that debts will be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

Where the council is acting as an agent for another party (for example collection of NNDR and Council Tax), income and expenditure are recognised only for the Council's share of the income and as well as any administration costs that the Council is entitled to recover for the agency services performed.

P3. PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions

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

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

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

Contingent Liabilities

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

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

P4. RESERVES

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

Certain reserves (Unusable reserves) are held to manage the accounting processes for long-term assets, financial instruments, collection fund and

retirement benefits and do not represent usable resources for the Council. These reserves are explained in the relevant policies below.

P5. GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

Government Grants and Contributions (Revenue)

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

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

Government Grants and Contributions (Capital)

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

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

P6. RETIREMENT BENEFITS

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

[The Local Government Pension Scheme](#)

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

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

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

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

Re-measurements comprising: -

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

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

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

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. Any liabilities estimated to arise as a result of an award to any member of staff are accrued in the year of the decision to make the award and accounted for using the same policies as are applied to the Local Government Pension Scheme.

P7. TERMINATION PAYMENTS

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

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

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

For termination payments' involving enhanced pension payments, statutory legislation requires that the General Fund balances are charged with

the amount payable by the Council to the Pension Fund, not the amount calculated according to relevant accounting standards. In line with the Pension Fund accounting policy, arrangements are made through the Movement in Reserves Statement to replace the accounting arrangements with regulatory requirements.

P8. VALUE ADDED TAX

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

P9. INTANGIBLE FIXED ASSETS

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

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

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

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

P10. PROPERTY, PLANT AND EQUIPMENT

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

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

Recognition

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

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

Measurement

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

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

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

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

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

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

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

relevant service line in the Comprehensive Income and Expenditure Statement.

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

Valuation

Asset valuations were carried out as at 1 April 2022 by Wilks, Head and Eve LLP and an end of year market review is undertaken as at 31 March 2023.

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

Impairment

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

Impairment losses are accounted for as follows:

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

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

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

Disposals – Assets Held for Sale

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

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

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

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

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

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

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

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

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

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

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

Depreciation:

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

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

depreciated. Depreciation is calculated on the following basis:

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

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

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

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

Componentisation

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

A component must have the following factors:

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

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

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

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

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

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

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

P11. CHARGES TO REVENUE FOR FIXED ASSETS

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

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

The Council is not required to raise council tax to cover depreciation, impairment losses or amortisations. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (This is calculated using 'option 3' the Asset Life Method). Depreciation, impairment losses and amortisations are therefore replaced by revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

P12. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

P13. HERITAGE ASSETS

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

Property Heritage Assets: Saffron Walden Motte and Bailey Castle

This asset is held on the balance sheet at historic cost plus any capital expenditure incurred since April 2007 as the Council considers that the cost of obtaining a robust valuation would be disproportionate to the benefit of the user of the financial statements. The carrying value of the property

assets will be reviewed annually for evidence of impairment in relation to physical damage.

Heritage Assets held on Balance Sheet: Saffron Walden Museum Artefacts

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

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

P14. LEASES

The Council as a Lessee

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

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

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

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

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

Operating Leases

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

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

P15. CASH AND CASH EQUIVALENTS

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

P16. FINANCIAL INSTRUMENTS

Financial Liabilities

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

Financial Assets

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

This gives rise to three methods of accounting:

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

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

Amortised Cost

Financial assets are initially measured at fair value plus any transaction costs. Annual credits to the Comprehensive Income and Expenditure

Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest (EIR) for the instrument. For all the loans the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

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

Fair value through profit and loss

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

P17. INVENTORIES

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

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

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

P18. INTERESTS IN COMPANIES AND OTHER ENTITIES

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

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

In 2022/23 the Council produced Group Accounts resulting from material transactions from one of the wholly owned subsidiaries, Aspire (CRP) Ltd.

P19. PRIVATE FINANCE INITIATIVE (PFI)

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

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

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

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

- Fair value of the services during the year – debited to the relevant service line in the Comprehensive Income and Expenditure Statement.
- Finance cost – an interest charge on the outstanding Balance Sheet liability, debited to the Financing and Investment Income and expenditure line in the Comprehensive Income and Expenditure Statement.
- Contingent rent – increases in the amount to be paid for the property arising during the contract, debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement payment towards liability – applied to write down the Balance Sheet liability towards the PFI operator.
- Lifecycle replacement costs – debited to the relevant service in the Comprehensive income and Expenditure Statement.
- Payment towards liability – applied to write down the Balance sheet liability towards the PFI operator.

P20. LONG-TERM DEBTORS

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

P21. COUNCIL TAX

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

- The agency share of Council Tax income is not included in the Council’s Comprehensive Income and Expenditure Statement, as it is not part of the councils operating activities.

- A debtor/creditor to reflect the difference between the various preceptors' share of the cash collected in the year and the cash paid to the preceptors on account in line with the appropriate regulations will be included in the Council's balance sheet.
- The council's cash flow statement only includes the council's share of council tax, net of cash collected, and precepts paid to it.

P22. NATIONAL NON-DOMESTIC RATES (NNDR)

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

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

P23. CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

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

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

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

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

P24. EVENTS AFTER THE REPORTING PERIOD

Such events can be both favourable and unfavourable, occurring between the end of the reporting period and the date when the Statement of

Accounts is authorised for issue. Where the event is material to the content of the Accounts and there is evidence that the event existed at the end of the reporting period, the Statement of Accounts is adjusted to reflect the impact of the event. Events arising after the reporting period are not adjusted in Accounts for. A disclosure is made detailing the nature of the event and the estimated financial impact.

P25. FAIR VALUE MEASUREMENT

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

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

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

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

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

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

categorised within the fair value hierarchy, as follows:

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

Movement in Reserves Statement

For the year ended 31 March 2023

Movement in Reserves Statement 2022/23	General Fund Balance	HRA Balance	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied Account	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2022	(23,823)	(3,302)	(1,031)	(3,846)	(1,193)	(33,196)	(306,105)	(339,300)
(Surplus) or Deficit on Provision of Services (accounting basis)	42,558	(2,826)				39,732		39,732
Other Comprehensive Income and Expenditure						-	(32,238)	(32,238)
Total Comprehensive Income and Expenditure	42,558	(2,826)	-	-	-	39,732	(32,238)	7,494
Adjustments between accounting basis & funding basis under regulations (Note 1.1)	(43,871)	4,573	426	(525)	(293)	(39,691)	39,691	-
Net (increase)/decrease before transfers to earmarked reserves	(1,313)	1,747	426	(525)	(293)	41	7,453	7,494
Transfers to/(from) Reserves	11	(201)	-	-	-	(191)	191	-
(Increase)/decrease in year	(1,303)	1,545	426	(525)	(293)	(149)	7,644	7,494
Balance as at 31 March 2023	(25,126)	(1,756)	(605)	(4,371)	(1,487)	(33,345)	(298,461)	(331,806)

Movement in Reserves Statement

For the year ended 31 March 2022

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

Comprehensive Income and Expenditure Statement (CIES)

For the year ended 31 March 2023

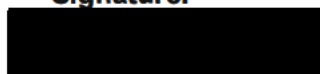
Gross Expenditure	Gross Income	Net Expenditure		Note	Gross Expenditure	Gross Income	Net Expenditure
2021/22 £'000	2021/22 £'000	2021/22 £'000			2022/23 £'000	2022/23 £'000	2022/23 £'000
2,861	(1,194)	1,667	Communities & Partnerships		2,820	(958)	1,862
18,937	(11,614)	7,323	Environmental Services		28,541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

Balance Sheet as at 31 March 2023

31/03/2022 £'000		Notes	31/03/2023 £'000
404,093	Property, Plant and Equipment	7.1	408,899
1,091	Heritage Assets	7.3	1,091
190,475	Investment Properties	7.4	168,575
347	Intangible Assets	6.1	297
60,185	Long-term Investments in shareholding companies	8.1	59,363
2,650	Long-term Debtors	8.2	3,992
658,841	Total Long-term Assets		642,216
20,836	Short-term Investments	18.1	14,709
0	Inventories	9.1	26
5,320	Short-term Debtors	9.2 - 9.3	9,173
3,559	Cash & Cash Equivalents	9.4	2
29,715	Total Current Assets		23,910
	Bank Overdraft		(1,202)
(169,112)	Short-term Borrowing	18.2	(108,276)
(26,077)	Short-term Creditors	10.1	(22,208)
(2,466)	Short-term Provisions	10.2	(2,361)
(197,655)	Total Current Liabilities		(132,845)
(117,502)	Long-term Borrowing	18.2	(190,595)
(4,025)	Other Long Term Liabilities	11.2	(3,844)
(2,294)	Grant Receipts in Advance (Revenue)	11.3 - 11.4	(2,331)
(101)	Grant Receipts in Advance (Capital)		(101)
(27,679)	Pension Scheme Liability	17.3 - 17.5	(3,402)
(151,601)	Total Long-term Liabilities		(200,273)
339,300	Total Net Assets		331,606
	Represented by:-		
(33,196)	Usable Reserves	2.1 - 2.4	(33,345)
(306,105)	Unusable Reserves	3.1 - 3.6	(298,461)
(339,300)	Total Reserves		(331,806)

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

Signature:



Adrian Webb

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

27th January 2025

Cash Flow Statement

For year ended 31st March 2023

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

SECTION B – NOTES TO THE CORE FINANCIAL STATEMENTS

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

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

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

	2022/23					
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
<u>Adjustments involving the Pension Reserve</u>						
Reversal of items relating to post-employment benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	815	(64)	-	-	-	(751)
Prior year adjustments 2020/21						-
Employers pension contributions and direct payments to pensioners payable in year	(2,155)	-	-	-	-	2,155
<u>Adjustments involving the Collection Fund Adjustment Account</u>						
Amount by which net Collection Fund income debited/credited to the Comprehensive Income and Expenditure Statement is different from Council Tax & NNDR income calculated for the year in accordance with statutory requirements	(301)		-	-	-	301
<u>Adjustments involving the Accumulated Absences Account</u>						
Adjustments in relation to short-term compensated absences	154	10	-	-	-	(164)
Subtotals Adjustments 2022/23	(1,487)	(54)	-	-	-	1,542
Total Adjustments 2022/23	(43,871)	4,573	(525)	426	(293)	39,691

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

Adjustments between Accounting & Funding Basis	2021/22					Movement Unusable Reserves £'000
	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	
	£'000	£'000	£'000	£'000	£'000	
<u>Adjustments involving the Capital Adjustment Account</u>						
Charges for depreciation and impairment movements on non-current assets	(1,396)	7,999	-	-	-	(6,603)
Amortisation of Intangible Assets	(63)	(7)	-	-	-	70
Revenue expenditure funded from capital under statute	(282)	(9)	-	-	-	292
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	-	773	-	-	-	(773)
Statutory provision for financing capital investment	1,055	2,000	-	-	-	(3,055)
Capital expenditure charges against the General Fund and HRA balances	1,618	2,239	-	-	-	(3,857)
Provision for expected credit gain/loss	1,844	-	-	-	-	(1,844)
Movements in the Market Value of Investment Properties	25,072	-	-	-	-	(25,072)
Adjustments involving the Capital Grants Unapplied Account		-	-	-		-
Application of grants to capital financing from unapplied reserves	3	-	-	-	291	(295)
Capital grants and contributions that have been credited to the CIES	290	114	-	-	52	(456)
<u>Adjustments involving the Capital Receipts Reserve</u>						
Transfer of sale proceeds credited as part of the gains/losses on disposal to the CIES	-		(2,941)		-	2,941
Use of Capital Receipts Reserve to finance capital expenditure		242	1,248		-	(1,490)
Contribution from Capital Receipts Reserve towards administrative costs of non-current asset disposal					-	-
Contribution from Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool		(446)	446		-	-
<u>Adjustments involving the Major Repairs Reserve</u>						
Additions to Major Repairs Reserve to finance new capital expenditure					-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	3,323	-	(3,323)
Transfer of Depreciation to Major Repairs Reserve		-	-	(3,887)	-	3,887
Subtotals Adjustments 2021/22	28,140	12,904	(1,247)	(564)	344	(39,577)

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

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

1.1 Transfer to Earmarked Reserves

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

2.0 Usable Reserves

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

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

2.1 General Fund - Revenue Balances

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

2.2 Housing Revenue Account - Reserve Balances

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

2.3 Major Repairs Reserve

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

2.4 Capital Receipts Reserve

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

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

2.5 Capital Grants Unapplied Account

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

3.0 Unusable Reserves

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

3.1 Revaluation Reserve

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

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

3.2 Capital Adjustment Account

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

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

3.3 Deferred Capital Receipts

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

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

3.4 Accumulated Compensated Absences Adjustment Account

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

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

3.5 Pension Reserve

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

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

2021/22 £'000	Pension Reserve	2022/23 £'000
36,570	Balance as at 1 April	27,679
(12,398)	Remeasurements of the net defined benefit liability/(asset)	(22,696)
-	Prior Year Adjustment	(3,176)
(12,398)	Subtotal Remeasurements of the net defined liability/(asset)	(25,872)
1,511	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	(503)
1,996	Employer's pension contributions and direct payments to pensioners payable in the year	2,098
3,507	Subtotal	1,595
27,679	Balance as at 31 March	3,402

3.6 Collection Fund Adjustment Account

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

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

SECTION C – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

4.0 Notes relating to Comprehensive Income and Expenditure Statement

4.1 Revenue Contracts

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

4.2 Expenditure and Funding Analysis

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

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

4.3 Note to the Expenditure and Funding Analysis

2022/23	Adjustments for Capital Purposes 2022/23 £'000	Net Change for Pension Adjustments 2022/23 £'000	Other Differences 2022/23 £'000	Total Adjustments 2022/23 £'000
Community & Partnerships	597	27	-	624
Housing & Economic Development	46	218	-	265
Environmental Services	7,818	1,064	-	8,881
Finance & Administration	300	-	-	300
Housing Revenue Account	2,866	38	-	2,904
Corporate Costs	-	(98)	-	(98)
Net Cost of Service	11,627	1,249	0	12,876
Other Income and Expenditure from the Expenditure & Funding Analysis	37,416	156	59	37,631
Difference between General Fund & HRA surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on Provision of Services	49,043	1,405	59	50,507
2021/22	Adjustments for Capital Purposes 2021/22 £'000	Net Change for Pension Adjustments 2021/22 £'000	Other Differences 2021/22 £'000	Total Adjustments 2021/22 £'000
Community & Partnerships	345	72	-	418
Housing & Economic Development	27	399	-	427
Environmental Services	923	1,321	-	2,243
Finance & Administration	252	917	-	1,169
Housing Revenue Account	(4,095)	131	-	(3,965)
Corporate Costs	-	29	-	29
Net Cost of Service	(2,548)	2,870	0	321
Other Income and Expenditure from the Expenditure & Funding Analysis	(26,299)	637	(7,401)	(33,063)
Difference between General Fund & HRA surplus or deficit and Comprehensive Income & Expenditure Statement Surplus or Deficit on Provision of Services	(28,847)	3,507	(7,401)	(32,741)

4.4 Expenditure and Income Analysed by Nature

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

5.0 Notes to the Comprehensive Income and Expenditure Statement

5.1 Total Other Operating Expenditure

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

5.2 Total Financing and Investment Income and Expenditure

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

5.3 Total Taxation and Non Specific Grants

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

SECTION D – BALANCE SHEET

6.0 Intangible Assets

Intangible fixed assets are those items which, although the cost incurred in their acquisition is of a capital nature there is no physical tangible asset to show. The movement in intangible assets during 2022/23 are detailed below.

6.1 Intangible Assets

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

7.0 Property, Plant and Equipment

7.1 Analysis of Property, Plant and Equipment

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

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

Valuations

The Council undertakes an annual valuation programme on Council Dwellings and Other Land and Buildings. The valuation exercise was undertaken by an external valuer, Wilks Head and Eve LLP, a regulated firm of Chartered Surveyors. Valuations of land and buildings were carried out in accordance with the methodologies and basis for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The valuations are as at 31 March 2023.

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

Infrastructure Assets – Movement on Balances

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

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

Reconciling Note PPE Assets

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

7.2 Capital Expenditure and Financing

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

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

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

7.3 Heritage Assets

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

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

Saffron Walden Motte and Bailey Castle:

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

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

For proposals of future works to the Castle please refer to the Council's website www.uttlesford.gov.uk

Saffron Walden Museum Artefacts

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

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

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

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

7.4 Investment Property

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

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

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

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

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

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

All Investment Properties have been valued as at 31 March 2023

Valuation Techniques Used to Determine Fair Values for Investment Property

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

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

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

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

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

8.0 Other Long Term Assets

8.1 Long Term Investments

The Council has one long-term investment over a fifty-year period to Aspire (CRP) Ltd, the Council's wholly owned subsidiary, to enable an investment into Chesterford Research Park. Under IFRS 9 for 2022/23 estimated additional credit loss adjustment has been actioned through the CIES reflecting potential future losses on repayments due.

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

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

8.2 Long Term Debtors

The Council has long term debtors of £3,992million which includes:

- A previous rent to mortgage scheme where the Council holds a charge on properties which would be due at the end of a mortgage term of if the property is sold, these are held at a revalued amount each year according to a value which would be expected if sale occurs for 2022/23 the value held for the % of the property the charge is against is £1.340million (2021/22 £1.418million).

Other long term debtors held include:

- Commercial rent debtors
- Prepayments for software licenses

9.0 Current Assets

9.1 Inventories (Stock)

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

9.2 Debtors

9.3 Impairments

9.2

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

9.3

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

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

9.4 Cash and Cash Equivalents

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

10 Current Liabilities

10.1 Creditors

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

10.2 Provisions

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

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

11.0 Grant Income

11.1 Grants credited to Tax and Non-specific Grant Income

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

11.2 Grants credited to Services

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

11.3 Grants Long Term Liabilities

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

12.0 Long Term Liabilities

Long Term Borrowing

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

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

Other Long Term Liabilities – Private Finance Initiatives (PFI)

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

Pension Liability

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

Tax Payers Equity

Usable Reserves

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

Unusable Reserves

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

SECTION E – CASH FLOW STATEMENT

13.0 Cash Flow Activities

13.1 Cash Flow Statement – Operating Activities

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

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

2021/22 £'000		2022/23 £'000
-	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	709
(2,678)	Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(2,578)
(356)	Any other items for which the cash effects are investing or financing cash flows	-
(3,034)		(1,869)

13.2 Cash Flow Statement – Investing Activities

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

13.3 Cash Flow Statement – Financing Activities

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

SECTION F – SUPPLEMENTARY NOTES TO THE CORE FINANCIAL STATEMENTS

14 Leasing Arrangements and Private Finance Initiative

14.2 Private Finance Initiative

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

The carrying value of the PFI assets as at 31 March 2023 was £20.254.

The contract was operational from the financial year 2003/04 and runs for a period of 32 years (ending 2035/36) leaving 15 years outstanding. The total contract payments estimated at the time of entering into the contract were £39.9million. Actual payments are dependent on the service provided. The remaining capital liability as at the balance sheet date is £4.191million. The figures have been updated in line with RPI.

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

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

15 Members, Officers and Related Parties

15.1 Members Allowances

The Local Government Act 2000 and the Local Government (Members Allowances) Regulation 2003 require the Council to appoint an independent remuneration panel to review its scheme for Members Allowances. The panel make recommendations to the Council regarding the scheme to be operated in 2022/23. The total Members allowances paid in 2022/23 was £284,629 (£280,017 for 2021/22), these are detailed below.

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

15.2 Related Party Transactions

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

15.2.1 Members of the Council

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

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

15.2.2 Senior Officers of the Council

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

The Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer), Assistant Director of Corporate Services and Assistant Director of Business & Change Management are all Directors of the Council's wholly owned subsidiary Companies under the Aspire name and 2 companies enabling the set-up of a Joint venture; Chesterford Park (Nominee) Limited and Chesterford Park (General Partner) Limited. The Assistant Director Commercial & Digital Change Management is Director of Uttlesford Norse Services Ltd. Further information relating to the companies can be found in the narrative report and the Group Accounts.

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

15.2.3 Central Government

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

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

15.2.4 Companies and Organisations

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

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

- **Saffron Walden Pig Market**

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

The Car Park is maintained and run by the North Essex Parking Partnership on behalf of the District Council and the Charity receives a £19.86% share of the net income.

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

Citizens Advice Bureau	2022/23 - £25,054
	2021/22 - £24,290

- **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	2022/23 - £417,256
	2021/22 - £344,967

15.2.5 Partnership Schemes

- **Local Strategic Partnership (LSP) – Uttlesford Futures**

Uttlesford Futures Management Board work together in relation to the Strategic needs of the district.

The Partnership consists of Uttlesford District Council, Essex County Council, Essex Police, Essex Fire Authority, West Essex Clinical Commissioning Group, Uttlesford Council for Voluntary Services, Federation of Small Businesses, Sustainable Uttlesford, Uttlesford Association of Local Councils and Learning Skills Council.

The Council's contribution for 2022/23 was £5,160 (2021/22 £5,160).

- **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, West Essex Clinical Commissioning Group and Uttlesford Council for Voluntary Services. The Partnership reports into the Local Strategic Partnership.

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

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

15.2.6 Parking Partnership

- The Council is a member of the North Essex Parking Partnership which was formed with Colchester Borough Council, Braintree District Council, Epping Forest District Council, Harlow District Council and Tendring District Council with effect from the 1st April 2011.
- The Partnership is governed by a Joint Committee, on which each partner Council has a representative. The Joint Committee produces its own accounts which summarise the surplus/deficit for each year as well as the reserves held at each year-end.
- The Partnerships' on street parking activities is funded by income from pay and display, resident parking and penalties across the area. The On Street partners are jointly liable (except Essex County Council) for any deficit in the On Street Fund, and any surpluses are reinvested back into the partnership.
- The Partnership also operates the off street pay and display car parks for Colchester, Braintree, Harlow and Uttlesford on behalf of the Councils, with each authority having a service level agreement with the Partnership. This is funded by previously agreed service charges by each Council partner; these are expected to remain constant. The lead authority is Colchester Borough Council and they provide the support services and accommodation for the Partnership.

15.3 Officers Remuneration

Senior Officers remuneration is detailed below:

		Salary, Fees and Allowances £	Bonuses £	Car Allowances £	Benefits in Kind £	Redundancy £	Total Remuneration Excluding Pension Contributions £	Pension Contributions £	P11d Benefit £	Other £	Total Remuneration Including Pension Contributions £
Chief Executive	2021/22	51,725	-	-	-	-	51,725	10,449	-	-	62,174
	2022/23	123,869	-	-	-	-	123,869	25,022	-	-	148,891
Director of Finance & Corporate Services	2021/22	97,775	-	-	-	-	97,775	19,751	-	-	117,526
	2022/23	99,700	-	-	-	-	99,700	20,139	-	-	119,839
Director of Planning & Building Control (1)	2021/22	-	-	-	-	-	-	-	-	-	-
	2022/23	73,374	-	-	-	-	73,374	14,822	-	-	88,196
Assistant Director Corporate Services	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director of Finance (2)	2021/22	-	-	-	-	-	-	-	-	-	-
	2022/23	32,387	-	-	-	-	32,387	6,542	-	-	38,929
Assistant Director Commercial & Digital Change Management (3)	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director Environmental Services	2021/22	73,605	-	-	-	-	73,605	14,868	-	-	88,473
	2022/23	76,630	-	-	-	-	76,630	15,479	-	-	92,109
Assistant Director of Business & Change Management (4)	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	77,729	-	-	-	-	77,729	15,701	-	-	93,430
Assistant Director Housing, Health and Communities	2021/22	75,804	-	-	-	-	75,804	15,312	-	-	91,116
	2022/23	51,819	-	-	-	-	51,819	10,468	-	-	62,287
Assistant Director Governance & Legal	2021/22	41,914	-	-	-	-	41,914	8,467	-	-	50,381
	2022/23	83,701	-	-	-	-	83,701	13,038	-	-	96,739
Director of Public Services (5)	2021/22	63,112	-	-	-	-	63,112	12,348	-	14,072	89,532
	2022/23	-	-	-	-	-	-	-	-	-	-
Assistant Director Planning & Building Control (6)	2021/22	51,854	15,000	-	-	-	66,854	7,524	-	-	74,379
	2022/23	-	-	-	-	-	-	-	-	-	-

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

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

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

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

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

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

15.4 Employees Salary over £50,000

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

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

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

15.5 Termination Benefits

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

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

15.6 Interest in Subsidiaries

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

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

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

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

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

The Council has determined its Group relationships as follows:

Aspire (CRP) Ltd	Company No. 10515074	Subsidiary	Consolidated
------------------	----------------------	------------	--------------

Aspire (CRP) General Partner Ltd	Company No. 10698674	Subsidiary	Dormant
Aspire Holdings (UDC) Ltd	Company No. 10308884	Subsidiary	Dormant
Aspire (MRH) Limited	Company No. 12283215	Subsidiary	Dormant

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

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

Aspire (CRP) Limited

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

		As at 31 Mar-22 (restated) £'000	As at 31 Mar-23 £'000
Long Term Assets			
	Investments	106,297	103,026
Current Assets			
	Debtors: amounts falling due within one year	668	841
	Cash in bank	1,379	1,892
TOTAL ASSETS		2,047	2,733
Current Liabilities			
	Creditors: amounts falling due within one year	(62,580)	(62,464)
TOTAL LIABILITIES		(62,580)	(62,464)
Net Current Liabilities		(60,533)	(59,731)
Total Assets less current liabilities		45,764	43,295
Long Term Liabilities			
	Deferred tax	(11,595)	(10,876)
TOTAL LIABILITIES		(11,595)	(10,876)
TOTAL NET ASSETS		34,169	32,419
Capital and Reserves			
	Share Capital	-	-
	Retained earnings	34,169	32,419
TOTAL RESERVES		34,169	32,419

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

Uttlesford Norse Services Limited (UNSL)

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

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

*Restatement

16 Fees Payable

16.1 External Audit Fees Payable

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

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

17.0 Pension Scheme

17.1 Pension Scheme Disclosure

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

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

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

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

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

Transactions Relating to the Pension Scheme

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

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

17.2 Pension Scheme CIES

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

17.3 Pension Assets and Liabilities – Recognised in the Balance Sheet

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

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

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

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

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

17.6 Local Government Pension Scheme Assets comprised

17.6.1 Fair Value of Scheme Assets Note 1

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

17.6.2 Fair Value of Scheme Assets Note 2

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

17.7 Financial Assumptions

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

17.8 Sensitivity Analysis

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

18 Financial Instruments

Financial Instruments Classifications

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

Financial Liabilities

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

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

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

Financial Assets

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

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

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

Fair Value through profit and loss comprising:

- Money Market Funds

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

18.1 Financial Assets

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

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

18.2 Financial Liabilities

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

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

18.3 Fair Value Disclosures of Financial Assets and Liabilities

18.3.1 Fair Value Disclosure of Financial Assets and Liabilities

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

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

18.3.2 Fair Value of Financial Assets

Note 18.3.2 Financial Assets Fair Value Hierarchy - Fair Value through Profit or Loss	Fair Value Hierarchy	Amount 31 March 2021/22 £'000	Amount 31 March 2022/23 £'000
Equity in Shareholding Companies - Aspire Ltd	Level 3	63,121	40,522

18.4 Income, Expense, Gains and Losses

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

Long-term Borrowing

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

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

The Council was required to borrow £88.407million on 28th March 2012 to buy itself out of the subsidy regime; this financial year was the fifth year of principal repayment at £2million per year leaving a balance as at 31 March 2023 of £75.407million. The Housing revenue Account maintains a 30 years rolling business plan as part of the council's financial planning this gives details of income, expenditure, financing and repayments.

The Council has set up a subsidiary company (Aspire CRP Ltd) to undertake an investment in Chesterford Research Park, to enable the investment the Council has committed to a forward starting loan totalling £37million. In 2017-18 the first element of the loan was drawn down totalling £10million. The borrowing will be drawn down to reduce internal cash balances loaned to Aspire CRP Ltd over a three year period with the second draw down in 2020-21 of £12million. The final element of £15million was drawn down in 2021-22. The current loan outstanding is £59.969m to the Authority as at 31 March 2023.

£8 million is long term cash flow borrowing from Local authorities supporting the increase in spend on the investment strategy. The maturity profile of the debt is detailed in Note 18.4 Financial Instruments.

18.4 Financial Instruments – Fair Values

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

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

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

Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2023, using the following methods and assumptions:

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

Fair values are shown in the table shown above in Fair Value notes 18.3 , split by their level in the fair value hierarchy:

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

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

18.5 Financial Instruments - Risks

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

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

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

The main risks covered are:

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

18.5.1 Credit Risk: Investments

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures when selecting commercial entities for investment.

A limit of £2million was placed on the money that can be invested with a single counterparty (other than UK government and local authorities). A limit of £3m was placed on UK local authorities per authority and a limit of £2m per Money Market Fund. All of the Council's investments during 2022/23 were placed with UK Central Government, UK Local Government and Money Market Funds. No more than £10m in total can be invested for a period longer than 1 year.

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

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

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

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

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

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

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

18.5.2 Credit Risk: Trade Receivables and Contract Assets

Payments for services are either required in advance or due at the time of the service is provided. See table below, for the amount due to the Council from it's customers as at 31 March 2023.

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

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

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

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

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

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

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

18.5.3 Liquidity Risk

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

The maturity analysis of financial instruments is as follows:

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

18.5.4 Interest Rate Risk

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

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

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

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

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

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

18.6 Financial Instruments – Collateral

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

19 Supplementary Notes

19.1 Events after the Reporting Period

Events taking place after this date are not reflected in the financial statement or notes. Where events taking place before this date, provided information about conditions that existed as at 31 March 2023, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

19.2 Contingent Liabilities

- **Airport Appeal**

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

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

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

- **Legal Claim**

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

- **Grant from External Body**

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

- **Mutual Municipal Insurance**

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

As at 31 March 2023 there is a maximum possible liability for the Council under the Scheme. This liability could increase in the event new claims arise relating to incidents that occurred prior to September 1992. Details of the scheme can be found at www.mminsurace.co.uk

19.3 Accounting Standard issued but not yet adopted

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

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

19.4 Critical Judgements in Accounting Policies

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

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

19.5 Assumptions made about the Future and Other Sources of Estimation

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

Item	Uncertainties	Effect if actual result differ from assumptions
Property, Plant and Equipment Useful Economic Life and Depreciation	Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible Assets respectively. This enables the assets to be written down over their estimated useful lives and show an appropriate cost of the asset in the Comprehensive Income and Expenditure Statement. Management judgment based on independent external advice is used to determine the useful economic lives of the Council's property.	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets fall.</p> <p>The net book value of the Authority's property, plant and equipment assets is £409m as at 31 March 2022; of this, £119m relates to land which is not subject to depreciation and is considered to have an infinite life. Vehicle, plant and equipment assets account for £3.4m with asset lives between 3 and 15 years. If the asset lives are reduced by 1 year across vehicle, plant and equipment it is estimated that depreciation would increase by £184k.</p> <p>For buildings, the asset life is up to 60 years unless the asset has major components which are depreciated separately. It is estimated that if the asset life for buildings reduced by 1 year, depreciation would increase by £75k.</p>
Property, Plant and Equipment Valuation	Property, Plant and Equipment are reviewed for both economic and price impairment on an annual basis. As at 1 April each year the Council's valuers carry out a valuation review of the Council's assets. In addition a year-end review is also undertaken. The recoverable amount is then estimated having regard to the application of the concept of materiality.	<p>If an asset is impaired the carrying amount of the asset is reduced. Land and Buildings are subject to market value movements all other assets are held at depreciated historic cost. The HRA housing stock (Dwellings) are valued at Existing Use Value for Social Housing. For the assets held at revalued amounts a valuation impairment of 1% would equate to a reduction in the Council's net worth of £3.5m.</p> <p>An increase or decrease in the value of operational building's would result in an increase to the revaluation reserve or a decrease in the revaluation reserve up to the value of the balance held from previous year, and subsequently charged to the Comprehensive Income and Expenditure Statement.</p>

Item	Uncertainties	Effect if actual result differ from assumptions
Pensions Liability	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase in the long term, changes in retirement ages, mortality rates and expected returns on pension fund assets. These judgements are completed by the Essex County Council Fund Actuaries.	The effect on net pensions of changes in individual assumptions can be measured. For instance: - A decrease in the discount rate assumption would result in an increase in pension liability. - An increase in member life expectancy would result in an increase in pension liability. - An increase in salaries would result in an increase in pension liability. - An increase in the pension rate would result in an increase in pension liability. Please reference table 17.4 for the effect on the scheme obligations.
Impairment allowance for doubtful debts	As of 31 March 2023, the Council had a balance of £12,146m for debtors. A review of balances suggested that an impairment of doubtful debts of £2,973m was appropriate. Therefore, a total of £9,173 recognised on the balance sheet.	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.
Business Rates Appeals	As of 31 March 2023, the Council recognised a provision of £5.194m representing the total of expected liabilities in respect of business rates appeals lodged at the balance sheet date, the Council's share of this is £2.078m.	The value of appeals recognised in the provision are based on a calculation provided by our external valuers, Analyse Local. This determines the likely effect of appeals in terms of effect on rateable value (RV), the timing of the losses expected and the overall percentage reduction in RV. Whilst the figure provided in the accounts is expected to be materially accurate, a small variance in actual appeal costs incurred may arise.

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

Comprehensive Income and Expenditure Statement (CIES)

For the Year ended 31st March 2023

2021/22 £'000	Housing Revenue Account - Income & Expenditure Statement	2022/23 £'000
	Expenditure	
2,689	Repairs and maintenance	2,948
2,105	Supervision and management	2,451
104	Rents, rates, taxes and other charges	130
137	Overheads	2,077
3,782	Depreciation - Dwellings	4,004
132	Depreciation - Other Non-current Assets	-
(8,018)	Change in Valuation of Non-current Assets	(405)
9	Revenue Expenditure Funded from Capital Under Statute (REFCUS)	21
-	Share of Corporate Core	600
941	Total Income	11,827
	Income	
(14,815)	Dwelling Rents	(15,185)
(223)	Non-Dwelling Rents	(876)
(10)	Charges for services and facilities	(436)
(1)	Contributions towards expenditure	(90)
(15,048)	Total Expenditure	(16,387)
	Net Cost of HRA Services as included in the Comprehensive Income & Expenditure Statement	
(14,107)	HRA Services share of non-distributed costs	(4,560)
137		66
(13,970)	Net Cost of HRA Services	(4,494)
(589)	(Gain) or loss on disposal of HRA Non-Current Assets	(753)
2,575	Interest payable and similar charges	2,601
(3)	Interest and Investment Income	(263)
131	IAS19 Pensions - Net Interest on Defined Assets/Liabilities	27
(9)	Anticipated Credit loss	58
(114)	Capital Grants and Contributions	-
(11,979)	(Surplus)/Deficit for the year on HRA Services	(2,826)

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

2021/22 £'000	Movement on the Total Housing Revenue Account (HRA) Statement	2022/23 £'000
(471)	Balance on the HRA working balance at the end of the previous year	(3,301)
(2,830)	Earmarked Reserves Transfers to/From	1,545
(3,301)	Total Balance on the HRA at the end of the previous year	(1,756)

Balance Sheet

For the Year ended 31st March 2023

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

Movements in 2021/22	Council Dwellings £'000
Cost or Valuation	
Adjustments to opening balance	20
Brought Forward 1 April 2021	312,848
Additions	3,325
Revaluation increase/(decrease) recognised in the Revaluation Reserve	18,740
Revaluation increase/(decrease) recognised in the Surplus/(Deficit) on the Provision of Services	7,768
Derecognition - disposals	(2,217)
Derecognition - other	-
Reclassification - within PPE	2,720
Reclassification - outside PPE	-
Balance carried forward 31 March 2022	343,205
Accumulated Depreciation & Impairment	
Adjustments to opening balance	(20)
Brought Forward 1 April 2021	20
Depreciation for year	(3,775)
Depreciation written out to the Revaluation Reserve	3,500
Depreciation written out to the Surplus/Deficit on Provision of Services	226
Impairment losses recognised in the Surplus/Deficit on the Provision of Services	-
Derecognition - disposals	50
Derecognition - other	-
Reclassification - within PPE	-
Reclassification -outside PPE	-
Balance carried forward 31 March 2022	(0)
Net Book Value as at 31 March 2022	343,205

Housing Revenue Account

20.1 Housing Stock

2021/22			2022/23
No. of Properties			No. of Properties
719	Flats		717
750	Bungalows		750
1,324	Houses		1,323
2,793	Total Properties		2,790
No.	Build Type	No. of Beds	No.
10	Houses	1	10
214		2	214
1,046		3	1,045
53		4	53
1		5	1
15	Flats	0	15
422		1	421
261		2	260
21		3	21
135		1	135
608	Bungalows	2	608
7		3	7
	Shared Ownership		
2,793			2,790
2021/22 £'000	HRA Balance sheet Value		2022/23 £'000
343,205	Council Dwellings		350,926
2,936	Other Land & Buildings-Garages		2,276
1,225	Other Land & Buildings-Temporary Accommodation		1,211
-	Other Land & Buildings-Depot		612
13	Vehicles, plant & Equipment		5
34	Community Assets		35
15	Intangibles		11
12	Infrastructure		10
5,011	Assets under Construction		6,399
352,451	Balance 31 March		361,484

20.2 Rent Arrears

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

20.3 Movements on the HRA Reserve

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

20.4 Movement on the Major Repairs Reserve

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

20.5 HRA Capital Expenditure and Financing

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

20.6 HRA Capital Receipts Reserve

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

Notes to the HRA

21.1 Introduction

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

21.2 Gross Rental Income

Gross rent income is the total rent income due after allowances are made for void properties. An average of 3.52% of properties were vacant during 2022/23 (2.29% 2021/22) an increase over the year due to increased numbers held for redevelopment.

21.3 Housing Revenue Account Self-Financing Transactions

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

SECTION H – SUPPLEMENTARY FINANCIAL STATEMENTS – COLLECTION FUND

Collection Fund Summary

Uttlesford District Council is the authority responsible for the billing, collection and recovery of Council Tax and Business Rates on behalf of itself, its preceptors (Essex County Council, Essex Fire Authority and Essex Police Authority) and Central Government. The Council, as the billing authority, has a statutory obligation to maintain a separate collection fund for council tax and business rates. The Collection Fund Statement shows the transactions of the billing authority in relation to the collection from council tax and business rate payers and the distribution to local government bodies and Central Government.

22.0 Collection Fund Income and Expenditure Account

2021/22			Collection Fund	2022/23		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
-	(71,977)	(71,977)	Council Tax Payers	-	(76,111)	(76,111)
(44,174)	-	(44,174)	Business Rates Payers	(43,242)	-	(43,242)
(44,174)	(71,977)	(116,151)	Total Income	(43,242)	(76,111)	(119,353)
3,727	51,100	54,827	Essex County Council	3,809	53,853	57,662
-	7,947	7,947	Essex Police Authority	-	8,399	8,399
414	2,818	3,230	Essex Fire Authority	423	2,895	3,318
16,566	9,961	26,527	Uttlesford District Council/Parish	16,930	10,402	27,332
20,707	-	20,707	Central Government	21,163	-	21,163
41,414	71,824	113,238	Total Precept and Demand	42,325	75,549	117,874
(1,088)	(285)	(1,373)	Essex County Council	134	(177)	(43)
-	(43)	(43)	Essex Police Authority	-	(26)	(26)
(121)	(16)	(137)	Essex Fire Authority	15	(10)	5
(4,837)	(55)	(4,892)	Uttlesford District Council	593	(33)	560
(6,046)	-	(6,046)	Central Government	741	-	741
(12,092)	(399)	(12,491)	Total Distributions of Previous Years Surplus/(Deficit)	1,483	(246)	1,237
474	(104)	370	Provision for Doubtful Debts Adjustment	215	311	526
(80)	-	(80)	Transitional Protection Payments from Central Government	144	-	144
108	-	108	Business Rates:- Renewable Energy to General Fund	156	-	156
140	-	140	Business Rates:- Cost of Collection Allowance to General Fund	141	-	141
779	-	779	Business Rates:- Provision created in year	1,053	-	1,053
(577)	-	(577)	Business Rates:- Provision released into Collection Fund	(1,316)	-	(1,316)
844	(104)	740	Total Other Expenditure	393	311	704
30,166	71,321	101,487	Total Expenditure	44,201	75,614	119,815
12,834	1,373	14,207	(Surplus)/Deficit as at 1 April	(1,175)	716	(459)
(14,009)	(657)	(14,666)	(Surplus)/Deficit for the year	960	(497)	463
(1,175)	716	(459)	(Surplus)/Deficit as at 31 March	(215)	219	4

Notes to the Collection Fund

22.1 Council Tax Introduction

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

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

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

22.2 Council Tax Base

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

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

22.3 Council Tax Income Analysis

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

22.4 Council Tax Collection Fund Balance

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

22.5 Business Rates Introduction

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

The Non-Domestic Rateable value in the council's area as at 1st April 2022 was £111.127million (1st April 2021 was £108.685million) and the multipliers, as specified by Central Government were 49.9p excluding small business surcharge (49.9p 2021/22) and 51.2p including small business surcharge (51.2p 2021/22). Based on the lower rate this produced an approximate yield of £55.452million (£54.234 million 2021/22). The difference between the approximate yield and the actual value of rate payers' income (as reported in the collection fund summary) is explained by the application of reliefs, discounts, void properties and movement on the bad debt provision.

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

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

In 2022/23 Uttlesford was one of thirteen Councils in Essex in a pooling agreement along with the County Council and the Fire Authority. Based on provisional outturn information provided by members of the pool, Uttlesford is due to pay a levy of £1.635 million but is estimated to receive £0.736million benefit share from the pool thus reducing the levy payable to £0.899million.

22.6 Business Rates Income Analysis

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

22.7 Business Rates Fund Balance

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

SECTION I – GROUP FINANCE STATEMENTS

Group CIES

Restated Gross Expenditure 2021/22 £'000	Restated Gross Income 2021/22 £'000	Restated Net Expenditure 2021/22 £'000	Group Comprehensive Income & Expenditure Statement	Gross Expenditure 2022/23 £'000	Gross Income 2022/23 £'000	Net Expenditure 2022/23 £'000
2,861	(1,194)	1,667	Communities & Partnerships	2,820	(958)	1,862
18,937	(11,614)	7,323	Environmental Services	28,541	(10,847)	17,694
26,478	(23,169)	3,309	Finance & Administration	28,025	(24,312)	3,713
4,926	(3,416)	1,510	Housing & Economic Development	5,390	(2,998)	2,392
13,788	(27,758)	(13,970)	Housing Revenue Account	12,139	(16,623)	(4,484)
3,173	(463)	2,710	Corporate costs	1,368	(399)	969
67	(2,562)	(2,495)	Aspire	119	(3,491)	(3,372)
70,230	(70,176)	54	Net Cost of Services (NCoS)	78,403	(59,628)	18,775
4,228	(1,205)	3,023	Other Operating Expenditure	4,263	(1,099)	3,163
(29,431)	(33,022)	(62,453)	Financing & Investment I&E	50,099	(11,406)	38,692
78	(19,137)	(19,059)	Taxation & Non-Specific Grant I&E	1,164	(19,713)	(18,549)
45,105	(123,540)	(78,435)	(Surplus)/Deficit on Provision of Service	133,928	(91,846)	42,081
9,517	0	9,517	Tax expenses of subsidiary	(600)	0	(600)
54,622	(123,540)	(68,918)	(Surplus)/Deficit Group	133,328	(91,846)	41,481
		(26,971)	(Surplus)/Deficit on revaluation of Property, Plant & Equipment			(6,366)
		(12,398)	Remeasurement of the net defined benefit Liability/(Asset)			(25,872)
		(39,369)	Other Comprehensive Income & Expenditure			(32,238)
		(108,287)	Total Comprehensive Income & Expenditure			9,243

Group Balance Sheet

Restated 31/03/2022 £'000	Group Balance Sheet	31/03/2023 £'000
404,093	Property, Plant and Equipment	408,899
1,091	Heritage Assets	1,091
296,772	Investment Property	271,601
347	Intangible Assets	297
0	Long-Term Investments	0
2,650	Long-Term Debtors	3,992
704,953	Total Long Term Assets	685,880
18,291	Short Term Investments	11,876
0	Inventories	26
5,988	Short-Term Debtors	10,014
4,938	Cash and Cash Equivalents	1,894
29,217	Total Current Assets	23,810
0	Bank Overdraft	(1,202)
(169,112)	Short-Term Borrowing	(108,276)
(25,927)	Short-Term Creditors	(22,357)
(2,466)	Provisions (nndr appeals only)	(2,361)
0	Current Tax Liability	(119)
(197,505)	Total Current Liabilities	(134,315)
(117,502)	Long-Term Borrowing	(190,595)
(4,025)	Other Long-Term Liabilities	(3,844)
(2,294)	Revenue Grants Receipts in Advance	(2,331)
(101)	Capital Grants Receipts in Advance	(101)
(27,679)	Other Long-Term Liabilities (Pension)	(3,402)
(11,595)	Deferred Tax Liability	(10,876)
(163,196)	Total Long Term Liabilities	(211,149)
373,470	Total Net Assets	364,227
(67,365)	Usable Reserves	(65,764)
(306,105)	Unusable Reserves	(298,461)
0	Share Capital	0
(373,470)	Total Reserves	(364,225)

Group Movement in Reserves

Restated 2021/22- GROUP MOVEMENT IN RESERVES STATEMENT	General Fund Balance £'000	General Fund Earmarked reserves Balance £'000	HRA Balance £'000	HRA Earmarked reserves Balance £'000	MRR £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Council share of subsidiary P&L Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance at 31 March 2021 carried forward GROUP	(1,438)	(21,003)	(2,580)	(1,775)	(467)	(2,600)	(1,537)	(8,975)	(40,375)	(224,807)	(265,182)
(Surplus) or deficit on the provision of services (CIES) UDC	(32,117)	-	(11,607)	-	-	-	-	-	(43,724)	-	(43,724)
(Surplus) or deficit on the provision of services (CIES) Aspire	-	-	-	-	-	-	-	(25,194)	(25,194)	-	(25,194)
Other Comprehensive Income and Expenditure (CIES) UDC	-	-	-	-	-	-	-	-	-	(39,369)	(39,369)
Total Comprehensive Income & Exp	(32,117)	-	(11,607)	-	-	-	-	(25,194)	(68,918)	(39,369)	(108,287)
Adjustments between accounting basis & funding basis under regulations UDC	30,734	-	12,881	-	(564)	(1,247)	344	-	41,928	(41,928)	-
Adjustments between accounting basis & funding basis under regulations Aspire	-	-	-	-	-	-	-	-	-	-	-
Transfers to/(from) reserves	1,304	(1,304)	1,054	(1,054)	-	-	-	-	-	-	-
(Increase) or Decrease in 2021/22	(79)	(1,304)	2,108	(1,054)	(564)	(1,247)	344	(25,194)	(26,990)	(81,297)	(108,287)
Balance at 31 March 2022 carried forward GROUP	(1,517)	(22,307)	(472)	(2,829)	(1,031)	(3,847)	(1,193)	(34,169)	(67,365)	(306,104)	(373,469)
2022/23- GROUP MOVEMENT IN RESERVES STATEMENT	General Fund Balance £'000	General Fund Earmarked reserves Balance £'000	HRA Balance £'000	HRA Earmarked reserves Balance £'000	MRR £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied Account £'000	Council share of subsidiary P&L Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Total Authority Reserves £'000
Balance at 31 March 2022 carried forward GROUP	(1,517)	(22,306)	(472)	(2,830)	(1,031)	(3,846)	(1,193)	(34,169)	(67,364)	(306,105)	(373,469)
(Surplus) or deficit on the provision of services (CIES) UDC	42,558	-	(2,826)	-	-	-	-	-	39,732	-	39,732
(Surplus) or deficit on the provision of services (CIES) Aspire	-	-	-	-	-	-	-	1,750	1,750	-	1,750
Other Comprehensive Income and Expenditure (CIES) UDC	-	-	-	-	-	-	-	-	-	(32,238)	(32,238)
Total Comprehensive Income & Exp	42,558	-	(2,826)	-	-	-	-	1,750	41,482	(32,238)	9,244
Adjustments between accounting basis & funding basis under regulations UDC	(43,871)	-	4,573	-	428	(525)	(294)	-	(39,691)	39,691	-
Adjustments between accounting basis & funding basis under regulations Aspire	-	-	-	-	-	-	-	-	-	-	-
Transfers to/(from) reserves	1,259	(1,249)	(1,948)	1,747	-	-	-	-	(191)	191	-
(Increase) or Decrease in 2022/23	(54)	(1,249)	(201)	1,747	428	(525)	(294)	1,750	1,600	7,644	9,244
Balance at 31 March 2023 carried forward GROUP	(1,571)	(23,555)	(673)	(1,083)	(605)	(4,371)	(1,487)	(32,419)	(65,764)	(298,461)	(364,225)

Group Cashflow

Restated 31/03/2022 £'000	Group Cash Flow Statement	31/03/2023 £'000
68,918	Net surplus or (deficit) on the provision of services	(41,482)
(39,500)	Adjustments to surplus or deficit on the provision of services for non-cash movements	53,420
(5,295)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities	(4,320)
24,123	Net Cash flows from operating activities	7,618
(86,378)	Investing activities	(21,323)
61,922	Financing activities	9,459
(333)	Net increase or (decrease) in cash and cash equivalents	(4,246)
5,271	Cash and cash equivalents at the beginning of the reporting period	4,938
4,938	Cash and cash equivalents at the end of the reporting period	692

Local Code of Corporate Governance 2023

Governance is about how local government bodies ensure they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.

Uttlesford District Council is committed to the practice of good governance; ensuring good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for citizens and service users.

The Principles of Good Governance

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) provide a framework for developing and maintaining a Local Code of Corporate Governance and for discharging accountability for the proper conduct of public business, to support the publication of an Annual Governance Statement.

The CIPFA/SOLACE guidance *Delivering Good Governance in Local Government* (2016) identified seven Core Principles against which local authorities should review their existing corporate governance arrangements and develop and maintain a Local Code of Governance. Each principle is translated into a range of specific requirements that should be reflected in the Local Code.

These seven principles are:

- **Core Principle A** – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
- **Core Principle B** – Ensuring openness and comprehensive stakeholder engagement
- **Core Principle C** – Defining outcomes in terms of economic, social and environmental benefits
- **Core Principle D** – Determining the interventions necessary to optimise the achievement of the intended outcomes
- **Core Principle E** – Developing the entity's capacity, including the capability of its leadership and the individuals within it
- **Core Principle F** – Managing risks and performance through robust internal control and strong public financial management
- **Core Principle G** – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Uttlesford District Council's (UDC) Local Code of Governance has been prepared in accordance with the CIPFA/SOLACE Guidance. The following section describes how UDC complies with each of the core principles and the supporting principles to deliver the best outcomes for the local communities it represents.

Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

Summary: The Council is accountable not only for how much it spends, but also for how it uses the resources under its stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes it has achieved. In addition, it has an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, the Council can demonstrate the appropriateness of all its actions across all activities and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Supporting Principle	Evidence
<p>1. Behaving with Integrity</p> <ul style="list-style-type: none"> - Ensuring councillors and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the Council. - Ensuring councillors take the lead in establishing specific standard operating principles or values for the Council and its staff and that these are communicated and understood. These should build on the Seven Principles of Public Life (also known as the Nolan Principles) - Leading by example and using the above standard operating principles or values as a framework for decision making and other actions. - Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively. <p>2. Demonstrating strong commitment to ethical values</p> <ul style="list-style-type: none"> - Seeking to establish, monitor and maintain the organisation's ethical standards and performance - Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation - Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values - Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation. <p>3. Respecting the Rule of Law</p> <ul style="list-style-type: none"> - Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations - Creating the conditions to ensure that the statutory officers, other key post holders, and members, are able to fulfil their responsibilities in accordance with legislative and regulatory requirements. - Striving to optimise the use of the full powers available for the benefit of citizens, communities and other stakeholders 	<ul style="list-style-type: none"> - Code of Conduct for Members - Code of Conduct for Officers (HRP 38) - Articles of the Constitution - Members Registers of Interests - Member Registers of Gifts (listed under individual Councillors) - Members Gifts & Hospitality Guidance - Officer Registers of Interests and Gifts & Hospitality - Annual reports of GAP and Scrutiny Committee to Full Council - Standards Committee - Counter Fraud & Corruption Strategy (including Bribery Act) - Equality Policy (including Equality & Diversity Objectives) - Equality Impact Assessments - Whistle blowing Policy - Modern Slavery Act Statement - Council and Cabinet Working Groups - Minutes detailing declarations of interests - Procurement Strategy - Committee Terms of Reference

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Dealing with breaches of legal and regulatory provisions effectively - Ensuring corruption and misuse of power are dealt with effectively 	<ul style="list-style-type: none"> - Transparency - Local Government Ombudsman Report - Member Induction (extensive induction programme was delivered in 2019/20) - Staff U-Perform Policy (HRP 12) - Job Description/Specifications

Core Principle B – Ensuring openness and comprehensive stakeholder engagement

Summary: The council is run for the public good and therefore should ensure openness in its activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Supporting Principle	Evidence
<p>1. Openness</p> <ul style="list-style-type: none"> - Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness - Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If that is not the case, a justification for the reasoning for keeping a decision confidential should be provided. - Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about the criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear - Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action <p>2. Engaging comprehensively with institutional stakeholders</p> <ul style="list-style-type: none"> - Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably - Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively 	<ul style="list-style-type: none"> - Corporate Plan - Scrutiny - Minutes of Committee Meetings - Committee meetings open to the Public and broadcast live on Council Website - Public Questions at meetings - Petitions - Consultation Strategy - Current Consultations - Complaints about Councillors - Compliments, Suggestions and Complaints - Customer Charter - Customer Services - Budget Book and Statement of

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Ensuring that partnerships are based on: trust; a shared commitment to change; a culture that promotes and accepts challenge among partners; and that the added value of partnership working is explicit <p>3. Engaging with individual citizens and service users effectively</p> <ul style="list-style-type: none"> - Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes - Ensuring that communication methods are effective, and that members and officers are clear about their roles with regard to community engagement - Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs - Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account - Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity - Taking account of the impact of decisions on future generations of taxpayers and service users 	<p><u>Accounts</u></p> <ul style="list-style-type: none"> - Medium Term Financial Strategy - Scrutiny Annual Report to Full Council - Transparency - Uttlesford Futures - Access to Information - Meeting Agenda publication deadlines adhered to - Dates of Meetings published on website in advance - Council Media and News

Core Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

Summary: The long-term nature and impact of many of the Council's responsibilities means that it should be sustainable. Decisions should further the Council's purpose, contribute to intended benefits and outcomes, and remain within the limits of the Council's authority and resources. Input from all groups of stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available

Supporting Principle	Evidence
<p>1. Defining outcomes</p> <ul style="list-style-type: none"> - Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions - Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer - Delivering defined outcomes on a sustainable basis within the resources that will be available - Identifying and managing risks to the achievement of outcomes 	<ul style="list-style-type: none"> - Corporate Plan - Performance Management Reporting to GAP Committee - Service Planning Documents - Corporate Risk Management Strategy and Register - Local Development Scheme

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available <p>2. Sustainable economic, social and environmental benefits</p> <ul style="list-style-type: none"> - Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decisions about service provision - Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial constraints - Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs - Ensuring fair access to services 	<ul style="list-style-type: none"> - <u>Budget Book and Statement of Accounts</u> - <u>Medium Term Financial Strategy</u> - <u>Reports from Leader and Members of the Executive to Full Council</u> - <u>Financial Regulations</u> - <u>Contract Rules</u> - <u>Internal Audit Plan</u> - <u>Treasury Management Strategy</u> - <u>Local Plan</u> - <u>Counter Fraud & Corruption Strategy (including Bribery Act)</u> - <u>Equality Policy (including Equality & Diversity Objectives)</u> - <u>Equality Impact Assessments</u> - <u>Climate Crisis Strategy</u> - <u>Commercial Strategy</u> - <u>Economic Development Strategy</u> - <u>Health and Wellbeing Strategy</u> - <u>Homelessness and Rough Sleeping Strategy</u> - <u>Capital Strategy</u>

Core Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Summary: The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions (courses of action). Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that its desired outcomes are achieved in a way that provides the best trade-off between the various types of resource inputs, whilst still enabling effective and efficient operations. Decisions made need to be reviewed frequently to ensure that achievement of outcomes is optimised.

Supporting Principle	Evidence
<p>1. Determining interventions</p> <ul style="list-style-type: none"> - Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore, ensuring best value is achieved however services are provided - Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts <p>2. Planning interventions</p> <ul style="list-style-type: none"> - Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets - Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered - Considering and monitoring risks facing each partner when working collaboratively, including shared risks - Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances - Establishing appropriate key performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured - Ensuring capacity exists to generate the information required to review service quality regularly - Preparing budgets in accordance with objectives, strategies and the medium-term financial plan - Informing medium- and long-term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy <p>3. Optimising achievement of intended outcomes</p> <ul style="list-style-type: none"> - Ensuring the medium-term financial strategy integrates and balances service priorities, affordability and other resource constraints 	<ul style="list-style-type: none"> - Committee Terms of Reference - Corporate Plan - Corporate Risk Management Strategy and Register - Medium Term Financial Strategy - Role of Statutory Officers - Governance, Audit and Performance Committee - Code of Conduct for Members - Code of Conduct for Officers (HRP 38) - Officer Scheme of Delegation - Protocol for relations between Members & Officers - Compliments, Suggestions and Complaints - Complaints about Councillors - Performance Management Reporting to GAP Committee- - Committee Reporting timetable

Supporting Principle	Evidence
<ul style="list-style-type: none"> -Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term - Ensuring the medium-term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage -Ensuring the achievement of 'social value' through service planning and commissioning 	

Core Principle E – Developing the Council's capacity, including the capability of its leadership and the individuals within it

Summary: The Council needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve intended outcomes within the specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has operational capacity for its requirements, as a whole. Because both individuals and the environment in which the Council operates will change over time. There will be a continuous need to develop its capacity as well as the skills and experience of individual staff members. Leadership in the Council is strengthened by the participation of people of many different types of backgrounds, reflecting the structure and diversity of the communities it represents.

Supporting Principle	Evidence
<p>1. Developing the Council's capacity</p> <ul style="list-style-type: none"> - Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness - Improving resource use through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently - Recognising the benefits of partnerships and collaborative working where added value can be achieved - Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources <p>2. Developing the capability of the Council's leadership and other individuals</p> <ul style="list-style-type: none"> - Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained - Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body 	<ul style="list-style-type: none"> - Articles of the Constitution - Committee Terms of Reference - Officer Scheme of Delegation - Protocol for relations between Members & Officers - Staff U-Perform Policy (HRP 12) - Staff Briefings - Senior Manager Meetings - Staff Voice and Surveys - Officer Induction Programme and Training Programme - Member Training and Induction

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a structure whereby the chief executive leads in implementing strategy and managing the delivery of services and other outputs set by members and each provides a check and a balance for each other's authority - Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to changing legal and policy demands as well as economic, political and environmental changes and risks by: ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged; ensuring members and officers have the appropriate skills, knowledge, resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis; ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external - Ensuring that there are structures in place to encourage public participation - Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections - Holding staff to account through regular performance reviews which take account of training or development needs - Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing 	

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

Summary: The Council needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and are crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision-making activities. A strong system of financial management is essential for the implementation of policies and achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny are in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful service delivery. Importantly this culture does not happen automatically, it requires repeated public commitment from those in authority.

Supporting Principle	Evidence
<p>Managing risk</p> <ul style="list-style-type: none"> - Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making - Implementing robust and integrated risk management arrangements and ensuring that they are working effectively - Ensuring that responsibilities for managing individual risks are clearly allocated <p>2. Managing performance</p> <ul style="list-style-type: none"> - Monitoring service delivery effectively including planning, specification, execution and independent post implementation review - Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks inherent in the organisation's financial, social and environmental position and outlook - Ensuring an effective scrutiny or oversight function is in place which provides constructive challenge and debate on policies and objectives before, during and after decisions are made thereby enhancing the organisation's performance and that of any organisation for which it is responsible (or, for a committee system) encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making - Providing members and senior management with regular reports on service delivery plans and on progress towards outcome achievement - Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (eg financial statements) <p>3. Robust internal control</p> <ul style="list-style-type: none"> - Aligning the risk management strategy and policies on internal control with achieving objectives - Evaluating and monitoring risk management and internal control on a regular basis - Ensuring effective counter fraud and anti-corruption arrangements are in place - Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor - Ensuring an audit committee or equivalent group/ function, which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment and that its recommendations are listened to and acted upon 	<ul style="list-style-type: none"> - <u>Corporate Risk Management Strategy and Register</u> - <u>GAP Committee Minutes</u> - <u>Scrutiny Committee Minutes</u> - <u>Committee Agendas published before deadlines</u> - <u>Internal Audit reports to GAP Committee</u> - <u>Performance Management Reporting to GAP Committee</u> - <u>Internal and External Audit Plans to GAP Committee</u> - <u>Budget Forecast Outturn reports to Cabinet</u> - <u>Treasury Management Strategy</u> - <u>Investment Board</u> - <u>Reports from Leader and Members of the Executive to Full Council</u> - <u>Access to Information</u> - <u>Data Protection – Privacy Policy and web pages</u>

Supporting Principle	Evidence
4. Managing data <ul style="list-style-type: none"> - Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data - Ensuring effective arrangements are in place and operating effectively when sharing data with other bodies - Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring 5. Strong public financial management <ul style="list-style-type: none"> - Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance - Ensuring well-developed financial management is integrated at all levels of planning and control, including management of financial risks and controls 	

Core Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

Summary: Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on those actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Supporting Principle	Evidence
1. Implementing good practice in transparency <ul style="list-style-type: none"> - Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate - Striking a balance between providing the right amount of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand 2. Implementing good practice in reporting <ul style="list-style-type: none"> - Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way - Ensuring members and senior management own the results reported 	<ul style="list-style-type: none"> - <u>Transparency</u> - <u>Annual Internal Audit Report</u> - <u>External Audit Annual Audit Letter</u> - <u>Budget Book and Statement of Accounts</u> - <u>Reports from Leader and Members of the Executive to Full Council</u> - <u>Compliments, Suggestions and Complaints</u> - <u>Complaints about Councillors</u> - <u>Articles of the Constitution</u>

Supporting Principle	Evidence
<ul style="list-style-type: none"> - Ensuring robust arrangements for assessing the extent to which the principles contained in this Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement) - Ensuring that this Framework is applied to jointly managed or shared service organisations as appropriate - Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for comparison with other, similar organisations <p>3. Assurance and effective accountability</p> <ul style="list-style-type: none"> - Ensuring that recommendations for corrective action made by external audit are acted upon - Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon - Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations - Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement - Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met 	<ul style="list-style-type: none"> - <u>Counter Fraud & Corruption Strategy (including Bribery Act)</u> - <u>Comprehensive Equality Policy (including Equality & Diversity Objectives)</u> - <u>Whistle blowing Policy</u> - <u>Petitions</u> - <u>Consultation Strategy</u> - <u>Current Consultations</u> - <u>Access to Information</u>

ANNUAL GOVERNANCE STATEMENT FOR THE YEAR ENDED 31st MARCH 2023

1. Scope of responsibility

- 1.1. Uttlesford District Council ('the Council') has a duty under the Local Government Act 1999 to make arrangements that ensure continuous improvement in the way it works in terms of economy, efficiency and effectiveness. This includes a responsibility to ensure that Council business is conducted in accordance with the law and that public money is safeguarded and properly accounted for.
- 1.2. To fulfil this responsibility, the Council must put in place proper arrangements for the governance of its affairs and carrying out its functions, which includes arrangements for managing risk.
- 1.3. The Council has approved and adopted a Code of Corporate Governance which is consistent with the seven principles of the CIPFA/SOLACE framework *Delivering Good Governance in Local Government 2016*.
- 1.4. This statement explains how the Council has complied with the Code. It also meets the requirements of Regulation 6 (Part 2) of the Accounts and Audit Regulations 2015 in relation to the publication of an Annual Governance Statement. In line with the CIPFA/SOLACE framework, this statement is "an open and honest self-assessment", which:
 - describes key elements of the Council's governance arrangements, covering key corporate systems and the range of activities for which the Council is responsible.
 - describes processes applied in reviewing their effectiveness, and
 - lists actions proposed to deal with significant governance issues identified.

2. The purpose of the governance framework

- 2.1. The governance framework comprises:
 - the systems, policies, processes, culture and values by which the Council is directed and controlled; and
 - the Council's activities through which it accounts to, engages with and leads the community.
- 2.2. The framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.3. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control, is based on an on-going process designed to:
 - identify and prioritise the risks to the achievement of the Council's policies, aims and objectives.
 - evaluate the likelihood of those risks being realised and the impact should they be realised; and
 - manage those risks efficiently, effectively and economically.

- 2.4. The governance framework outlined in this document has been in place at Uttlesford District Council for the year ended 31 March 2023.

3. The Governance Framework

- 3.1. The Council's Governance Framework has been set up over successive years and is reviewed annually to ensure its continuing effectiveness regarding the seven CIPFA/SOLACE principles of delivering good governance (as updated in 2016).
- 3.2. Key highlights from the Governance Framework in place at Uttlesford District Council are shown against each of the seven principles below. Further evidence of compliance with the principles can be found in the Code of Corporate Governance.

Good Governance Principle	Uttlesford Council Key Elements 2022/23
Principle A Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<p>✓ In line with Public Sector Equality Duty and to reinforce the Council's commitment to promoting equality and fairness among its local communities, staff and members, the Council approved a new Uttlesford Equality, Inclusion and Diversity Policy in December 2020. Uttlesford District Council has adopted the Equality Framework for Local Government as its key delivery tool. The Equality Standard Working Group is responsible for the monitoring of progress and the assessment of the attainment of the various outcomes of the equality framework. The Equality Impact Assessment has been updated to include Health Questions (EqHIA) and Equalities training has been offered to all staff and Councillors at UDC.</p> <p>✓ Member Code of Conduct forms part of the Council's constitution. Code of Conduct complaints are handled by the Monitoring Officer via engagement with our Independent Persons and the Standards Committee where appropriate. Local elections were held on 4 May 2023. A comprehensive induction programme for new and returning councillors was largely finalised in February, and expert external training has been utilised in respect of dedicated committee training, as well as for underlying principled training for matters such as standards and governance. To ensure members are adequately equipped to make effective and lawful decisions, training attendance is being closely monitored and follow-up sessions will be arranged for any councillors who cannot attend induction dates.</p> <p>✓ An Audit of the Standards Complaints has just been completed and recommendations are being implemented. The Code of Conduct training will follow in 2023/24.</p> <p>✓ Declarations of Interest remain a standing item on all Committee, Cabinet and Full Council agendas.</p> <p>✓ The Council's Counter Fraud Working Group who will provide operational oversight of the Council's counter-fraud activities across all areas. When a new Audit Manager is appointed in 2023/24 they will re-ignite and lead the GFWG for 2023.</p>

Good Governance Principle	Uttlesford Council Key Elements 2022/23
	<p>✓ The annual review letter from the Local Government Ombudsman and an annual summary of complaints and compliments relating to the Council's services, was presented to GAP Committee in September 2022. This information is also reviewed quarterly by the Council's Corporate Management Team, in order to share any lessons learnt.</p> <p>✓ GAP also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. This report will be presented in June 2023.</p>
<p>Principle B Ensuring openness and comprehensive stakeholder engagement</p>	<p>✓ The Council publishes information in line with Local Government Transparency Code 2015, including:</p> <ul style="list-style-type: none"> • Business Rates Transparency Information • Councillor Allowances • Decision Records and Notices • Expenditure Data <p>✓ The Council sets out its Access to Information policy on its website.</p> <p>✓ Comprehensive information relating to the Council's Finance and Accounts, including Statement of Accounts, Budget 2023/24, Fees and Charges 2023/24, Spend over £250, Council Investments etc. is available online.</p> <p>✓ Council Cabinet and Committee meetings are open to the public, both in terms of limited in-person attendance in line with the Council's risk assessment and via Zoom, and guidance on attending and speaking at public meetings is available online. As speaking rules differ for a number of meetings, specific instructions are provided in the agenda papers for each public meeting.</p> <p>✓ The Modgov system is used by the Council to ensure that timely reports are submitted, approved, published and distributed to ensure Member's information needs and relevant statutory deadlines are met.</p> <p>✓ A full record of decisions made in and supporting material presented to Committees, Cabinet and Full Council is published online.</p> <p>✓ Notices of Key Decisions, Executive Decisions and Urgent Decisions are issued in advance/made available online as appropriate.</p> <p>✓ The Council continues to be making improvements to systems and processes in its development management function, both across officer and elected member level activity.</p>
<p>Principle C Defining outcomes in terms of sustainable economic, social and environmental benefits</p>	<p>✓ The Council approved a Climate Change Strategy and Action Plan in 2021/22 to set a clear direction for tackling climate change and its key priorities.</p> <p>✓ The Council successfully completed recruitment to vacancies in the Climate Change Team, with the full team onboarded by mid</p>

Good Governance Principle	Uttlesford Council Key Elements 2022/23
	<p>January. In November, the Zero Carbon Communities Grant Scheme was launched, which saw £150k made available in grants for local community projects delivering carbon emission reduction, community action on climate change, biodiversity restoration and enhancement. 11 community projects have been supported across the district for delivery in 2023, a further round of grant funding will be made available for projects commencing in 2024.</p> <p>✓ In December, the Council commissioned a district Local Walking and Cycling Infrastructure plan. This study will produce a report and network plan for walking and cycling in Uttlesford which identifies preferred routes for further development, taking account of forecast growth in the local plan, it will also provide a prioritised programme of infrastructure improvements for future investment. The report and plan are due to be published in autumn 2023.</p> <p>✓ In March, the council invited feedback from residents and businesses on the piloting of a range of shared bike schemes in Saffron Walden. This engagement was undertaken as part of the town Clean Air Project which will be delivered over the next 2 years using grant funding from DEFRA. The project will pilot green modes of transport and encourage active travel in the town, with the long-term aim of reducing car use for short in-town journeys, to help reduce road congestion and improve air quality. This will include piloting and encouraging take up of a range of shared transport schemes such as: e-bike hire, e-cargo bike hire, zero emissions deliveries, electric vehicle car club and 'try before you buy' bike loan schemes.</p> <p>✓ The Health and Wellbeing strategy has been revised and a new 4yr strategy is in place until 2028. Uttlesford Health & Wellbeing Board is the key mechanism for driving joined up working at local level and works to deliver the strategy, helping to improve the health and wellbeing of residents of the district and to reduce health inequalities.</p> <p>✓ Uttlesford Community Safety Partnership produces a Strategic assessment for the District which then informs the Delivery Plan for the coming year. The Partnership meets on a quarterly basis to review the plan and to ensure that the priorities are being met through partnership diversionary projects and targeted projects where appropriate. There is a rotating chairperson, voted in on an annual basis, to ensure all statutory partners take responsibility. Links are strong with the police through their tasking process and with County Wide Community Safety colleagues through the Essex Community Safety Network. There is also attendance by officers and the Communities portfolio holder at Safer Essex and there are strong links with the OFPCC allowing the Council to have both a County and District wide view of immersing issues.</p>

Good Governance Principle	Uttlesford Council Key Elements 2022/23
	<ul style="list-style-type: none"> ✓ The Council's Safeguarding policy will be updated in 2022 to reflect Government legislation. Online safeguarding training has been included in the induction process for all staff. An internal Safeguarding Group has been established to ensure a corporate approach to the Safeguarding agenda. ✓ The Council carries out equality and health impact assessments on its services, policies, functions, strategies and procedures to ensure the Council does not discriminate in the way it provides services and employment and that, where possible, it does all it can to promote equality and good relations for the community and various minority groups. Assessments accompany key decisions, and many can be found on the Council's committee system.
<p>Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<ul style="list-style-type: none"> ✓ The Council's Medium-Term Financial Strategy (MTFS) sets out the predicted financial position for the next 5 years 2021 -2026; this was approved by Council in February 2022. ✓ The MTFS and annual budgets for the General Fund, Capital Programme and Housing Revenue Account along with the associated Strategies for Investments, Capital and Treasury Management were reviewed by Scrutiny Committee prior to approval by Council in February 2022. Financial position and predicted outturn, for the Capital and Revenue net expenditure is reported to Cabinet on a quarterly basis with a draft presented in June 2023. ✓ Cabinet working groups will be considered by Cabinet on 27 June 2023 in order for Terms of Reference to be re-approved and membership for 2023/24 to be established. ✓ In March 2023 the Local Plan Leadership Group agreed to revise the local plan timetable. The next milestone, the Regulation 18 Consultation is now planned for October 2023. This is intended to be a 'preferred option' draft which has the potential to reduce the time required for the latter stages of the plan. Completion of the whole process is expected by June 2025. ✓ Corporate Plan Delivery Plan – has been reviewed and updated and will be approved by Cabinet on 27th June 2023. ✓ The Community Response Hub continues to help local residents post-pandemic and is a central point for hosts and Ukrainian Refugees to access appropriate services. The Hub is represented at weekly meetings with Essex County Council and Government Agencies to ensure that Government legislation is adhered to. ✓ In March 2023, the Chief Executive requested that Internal Audit undertake a review of the Council's Standards Complaints process. The Audit identified a need to review the Standards Complaints process with particular attention to the triage process. A new Head of Legal Services/Monitoring Officer is due to be appointed who can drive forward any changes/improvements in the process.

Good Governance Principle	Uttlesford Council Key Elements 2022/23
	Internal Audit will undertake follow up Audit for Limited Assurance Audits to assess the effectiveness of the revised process to provide independent assurance over the improvement in the control framework.
Principle E Developing the Council's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> ✓ During 2022/23, a permanent Assistant Director of Environmental Services/Housing and Head of Legal Services were recruited. ✓ The Council has undertaken staff surveys during the year which has given useful feedback to plan our future way of working, balancing this against service/customer needs. ✓ The Council's individual performance review system is known as U-Perform. It is an ongoing process of discussion and feedback between manager and employees. It enables managers to monitor employee performance and deal with any concerns or issues the employee may be facing. It is also an opportunity to recognise an employee's efforts and support personal development and career aspirations and future plans regarding work. U-Perform outcomes are also used to determine whether an employee moves to the next spinal column within their grade and receive a salary increase (until they reach the top of their grade). The process is overseen and moderated by the Chief Executive and Directors. ✓ A staff network group is being encouraged to help ensure that Equality, Diversity and Inclusion is embedded throughout the organisation and that all staff have a voice. An online training induction training programme for all staff and Councillors has been implemented. ✓ Blueprint Uttlesford was launched in February 2022 and is UDC's change programme focusing on the next five years and beyond. It is the mechanism to deliver the Council's bold and wide-ranging ambitions for improving outcomes for residents and delivering the best services possible as set out in the authority's annually reviewed 5 Year Corporate Plan, and to do so sustainably within available resources, as set out in the council's annually reviewed 5-year Medium Term Financial Strategy and annually set Budget. It sits alongside broader multi-agency strategies and partnerships in which the council is a participant, contributing to their delivery, reflecting their priorities and shaping their strategic direction.
Principle F Managing risks and performance through robust internal control and strong financial management	<ul style="list-style-type: none"> ✓ In alignment with UDC's Risk Management Policy, the 2022/23 Corporate Risk Register was reviewed regularly by the corporate management team with particular regard being paid to those risks whereby the potential likelihood of them occurring or the impact of the pandemic could adversely affect service provision. During the 2022/23 year, new risks were introduced and existing risks reviewed. The Corporate Risk Register is reviewed by the Governance, Audit & Performance Committee every six months. ✓ The Council conforms to the governance requirements of the 2016 CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The current year accounts have been managed and prepared in line with the updated standards and principles set out in the CIPFA financial management standards.

Good Governance Principle	Uttlesford Council Key Elements 2022/23	
	<p>✓ The Assistant Director of Resources makes regular reports to Cabinet of the financial position, this includes budget setting and monitoring medium term forecasts, the final outturn annual report and the statement of accounts, plus any other financial matters that impact the Council. CMT also review all reports quarterly.</p> <p>✓ Cyber Security – the council predominantly continued to work from home through 2022/23 and managed and maintained the same level of IT access and system security for staff. There is now a more hybrid way of working with hot-desking available over our 3 sites. Additional security measures have been introduced and current measures expanded to ensure the protection of Council property and data by UDC IT in line with the guidance from the National Cyber Security Centre.</p> <p>✓ Council has recently adopted our Information Governance Strategy and Framework policy documents which were both approved by CMT and GAP in October 2022.</p>	
<p>Principle G Implementing good practices in transparency, reporting, and audit, to deliver effective accountability</p>	<p>✓ As detailed above and in the Local Code of Corporate Governance, a vast array of information is accessible to the general public via the Council's website.</p> <p>✓ The AGS is presented to the Leader and Chief Executive, approved by GAP and published alongside Statement of Accounts.</p> <p>✓ Annual reports summarising the work of GAP Committee and Scrutiny Committee were presented to Council in July and October 2023 respectively.</p> <p>✓ GAP Committee receives annually the Local Government Ombudsman's Annual Review Letter. At the same time, the committee receives an annual summary of complaints and compliments received by the Council. This report went to the September 2022 GAP Committee meeting.</p> <p>✓ GAP also receives an annual Information Governance Report which covers data protection and information governance, including any instances of data breaches and the position with regard to Freedom of Information responses. The Information Governance Annual Report 2022/23 will be presented to GAP in June 2023.</p>	

4. Review of effectiveness

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by:
- the work of the Corporate Management Team who have responsibility for the development and maintenance of the governance environment.

- the work of Cabinet and the Committees, including the Governance, Audit and Performance Committee and Scrutiny Committee
 - the Internal Audit Annual Report
 - comments made by the external auditors and other inspection agencies.
- 4.2. As well as the annual review, the governance and control frameworks are maintained and reviewed by a series of comprehensive processes throughout the year. These include:
- A **robust Internal Audit function** where the planned work is based on identified key risk areas. The Council's Internal Audit Service arrangements should conform to Public Sector Internal Audit Standards
 - An **embedded reporting system for internal audit issues** ensures that senior managers and members are fully briefed on key issues, which includes regular reporting to the GAP Committee.
 - A **comprehensive budget monitoring process** that is reported monthly to budget holders, quarterly to CMT and six-monthly to Cabinet.
- 4.3. The outcome of the review is presented in 4.9 below, which details areas for improvement during 2022/23.

4.4. Effectiveness of Other Organisations

Uttlesford Norse Services Ltd (UNSL) is joint Venture between UDC and the Norse Group for the provision of planned and responsive repairs for Housing along with facilities and cleaning services, which became fully operational on the 1 April 2020. The Norse Group, a wholly owned subsidiary of Norfolk County Council is the largest local authority trading company in the UK.

During 2021/22, Internal Audit undertook a review which focussed on UDC's internal governance arrangements with UNSL. The review identified several significant findings, including a critical risk regarding health and safety, and high priority findings relating to the Council's oversight of UNSL safeguarding arrangements, the need to define and clarify roles and responsibilities, and the need for improvement in key communication between the Council and with UNSL. Internal Audit undertook an initial follow up assessment of the implementation of the original recommendations in May 2022, and discussions have highlighted that the majority are work in progress and therefore it is not yet possible for Internal Audit to provide independent assurance that the control environment has significantly improved. A final follow up assessment will be undertaken in August 2022 and reported to GAP in September 2022, with a further review commissioned for September 2023.

Uttlesford Leisure PFI - on behalf of UDC, 1Life Management Solutions Limited operate three leisure centres under the Uttlesford Leisure PFI Contract: Lord Butler Leisure Centre; Great Dunmow Leisure Centre and Mountfitchet Romeera Leisure Centre. The authority finances the PFI agreement through a Unitary Charge which is paid to the Project Company (Linteum Uttlesford Limited) in monthly instalments throughout the duration of the contract. Updates on the status of the contract and any notable variations to it, are given to GAP Committee on a regular basis. An Audit of the PFI contract has been commissioned for October 2023. Following this audit, a full report will be taken to GAP which will

include any agreed corrective actions along with a review of the future landscape of the Uttlesford Leisure PFI contract, by considering the challenges for the 2023/24 year and the remaining concession years with particular focus on hand-over and end-of-term procedures.

4.5. Internal Audit Opinion

The annual opinion categories range from No Assurance, Limited Assurance, Moderate Assurance to Substantial Assurance.

The work undertaken during 2022/23 has enabled the Audit Manager to form a reasonable conclusion on the Council's control framework, risk and governance arrangements. For the year-ended 31st March 2022, the opinion is that the adequacy and effectiveness of the Council's arrangements is **Limited Assurance** – a number of control weaknesses, several of which are high may put the achievement of key service objectives at risk and result in error, fraud, loss or reputational damage.

Internal Audit reached this conclusion because the medium and high risk rated weaknesses identified in individual assignments are considered to be significant in aggregate to the system of internal control, but discrete parts of the system of internal control remain unaffected. The critical rated weakness identified is also not considered to be pervasive to the system of internal control. Further detail can be found in the Internal Audit Annual Report.

4.6. External Audit

BDO were provided with information that has relevance to their consideration of the Council's 2019/20 Annual Governance Statement and arrangements for use of resources (UoR). This has been investigated by a third party and internally. The process has now concluded, and BDO have scheduled the completion of the 2019/20 audit for autumn 2023, subject to the outcome of a forensic audit. Following this, BDO will then need to complete the audits of subsequent financial years, for which a timetable has not yet been provided. These matters have contributed to delays in the sign-off of the 2022/23 Statement of Accounts.

4.7. Other Inspectorates

5. In June 2022 UDC commissioned the East of England LGA (EELGA -Talent Bank) to review the Housing Maintenance Joint Venture with UNSL and the report was issued in October 2022. UDC had self-referred to the Regulator for Social Housing therefore the review team were commissioned to compile an Action Plan focusing on the Council's wider Housing and landlord responsibilities. The report concluded that the governance arrangements between UDC and UNSL is that they require a fundamental reset, alongside a reconfiguration of the contract management function within the Housing team. It was recommended that the Council commission external support to put in place more robust contract management, validate the performance information provided by UNSL, configure a more appropriate governance framework, develop the necessary stakeholder mapping to support this and provide appropriate training for those engaged in the process. In March 2023 the Regulator for Social Housing responded to the proposed action plan sent by UDC stating that the improvement requirements had been met, therefore no further referral was needed.

5.1. Review of Actions from 2021/22 Annual Governance Statement:

2021/22 AGS	Action taken in 2022/23 to address the issue
To ensure that the Council aligns effectively and efficiently with the Fighting Fraud and Corruption Locally Framework 2020.	The Council's approach to Counter Fraud was refreshed in 2022 to ensure it is in line with best practice, CIPFA's guidance on Managing the Risk of Fraud and Fighting Fraud and Corruption Locally. The 2022 Counter Fraud Strategy encompasses key principles such as acknowledging the responsibility for countering fraud and corruption, identification of fraud and corruption risks, provision of resources to implement the strategy and the action to be taken in response to fraud and corruption. Supplementing the Strategy is an action plan which sets out how Counter Fraud Strategy will be delivered over the next year and into 2023/24, and by whom. A key part of this governance and delivery will be the Council's Counter Fraud Working Group who will provide operational oversight of the Council's counter-fraud activities across all areas of the Council.
Financial Management Code - To complete a self-assessment against standards in the Code, develop action plan for any improvements identified and agree with Management before reporting results to Members.	A formal self-assessment was not completed due to resourcing constraints, however, the MTFS was reviewed against the updated Prudential Code and 2022/23 MTFS prepared in line with these changes.
Governance Arrangements relating to the Uttlesford Moving Forward Programme	Superseded by change of Chief Executive and move to Blueprint Uttlesford Programme.

5.2. Areas for improvement or monitoring during 2023/24

Area	Action to be taken in 2023/24	Responsible Officer
UNSL (Uttlesford Norse)	To monitor improvements in UDC's internal governance arrangements with UNSL.	CMT
Control Environment	Ensure implementation of control improvements identified by independent assurance providers (such as Internal Audit and other inspectors) promptly and in full, to ensure that weaknesses do not persist.	CMT
Review of Corporate Risk Management	To undertake an independent assessment of the Council's approach to Corporate Risk Management, to identify any organisational	Audit Manager/CMT

Area	Action to be taken in 2023/24	Responsible Officer
	improvement opportunities to ensure that the Council's risk management approach is proportionate and robust.	
Counter Fraud Strategy Action Plan	Monitor progress of delivery of actions in the Counter Fraud Strategy Action Plan to ensure that the Council's Counter Fraud Strategy is delivered.	Audit Manager
Standards Complaint Process	The Standards Complaints procedures need updating following the issues identified during the Internal Audit review.	Monitoring Officer

6. Certification

To the best of our knowledge, the governance arrangements, as defined above, have been effectively operating during the year. We did not find any matters that needed addressing during our review other than those that were previously identified and have been progressed.

Signed

Lea

Signed...

Chief Executive

Date: 27 January 2025



UTTLESFORD DISTRICT COUNCIL

Council Offices, London Road, Saffron Walden, Essex CB11 4ER
Telephone (01799) 510510
Textphone Users 18001
Email uconnect@uttlesford.gov.uk Website www.uttlesford.gov.uk

BDO LLP
16 The Havens
Ransomes Europark
Ipswich
IP3 9SJ

27 January 2025

Dear Sir/Madam

FINANCIAL STATEMENTS OF UTTLESFORD DISTRICT COUNCIL FOR THE YEAR ENDED 31 MARCH 2023

We confirm that the following representations given to you in connection with your audit of Uttlesford District Council's financial statements (the 'financial statements') for the year ended 31 March 2023 are made to the best of our knowledge and belief, and after having made appropriate enquiries of other officers and members of the Council.

The Strategic Director of Finance, Commercialisation and Corporate Services (S151 Officer) has fulfilled their responsibilities for the preparation and presentation of the financial statements as set out in the Accounts and Audit Regulations 2015 and in particular that the financial statements give a true and fair view of the financial position of Uttlesford District Council as of 31 March 2023 and of its income and expenditure and cash flows for the year then ended in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code).

We have fulfilled our responsibilities on behalf of Uttlesford District Council, as set out in the Accounts and Audit Regulations 2015, to make arrangements for the proper administration of Uttlesford District Council's financial affairs, to conduct a review at least once in a year of the effectiveness of the system of internal control and approve the Annual Governance Statement, to approve the Statement of Accounts (which include the financial statements), and for making accurate representations to you.

We have provided you with unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence. In addition, all the accounting records of Uttlesford District Council have been made available to you for the purpose of your audit and all the transactions undertaken by Uttlesford District Council have been properly reflected and recorded in the accounting records. All other records and related information, including minutes of all e.g. Council, management and other meetings have been made available to you.

Going concern

We have made an assessment of the Group and the Council's ability to continue as a going concern for a period of at least twelve months from the date on which the financial statements were approved for release. As a result of our assessment we consider that the Group and the Council is able to continue to operate as a going concern and that it is appropriate to prepare the financial statements on a going concern basis. Furthermore, we confirm that the disclosures included in the note P1 to the financial statements are sufficient.

In making our assessment we did not consider there to be any material uncertainty relating to events or conditions that individually or collectively may cast significant doubt on Uttlesford District Council's ability to continue as a going concern.

Laws and regulations

In relation to those laws and regulations which provide the legal framework within which Uttlesford District Council's business is conducted, and which are central to our ability to conduct our business, we have disclosed to you all instances of possible non-compliance of which I am aware and all actual or contingent consequences arising from such instances of non-compliance.

Post balance sheet events

There have been no events since the balance sheet date which either require changes to be made to the figures included in the financial statements or to be disclosed by way of a note. Should any material events of this type occur, we will advise you accordingly.

Fraud and error

We are responsible for adopting sound accounting policies, designing, implementing and maintaining internal control, to, among other things, help assure the preparation of the financial statements in conformity with generally accepted accounting principles and preventing and detecting fraud and error.

We have considered the risk that the financial statements may be materially misstated due to fraud and have made the results available to you. To the best of our knowledge, we are not aware of any fraud or suspected fraud involving management or employees that could have a material effect on the financial statements. Additionally, we are not aware of any fraud or suspected fraud involving any other party that could materially affect the financial statements.

To the best of our knowledge, we are not aware of any allegations of fraud or suspected fraud that have been communicated by employees, former employees, analysts, regulators or any other party that could materially affect the financial statements.

Misstatements

The backstop date has created time constraints that have impeded you from completing all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion and fulfil the objectives of all relevant ISAs (UK). In summary, the audit has been limited to the development of an overall audit strategy. You have not been able to perform all planning and risk assessment procedures. As a result, you have not been able to perform execution procedures and therefore this consequent had an impact on your ability to identify potential misstatements.

Related party transactions

We have disclosed to you the identity of all related parties and all the related party relationships and transactions of which we are aware. We have appropriately accounted for and disclosed such relationships and transactions in accordance with the applicable financial reporting framework.

Other than as disclosed in note 15 to the financial statements, there were no loans, transactions or arrangements between any Group entity and Council members or their connected persons at any time in the year which were required to be disclosed.

Carrying value and classification of assets and liabilities

We have no plans or intentions that may materially affect the carrying value or classification of assets or liabilities reflected in the consolidated Group and Council financial statements.

Accounting estimates

Significant assumptions made in relation to any accounting estimates used in the preparation of the financial statements:

- Assumptions of valuation of PPE
- Valuation of Investment Properties
- Valuation of Pension Liability
- Business Rates Appeals Provision
- Impairment allowance for doubtful debts
- Useful Economic Life & Depreciation charge
- Expenditure accruals based on management estimates

For each significant assumption depending on the nature, materiality and extent of estimation uncertainty, consider including representations:

- About the appropriateness of the measurement processes, including related assumptions and models used by management in determining accounting estimates in the context of the applicable financial reporting framework, and the consistency in the application of the processes;
- That the assumptions appropriately reflect management's intent and ability to carry out specific courses of action on behalf of the entity, where relevant to the accounting estimates and disclosures;
- That disclosures relating to accounting estimates are complete and appropriate under the applicable financial reporting framework; and
- That no subsequent event requires adjustment to the accounting estimates and disclosures included in the financial statements.

Litigation and claims

We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements and these have been accounted for and disclosed in accordance with the requirements of accounting standards.

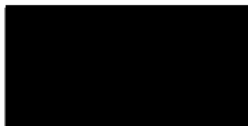
Confirmation

We confirm that the above representations are made on the basis of enquiries of management and staff with relevant knowledge and experience (and, where appropriate, of inspection of supporting documentation) sufficient to satisfy ourselves that we can properly make each of the above representations to you.

We confirm that the financial statements are free of material misstatements, including omissions.

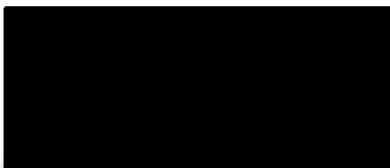
We acknowledge our legal responsibilities regarding disclosure of information to you as auditors and confirm that so far as we are aware, there is no relevant audit information needed by you in connection with preparing your audit report of which you are unaware. Each member has taken all the steps that they ought to have taken as a member of Uttlesford District Council order to make themselves aware of any relevant audit information and to establish that you are aware of that information.

Yours faithfully



Adrian Webb

Strategic Directors of Finance, Commercialisation and Corporate Services (s151 Officer)



Cllr Edward Oliver

Chair of the Audit & Standards Committee