



**FENLAND DISTRICT COUNCIL**  
**STATEMENT OF ACCOUNTS**

**2023-24**

**DRAFT**  
**(SUBJECT TO AUDIT)**

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**2023/24**

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## **NARRATIVE REPORT**

### **1. INTRODUCTION**

This report explains how we have worked with residents, partners and community groups over the past year to achieve the priorities in our Business Plan. Our priorities focus on our communities, our environment, and our economy.

### **2. ABOUT FENLAND**

Fenland has a strong community spirit and pride in its heritage. There are 103,537 people living in Fenland District (ONS: 2023), which covers 211 square miles within North Cambridgeshire. Over 70% of residents live within our four market town of Chatteris, March, Whittlesey and Wisbech, and our beautiful rural landscape is home to 29 villages.

Fenland has the lowest house prices in Cambridgeshire, with the average house priced at £241,483 (UK HPI August 2023), 22% less than the national average. With close proximity to large Urban centres such as Cambridge and Peterborough, Fenland's population continues to grow. By 2043, it's expected that our population will have increased by 13% to 116,831(ONS 2023).

In addition, 24,221 residents (23%) are aged over 64, above average compared to Cambridgeshire and the UK (ONS 2023). Alongside our partners, we are working to enable residents to access the support and resources they need to live happily, healthily and independently.

We also face some challenges around deprivation. We are the 80th (out of 317) most deprived area in the country (IMD: 2019). Nevertheless, we continue to work closely with our partner organisations to positively overcome these challenges.

Further details can be found in our Annual Report at: [Annual Report 2023/24](#)

### **3. ABOUT FENLAND DISTRICT COUNCIL**

Fenland District Council has 364 employees. As an organisation, our unique 'one-team' culture supports the effective delivery of our priorities. It enables officers, elected members and partners to effectively work together without the constraints of traditional department silos. We support and invest in our workforce to give them the skills they need to work effectively in their roles, which has been recognised by continued Customer Service Excellence (CSE) re-accreditations. In our latest Staff Survey (2022), 87% of staff said they were proud to work for us.

As an organisation, work is underway to ensure we are operating as effectively as possible – not only to meet current needs, but to meet future ones too. During this financial year we have taken forward the Commercial and Investment Strategy approved in early 2020. This strategy enabled us to establish Fenland Future Ltd (in June 2020), a wholly owned subsidiary, to take forward the development of Council owned landholdings. In addition, the Council has acquired an industrial property in Wisbech (in March 2021) which is leased to the private sector and a residential property in March 2022 which is currently being utilised by our homelessness service. A number of transformation projects, under our 'Council for the Future' agenda, spanning across a variety of service areas, are also changing the way we work to meet emerging needs.

With the cost of living skyrocketing across the board and energy, fuel, food, mortgage rates and rents all rising, it might have been expected that the Council would raise our element of Council Tax too. But instead, members froze the portion of our council tax to lessen the

financial burden on taxpayers – the sixth consecutive year of no rises in our share of the bill – and we have helped people to claim the support they are entitled to.

Here, as we outline our achievements for 2023/24, we're proud to have maintained excellent public services and pushed forward with ambitious plans for the future, while consistently offering our residents a year-on-year, real-terms cut in their Council Tax.

Despite many national and global challenges in recent years, and resulting strains on our finances, the Council has remained innovative, resilient, and steadfast in its determination to improve the lives of Fenland residents. We have continued to ensure the needs of our residents and communities are recognised and responded to, put arrangements in place to secure on-going improvement, delivered vital public services to the highest of standards and, with reduced budgets, provided better value for money each year.

We have supported vulnerable members of our community; led emergency responses and built resilience; prevented and tackled homelessness; helped people to live in good quality, safe housing; worked with the police to prevent and tackle crime and anti-social behaviour; encouraged our residents to live healthier, more active lifestyles; protected and enhanced our parks and green spaces; cleaned streets and dealt with the district's waste and recycling; promoted and lobbied for infrastructure improvements; improved our air quality; secured investment in the district and held numerous community events all across Fenland.

Our Annual Report gives a summary of this work, outlines what we have achieved in the past year and how we have spent the money we receive, and charts progress made against the ambitions and commitments set out in our Business Plan 2023/24.

We have helped provide secure, well managed and affordable housing, ensuring more families have a safe place to call home, and invested in our parks and open spaces, recognising their importance for the wellbeing and enjoyment of all our residents. We also invested in our leisure centres, delivered much-loved community events, and launched a pilot 'Early Help Hub', a bespoke 'one stop shop' of support and advice.

We also successfully secured more funding for Fenland, to deliver thousands of pounds of grant funding for businesses, boost arts, culture and heritage activities, tackle fly-tipping, help reduce youth anti-social behaviour, and much, much more. Our ongoing transformation agenda has continued to be another key area of focus. By further enhancing our online platforms, developing more modern and resilient working practices for staff and improving customer experience, we have made it easier for residents to access the information and support they need, ensured greater efficiency and accessibility, and provided even better value for money.

We hope the report demonstrates the huge breadth of work we undertake with partners and the voluntary sector to make a positive difference to the lives of Fenland residents, and to ensure the district is well prepared for the future.

### **Partnership Investment in Fenland**

We're working hard to attract the crucial external funding needed to unlock Fenland's potential and bolster its prosperity and resilience in the coming years.

Our previous policy of applying for any and all funding opportunities will now have to be tempered by any potential financial liability that the Council could face, particularly in respect of rising capital costs and the new requirement upon the s151 Officer to guarantee that the Council will meet any additional unanticipated costs when applying for some Government funding opportunities.

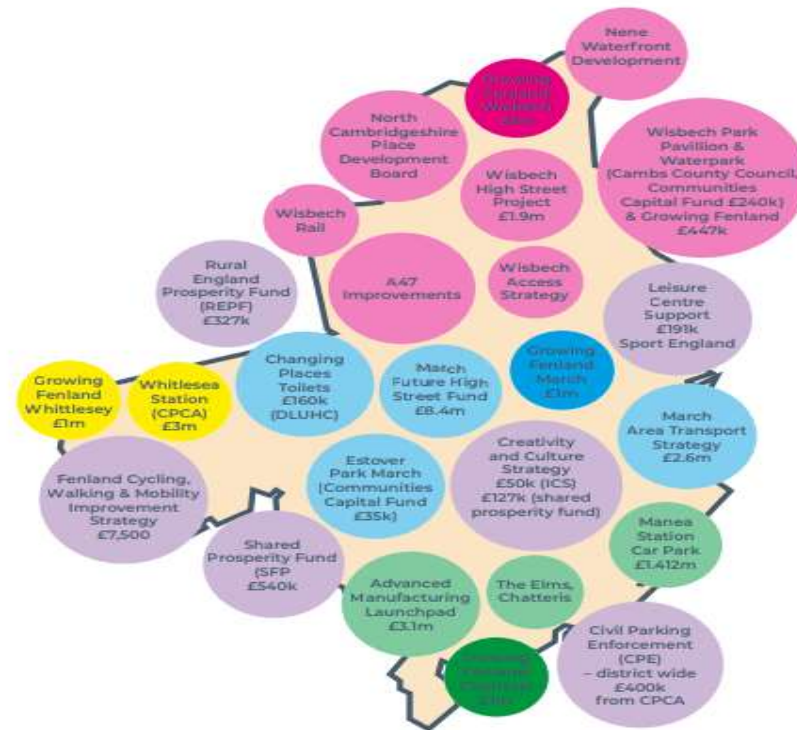
The diagram shows some of the projects currently in progress across the district thanks to millions of pounds worth of inward investment already secured.

The projects include development and regeneration of key sites, investment to improve transport and digital connectivity, and innovation and technology centres.

The opportunities will help to boost our economy, support new skills opportunities, and create much needed new jobs.

Although many of these funding schemes are focused on our four market towns, our local villages will also benefit, as will neighbouring communities across Cambridgeshire, Norfolk, and Lincolnshire. Improvements to our rural communities are equally as important and are included in our investment work.

Extract from the Council's 2024/25 Business Plan - Key Projects in Fenland



#### 4. GOVERNANCE

Fenland District Council is made up of 43 Councillors, representing 18 wards.

Councillors are elected every four years by local residents to represent their area, make decisions and set priorities for the district.

We operate a Leader and Cabinet style of governance. This involves a Cabinet of 10 Councillors, each with specific responsibilities.

Currently, the Conservative group holds the majority with 35 seats. The remaining 8 seats are made up of 6 Independent Councillors and 2 Liberal Democrat Councillors.

#### 5. OUR PRIORITIES

Our mission as a Council is 'To improve the quality of life for people living in Fenland'

Our Business Plan sets out the priorities we aim to deliver over the next 12 months. These priorities have been developed to address the most important needs of our communities and set a framework for how we will work towards our ambitions for the area and achieve our goal of creating a thriving place to live and visit.

Our core priorities focus on three areas: Communities, Environment and Economy. These priorities primarily focus on the statutory and wide variety of services that we provide day-to-day. In a typical year we empty 3 million bins, clean 210 square miles of town centres and open spaces, answer 60,000 telephone enquiries and determine 1,300 planning applications – and more!

A fourth priority, Quality Organisation, sits alongside everything we do. It aims to ensure that the Council runs effectively, transparently and sustainably. We invest in and support our workforce to ensure they have the skills and resources they need to work to the best of their ability.

Each priority is underpinned by a series of performance indicators, which are used to track progress, measure success, and identify areas for improvement. All performance indicators are reported to all elected Members at our Council meetings. These public reports are summarised to provide end of year performance updates against our priorities in our Annual Report, which is available to download on our website.

Where a priority does not have a linked performance indicator, usually where we work towards objectives with partners, updates will be reported via Portfolio Holder Briefings at Council meetings.

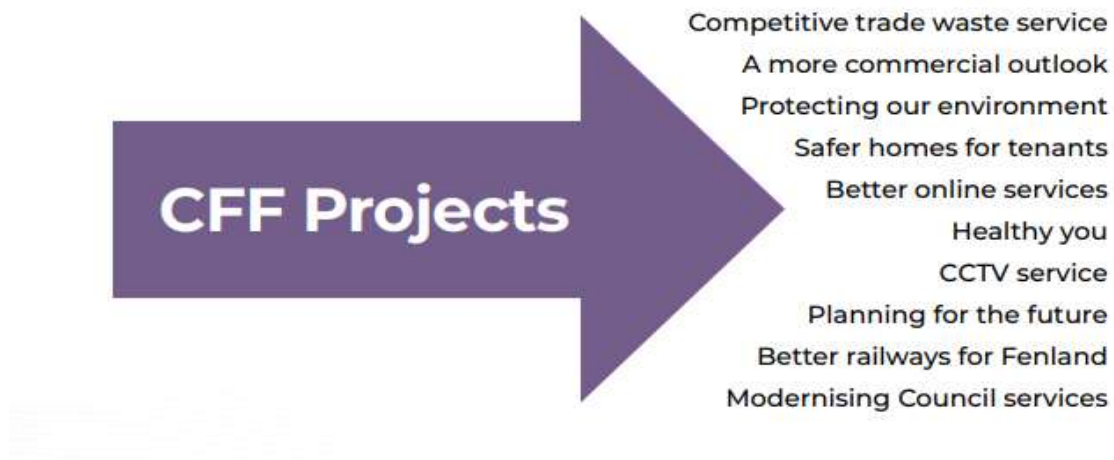
We also have a fifth cross cutting priority: Transformation Agenda. This priority encompasses our ongoing transformation work to improve efficiency and customer experience, drive positive change and ensure the Council is fit for the future.

#### **Summary of Corporate Priorities 2024/25:**



## 6. COUNCIL FOR THE FUTURE

In 2019, we began our Transformation Agenda programme when our Cabinet members selected a number of projects that would help contribute towards our 'Council for the Future' ambitions. Although varied in scope and complexity, these 12 projects tackled areas of particular need in Fenland, and helped to sustainably transform our services whilst ensuring our organisation was fit for the future. Outcomes for each of the projects can be viewed in our 2023/24 Annual Report.



In 2023, at the start of a new term of office following the Local Elections, our members committed to building on the successes of the Transformation Agenda, and to develop a second phase – Transformation Agenda 2.

Spanning across all services within the council, the Transformation Agenda 2 programme ties together all major 'change' initiatives that are looking to improve how the council works and delivers services.

Whether this is reviewing a service, how systems support delivery or how staff are able to conduct their jobs in a more effective and flexible manner, the programme will aim to ensure we are an effective and efficient council for the future.

## 7. OUR COMMUNITIES

### Support vulnerable members of our community

- With many people under financial pressure due to the ongoing cost-of-living crisis, we continued to help those in need of support. Together with our partners, we helped people to claim the financial support they are entitled to, know how to make their homes warmer and cheaper to run, manage debt or know where to turn if they need advice. Work has included additional training for customer services staff, helping them to identify those who may be struggling with the cost of living and equipping them to process applications for financial support, and continued funding for Citizens Advice Rural Cambs, helping ensure they can carry out their activities supporting Fenland residents. We also administered our Council Tax Support Fund for vulnerable households and provided additional support through our Council Tax Reduction scheme and exceptional hardship funds. In October 23, following Storm Babet, we also assisted customers affected by flooding, providing impacted households and businesses with support.
- Our Housing Options team received 2201 requests for homeless advice and assistance (up 7.3% from last year); 1,143 of these approaches were resolved through the advice

provided. 275 households were prevented from becoming homeless through various forms of intervention including (but not limited to) mediation, emotional support, budgeting advice, financial support and assisting with sourcing alternative accommodation.

- Through our Disabled Facilities Grants scheme, the Council provides home adaptation works for elderly, disabled and vulnerable householders to help them continue to live safely and independently in their homes. Last year we assisted 141 households with adaption works. These included the installation of walk-in showers, stairlifts, ramped access facilities and specialist equipment such as person hoists.
- The 16th Pride in Fenland awards was held in March 2024 to celebrate individuals and groups that give selflessly to others. There were a record 117 nominations for 79 different groups and individuals. Brave and selfless children, an octogenarian, who has spent decades running her chapel - and still varnishes the floors herself, and groups and individual volunteers who go to amazing lengths to get food to struggling families, elderly people and the homeless were among those celebrated.
- Our Golden Age project, which helps provide older residents with advice on services and support available to them at events across Fenland, hit a remarkable 20 years of service to the community in 2023. The events were launched in 2003 by the late Cllr Mac Cotterell MBE and have continued to be valuable to residents – and an enduring Council priority – ever since. Over the past year, events have been held in Whittlesey, Christchurch (where our first ever event was held in 2003), Wimblington, March and Parson Drove, attracting over 500 visitors in total. The events were supported by 35 different organisations and providers of care, financial assistance, social activities, health provision and other services for the over 60s. To date, almost 7,500 visitors have attended the Golden Age events.
- The Council recognised the substantial use of bed and breakfast accommodation for families whilst they were being supported through the homelessness process. This type of accommodation is not only unsuitable for families but also incurs significant costs. In response, the Council submitted bids to the Government's Local Authority Housing Fund and successfully secured a grant to contribute towards the purchase of 33 properties. These properties will offer safe and comfortable temporary housing for homeless families while their situations are assessed and addressed. This initiative aligns with the Council's Medium Term Council Strategy, providing both better living conditions for families and cost savings for the Council.

### **Promote health and wellbeing for all**

- In December 2023, we celebrated five years of working in partnership with Freedom Leisure to provide leisure centre services across the district. Despite an extremely challenging few years for the leisure industry with the COVID pandemic, energy cost crisis and cost of living challenges, the partnership has not only ensured that our leisure centres stay open, when the swimming pools elsewhere in the country have closed, but that provision continues to be delivered at reduced cost to the taxpayer (compared with the in-house arrangement prior to the partnership). In 2023/24, there were improvements to the gym changing rooms at George Campbell Leisure Centre in March which has also seen a state-of-the-art Changing Places toilet and reception area improvements completed in May 2024. Major investment to improve energy efficiency at the swimming pool facilities is also planned for 2024/25. Total visits for the year exceeded 500,000 across the four centres and membership has remained stable despite economic pressures on customers. Additionally, customer satisfaction remains above the industry averages.
- Our Active Fenland team successfully secured grant funding from the Integrated Care System and Cambridgeshire County Council Public Health to help people of all ages and back grounds to get more active, more often, and to lead healthier lifestyles. The funding helped to deliver 590 sports and physical activities to Fenland communities, including badminton, running, walking football, table tennis, yoga and strength and balance sessions,



as well as tea dances and 'Love to Move' classes. In 2024, the team will be launching specific Active for Health sessions to encourage inactive and overweight people to become healthier and more active.

- We have continued to invest in our well-used and highly valued parks and open spaces. Together with our contractor Tivoli, we look after more than 135 hectares of parks and open spaces across Fenland. Work in the past year has included the opening of a new community pavilion joint funded by Fenland District Council, Cambridgeshire County Council and the Cambridgeshire and Peterborough Combined Authority, and an extensive play area makeover in Wisbech Park. The team continues to manage our cemeteries and closed cemeteries, maintaining a good service to the local community of these important reflective green spaces.
- With funding from Public Health, we began work on developing the Fenland Early Help Hub, a pilot approach to approve collaborative service delivery across organisations for the benefit of residents. The hub will bring together a network of partners and services including health, housing, benefits, voluntary sector, primary care networks and more to provide a bespoke "one stop shop" of support and advice to individuals or families in their times of need. The objective will be to connect people to help and support earlier to prevent issues escalating and reduce the need for higher cost interventions. Phase 1, due to launch in the summer of 2024, will focus on supporting residents into/back into employment and training – with a view to expanding if future additional funding can be secured.

### **Work with partners to promote Fenland through culture and heritage**

- We have successfully delivered the first round of the new Fenland Culture Fund, granting 19 organisations funding of more than £34,000 to boost arts, culture and heritage activities across the district. Funded projects that have already taken place include art and photography exhibitions, a food and culture festival, remembrance murals, art workshops for students and the purchase of equipment to improve access to creative resources in Fenland. The second round of the grant scheme, funded by the Arts Council England and the Government's UK Shared Prosperity Fund, is due to launch later in 2024.
- We secured £50,000 of funding from the Cambridgeshire and Peterborough Integrated Care System and worked together with Fenland-based 20Twenty Productions, an Arts Council England National Portfolio Organisation, to enable the delivery of the 'Express Yourself' project. The project supports children and young people's health and wellbeing through arts and cultural activity, based on the NHS 'Five Ways to Wellbeing'. So far, the project has positively engaged 200 children and young people across the district and gained fantastic feedback. It has also provided freelance creative opportunities for nine artists and professionals who have delivered the sessions and received training to further their own skills and development. • In partnership with the council's Culture, Arts and Heritage Executive Advisory Committee, we successfully delivered the 2024 Fenland Poet Laureate Awards. The prestigious competition saw a total of 63 entries across the two adult and young poet categories, with an awards ceremony held in March 2024. His Majesty's Deputy Lieutenant of Cambridgeshire, Dan Schumann, who was among the guests at the ceremony, said the creativity and talent shown on the night was "truly remarkable". • We, once again, supported the delivery of March Christmas Market and the Fenland Four Seasons events: March St George's Festival, Chatteris Midsummer Festival, Whittlesey Festival (which returned for the first time since Covid) and Wisbech Christmas Fayre. Thousands of visitors attended, and hundreds of businesses and community groups were able to boost funds with stalls. Town centre footfall tripled on the day of Wisbech Christmas Fayre. A new online booking system for pitches at events was successfully launched at the beginning of 2024.
- The Council's long running commitment to improve Wisbech High Street as part of the National Lottery Heritage-funded Wisbech High Street Project, continued as contractors

began work on developing 24 High Street, which has been a gap in the run of shops for 40 years. Building is expected to be complete by the end of 2024. Architects worked on a plan for 11- 12 High Street, a site also owned by the Council to prevent it being a continued blot on the High Street. The Council is also working closely with owners of fire damaged 5 Market Place

Performance Indicators	Target 2023/24	Performance
Total number of private rented homes where positive action has been taken to address safety issues	250	294
Proportion (%) of households presenting to the Council as homeless whose housing circumstances were resolved through Housing Options work	57%	45%
Number of empty properties brought back into use	50	86
New Homes Bonus achieved as a result of bringing empty homes back into use	£45,000	£109,173
Number of Active Health local sessions per year that improve community health	650	621
Customer feedback across Freedom Leisure facilities in Fenland	30	47
Value of Grants for creativity and culture managed by FDC	£201,000	£199,000

## 8. OUR ENVIRONMENT

### Deliver a high performing refuse, recycling and street cleansing service

- We carried out more than 2.9 million bin collections from across the district, in all weathers, and collected more than 8,450 tonnes of materials for recycling. Cost of living pressures on residents resulted in less general waste and recycling being produced, but the majority of households continued to recycle their waste well – helping to generate more than £318,000 of income to support our services. Customer satisfaction with our Refuse and Recycling and Garden Waste (Brown Bin) services remains high with 94% and 90% respectively. The Garden Waste service has continued to remain popular with subscriptions at an all-time high of over 24,212 in 2023/24.
- We delivered a competitive trade waste service to almost 600 business customers, collecting over 1,260 tonnes of waste, including 133 tonnes of recycling and 98 tonnes of food waste. The service generated more than £522,600 of income to support our services.
- Our Cleansing and Rapid Response team continued to provide the excellent seven-day street sweeping, litter picking and fly-tipping removal service in our towns and villages. Last year they responded to 2,006 service requests from the public, with 93% actioned on the same or next day. Over 1,200 quality inspections were made in areas of high footfall – 97% met cleansing standards first time.

### Work with partners and the community on projects that improve the environment and our street scene

- We worked with a number of community environmental volunteering groups, including Street Pride, In Bloom and Friends Of groups, who carried out litter picks, planting and other community projects to help to keep Fenland clean, green and safe for all to enjoy. We once again supported Keep Britain Tidy's national Great British Spring Clean campaign, with 13 Street Pride groups, residents and schools getting involved in the country's biggest environmental clean-up. Benwick Street Pride celebrated its 10th anniversary and scooped a Silver Gilt award in the Anglia in Bloom competition, winning the small village category, while Chatteris In Bloom won the town category with a prestigious Gold award.

- The council also secured funding from the Cambridgeshire Police and Crime Commissioner's Safer Communities Fund to purchase new trolleys and boost Street Pride volunteers' litter picking efforts. Over £37,000 was also awarded to community groups living within the vicinity of wind turbines to improve their local environment. Projects included enhancements to green spaces, water harvesting, installation of compost toilets, switching to LED lighting and upgrading a bowls club to double glazed windows and doors.
- Our Street Scene team spent 4,500 hours out and about in the community, in all weathers, working on various proactive environment and street scene enforcement projects. Their work includes investigating fly-tipping and abandoned vehicles, carrying out littering and dog fouling patrols, enforcing dog control orders, and issuing fines to motorists parked illegally in our car parks. In 2023/24, the team issued 23 Fixed Penalty Notices for waste offences and successfully prosecuted two individuals for fly-tipping, with a combined fine total of £1,540 imposed by the courts. The team also investigated 236 reported abandoned vehicles and issued six car parking fines to drivers parked illegally at March Market Place. The team also successfully secured £3,900 from the Cambridgeshire Police and Crime Commissioner's Safer Communities Fund to tackle fly-tipping through signage, community engagement, waste removal and two new cameras for covert surveillance.

**Work with partners to help keep people safe in their neighbourhoods by reducing crime and anti-social behaviour and promoting social cohesion**

- Our shared CCTV service with Peterborough City Council maintained its 100%, round-the-clock service function – operating 24 hours a day, 365 days a year. The service delivered over 4,300 pro-active camera patrols, responded to over 1,100 incidents of crime and disorder across the district and supported our policing partners to make over 150 arrests for offences, helping to protect local communities and make the district safer. The CCTV service also provides the council's 'out of hours' telephone contact services, for example, homelessness, stray and lost dogs, cleansing incidents, dangerous buildings and structures, damaged trees, to name but a few areas. During 2023/24, the CCTV service has responded to over 388 calls for services from our telephone contact service.
- Our Community Support and Community Safety teams successfully secured £84,000 from the Government's UK Shared Prosperity Fund to deliver two projects in Wisbech:
  - £50,000 is being invested in youth provision, working with young people to enhance their life chances and choices. Work is ongoing to March 2025 but projects in 2023/24 included two 'Firebreak' fire service training courses with Cambridgeshire Fire and Rescue Service, football training with Peterborough United's POSH foundation, self-confidence, wellbeing and boxing training with Jordan Gill Next Generation, youth involvement in the development of a physical training programme with Living Sport, music production, coding and dance workshops and more.
  - £34,000 is being invested to help reduce youth anti-social behaviour (ASB). The project is being delivered by Youth of Fenland CIC who completed 26 youth outreach sessions in Wisbech, engaging 347 young people on subjects that concerned them. Opportunities included individual support, referral to young people support services, supporting young carers and better access to education. The funding also supported the expansion of Operation Luscombe, a successful, police-led partnership response to street level ASB in Wisbech. From November 2023 to March 2024 there were 31 police patrols, providing opportunity for 169 individual community engagements, 13 ASB incidents dealt with, and 18 formal enforcement interventions. Enforcement interventions included the seizure of alcohol, cannabis and illegal vapes.
- Our Community Safety team received 247 referrals for anti-social behaviour (ASB) from various sources, including through our online reporting tool as well reports directly from

councillors and partner agencies. Of the cases formally investigated by Community Safety, 60% related to nuisance behaviour, 23% were environmental ASB and 17% were considered to be personally directed at the person reporting. The team is also part of the Fenland Community Safety Partnership (CSP), a statutory group responsible for reducing ASB and crime and the fear of ASB and crime. In 2023/24, the partnership delivered a variety of projects with a focus on domestic abuse, serious organised crime, cybercrime, scams, and hate crime. Activities included community engagement sessions to raise awareness and give people the opportunity to discuss concerns, and training sessions for frontline professionals and volunteers.

- The partnership also worked with the retail sector to reduce shoplifting, linked with local taxi providers to help combat domestic abuse, supported Cambridgeshire Constabulary with their Business Against Abuse rollout in Fenland and worked with the Diverse Communities Forum and Cambridgeshire Constabulary to raise awareness of third party hate crime reporting centres. In addition, the CSP worked closely with the Office of the Police Crime Commissioner (OPCC) to deliver externally funded projects such as Safer Streets initiatives, and to support the OPCC Crime Plan.

Performance Indicators	Target 2023/24	Performance
Rapid or Village Response requests actioned the same or next day	90%	93%
% of inspected streets meeting our cleansing standards	93%	97%
% of collected household waste recycled through the Blue Bin service	28%	26.5%
Customer satisfaction with Refuse and Recycling services	90%	93.6%
Customer satisfaction with Garden Waste service	85%	89.8%
Number of Street Pride, Green Dog Walkers and Friends of Community environmental events supported	204	245
% of local businesses who thought they were supported and treated fairly	95%	100%
% of those asked who are satisfied with Fenland District Council's events	90%	97%

## 9. OUR ECONOMY

### Attract new businesses, jobs and opportunities whilst supporting our existing businesses in Fenland

- The Economic Growth team, Fenland for Business, continued to provide advice and support to numerous businesses, including around funding, skills and training, business premises and research and development. Among the businesses supported were Whittlesey's Rai and Rai Bathrooms, which is deaf-led and provides inclusive employment opportunities, with several deaf team members. And Vita Nova Solutions, in Chatteris, which credits the support received as being a key contributor to its ongoing growth as a local employer. The team also engaged with 59 companies considering Fenland as an inward investment or expansion location, with three successful inward investments, one foreign direct investment from Peru and four expansions.
- The Economic Growth team awarded:
  - £194,910 to eight Fenland businesses through the UK Shared Prosperity Fund. All available funds (for years one and two of the funding award) were distributed and projects delivered by the 31 March 2024 deadline. The funding helped businesses to invest in new technology, diversify their income or create new employment opportunities.

- £75,005 to fifteen businesses through the UK Rural England Prosperity Fund. The funding helped rural businesses to develop new products and facilities that will be of wider benefit to the local economy, including farm businesses looking to diversify income streams).
- Launched three additional grants through the UK Shared Prosperity Fund (year three) in December 2023, with expression of interest applications closing on 6 April 2024.
- For the Investment in Business Fund - 123 expressions of interest were received. Grants requested totalled £2,632,284 with a projected return of investment totalling £4,513,000. Though, only £316,500 is available.
- For Fenland Start-Up Business Support Programme – 26 expressions of interest received.
- Fenland Rural England Prosperity Fund – 20 expressions of interest received.
- The team engaged and informed businesses through their relaunched website, newsletter, social media, in-person meetings and business events held in association with partners such as the Chamber of Commerce, Smart Manufacturing Alliance, the Department for Work and Pensions and Innovate East. They also worked skills organisations to help ensure they link with local businesses and their skills needs, including Cambridgeshire and Peterborough Combined Authority Growth Hub, the College of West Anglia, the North Cambridgeshire Training Centre and Anglia Ruskin University in Peterborough.

#### **Promote and enable housing growth, economic growth and regeneration across Fenland**

- 2023/2024 saw a significant uplift in the delivery of affordable dwellings in Fenland in comparison to the previous two years. 16 of the affordable ownership units in 2023/2024 were delivered as part of the First Homes scheme and were the first ones within the district.
- Work continued on plans to develop two new housing schemes on sites formerly owned by the Council – The Elms in Chatteris and Nene Waterfront in Wisbech. The schemes, being developed by the Council's investment arm Fenland Future Ltd, will help to address local housing needs while generating a financial return that can reinvested back into local communities.
- Work continued on projects outlined in our Growing Fenland masterplans, part of the Cambridgeshire and Peterborough Combined Authority (CPCA) strategic Market Town Masterplans. In 2023/24, this included the relocation of Chatteris Museum into new premises (the former Barclays Bank building), improvements to the sports courts at the Manor Leisure Centre in Whittlesey, progress on the March Future High Streets Fund project, and work to develop the case for a Whittlesey Relief Road.
- Our planning team determined 645 major, minor and other planning applications – between 68% and 92% of these were decided on time, depending on application type. The team also dealt with 674 other types of application (such as prior notifications, certificates of lawfulness, discharge of condition, general enquiries, and licensing requests) and received 81 pre-application enquiries, in addition to 'traditional' planning applications. We also received 214 planning enforcement complaints and resolved 143 cases. During 2023/24, the team also implemented efficiency improvements to planning processes as part of the council's ongoing transformation work.
- Work continued on March town centre's multi-million pound regeneration, a programme of inter-related schemes being delivered by various partners to transform and futureproof the town centre. Highlights of 2023/24 include:

- Completion of the Market March Place improvements scheme.
- Purchase of the former Barclays Bank in Broad Street, to prevent it falling into disrepair and secure the site for future development.
- Start of work on the Broad Street scheme in June 2023, including transformation of the road layout and new public realm area. The scheme is due for completion in October 2024.
- Specialist removal of historic Grade II Listed fountain for careful storage, ready for specialist repair and reinstatement once Broad Street works are complete.
- Redevelopment of partially derelict and one of March's oldest Conservation Area buildings, 26 Market Place, into retail and residential use, with support from the regeneration project's grant scheme.
- Grant funding investment into March Dental, now a flagship business on Broad Street.
- Demolition of old toilet block to enable redevelopment of the riverside and further progress on Broad Street.
- Design and costing of a new toilet block will be built in Grays Lane.
- Increase in car parking spaces in the City Road car park, on the site of the old recycling centre.
- Increase in the number of taxi bays within the town centre.

#### **Promote and lobby for infrastructure improvements across the district**

- Supported by Cambridgeshire and Peterborough Combined Authority funding, work continues to improve transport connectivity in Fenland. Highlights in 2023/24 include:
  - Progress on the Fenland Railway Station Masterplans project including the opening Manea Station car park. The car park, designed to serve the station's current demand and accommodate future growth, was opened as rail journeys from the station increased to over 21,000 a year for the first time.
  - Securing £3million for a programme of enhancements at Whittlesea Station (to be spent between April 2024 and March 2027). An Outline Business Case and option development work will form the first phase of work in 2024/2025.
  - Contractor appointed for the Whittlesey Relief Road project, as part of the town's Growing Fenland masterplan. Work on an Outline Business Case will begin evidencing the need for the relief road which would help to improve journey reliability, reduce congestion, and increase capacity for new housing as well as improve air quality and road safety conditions.
  - A number of scheme recommendations from our Fenland Cycling, Walking and Mobility Aid Improvement Strategy were completed. These included lining and signage improvements across March, as part of the March Area Transport Strategy, and improved footpaths and bus stops on the A605, Whittlesey, as part of the new Aldi supermarket and residential development.

- The Hereward Community Rail Partnership, managed by Fenland District Council in partnership with train operators, railway user groups, station adoption groups and local residents, continued work to promote and enhance the Hereward railway line and its

Performance Indicators		Target 2023/24	Performance
% of major planning applications determined in 13 weeks		70%	92.3%
% of minor applications determined in 8 weeks		70%	67%
% of other applications determined in 8 weeks		80%	86%
% occupancy of our Business Premises estate		90%	94.2%
% occupancy Wisbech Yacht Harbour		95%	95%

stations at Peterborough, Whittlesea, March, Manea and Ely. Highlights included regular 'Meet the Manager' events, securing funding for Manea walking and cycling map and a series of mini maps, and developing materials to promote the railway line including a drone video.

## 10. QUALITY ORGANISATION

- We collected over £68.3million in Council Tax and £24.7million in Business Rates. This plays a major part in funding the key services we provide to the community. Over 85% of the council tax collected is also passed onto the Police, Fire Service, County and Parish Councils – see the 'Money Matters' section for more information.
- We continued to roll out our ongoing transformation agenda programme to optimise our workforce, improve services and customer experience and make it even easier for people to interact with the Council. Phase 1 and 2 of the programme is on track to deliver over £1m savings over the medium term and has not only helped develop more modern and resilient working practices for staff, but also improve customer experience. The MyFenland team also answered more than 50,800 phone calls and resolved 99% of customer queries at the first point of call. We also received 6,653 payments via PayPoint, totalling over £850,000.
- Our website saw over 335,000 visits and received over 21,750 online form submissions across 49 different topics. The front page of the website was regularly updated with the latest news, events and consultations to maintain and develop user engagement. As part of our ongoing work to improve our digital services and user journeys, we also expanded our suite of online forms, with a new bulky waste form and updates to our suite of environmental services. The forms enable residents to apply for services or submit information online 24/7, and automatically transfer information received directly to teams on the ground and into back-office systems – saving hours of resource in processing time.
- Our Social Media channels continue to thrive, with 8,850 followers on X (formerly Twitter), 7,700 on Facebook, and 1,670 on LinkedIn. Over the past year, we have utilised these platforms to help engage and inform residents and businesses alike, with council news, events, campaigns, service updates and awareness, and consultations. We also use the channels to promote our online services and customer self-service forms and advocate behaviour change to tackle issues such as fly-tipping and dog fouling and improve recycling rates. We have also increased our use of video content to further develop our online engagement.
- The Licensing team issued 520 licences and dealt with 123 service requests for a variety of licensable services including Taxi, Premises, Alcohol, Scrap Metal and Animal Licensing, to help ensure such businesses are well managed and operating safely and legally. As part of

the Responsible Authority Officer group, the team also worked with internal and external partners to deliver multi-agency enforcement days within the district. 16 Quality Organisation Infographic TBC

- We consulted with residents, stakeholders and partners about a wide range of topics to help us understand local people's priorities and shape our service. Consultations included asking for views on our draft Budget and Business Plan and plans to extend Public Spaces Protection Orders (PSPOs) to help tackle issues associated with irresponsible dog ownership, such as dog fouling, and anti-social behaviour and street drinking in Wisbech. We also carried out regular satisfaction surveys for our green and blue bin service, garden waste service and street cleansing. In November 2023, our Environmental Health team also undertook a new initiative to engage with residents by asking them to suggest sites for air quality testing.
- We were reaccredited with the Government's prestigious Customer Service Excellence (CSE) award last year. The CSE standard serves as a national quality mark, recognising organisations in both the public and private sectors that embody a genuine customer-centric culture and strive for continuous improvement. The independent assessor also bestowed the Council with CSE 'Compliance Plus' accreditation in six areas, recognising its adherence to best practices.
- Our Environmental Health team has delivered a wide range of services:
  - Supported hundreds of food businesses to ensure compliance with a wide range of regulatory requirements. Given advice and undertaken inspections at more than 350 business premises, ensuring the highest of standards can be achieved. A large number of these businesses received a food hygiene rating of 5, the highest award possible under the national scheme. In 2023, we commenced a series of social media campaigns supporting those premises who receive the highest ratings.
  - Investigated more than 1,800 reports of noise or other environmental problems that may be affecting residents, the majority of these being resolved informally.
  - Carried out a review of air quality testing monitoring sites, informed by public consultation. The work included the identification of four new testing locations from residents, the relocation of 13 NO2 placements and locations that residents raised ongoing concerns about being retained. Work with the Combined Authority also saw the installation of three new air quality monitors across Whittlesey and Wisbech, with funding bids submitted for a further monitor in Whittlesey.
  - With the reopening of Port of Sutton Bridge, our international responsibility for Ship Sanitation Inspections recommenced at the beginning of 2024, with regained focus going into the next year. We are designated by the World Health Association to provide a port health function to international and domestic ships that access our ports. 17 Quality Organisation Infographic TBC
  - We inspected 32 industrial processes, ranging from incinerators to maggot breeding facilities, seeing the application for one new process and the variation of four existing permits.
  - Assisted UK Health Security Agency (UKHSA) with infectious disease outbreaks including salmonella, norovirus, campylobacter and cryptosporidium, including proactive sampling of high-risk food products as part of a national sampling programme.
  - Working with the Integrated Care Partnership, we introduced a new referral process for households suffering with environmental hazards such as rodents, bed bugs and other public health pests.



- Continued to support and advise those businesses licensed to undertake skin piercing, including tattooing, acupuncture, Botox and eyebrow microblading.

Performance Indicators			Target 2023/24	Performance
% of customer queries resolved at the first point of contact			90%	99%
% of customers satisfied by our service			90%	97.94%
% of contact centre calls answered within 20 seconds			46.5%	43.96%
% of contact centre calls handled			80%	83.46%
Days taken to process Housing Benefit new claims and changes			8.0 days	7.37 days
Days taken to process Council Tax Support new claims and changes			9.0 days	9.52 days
% of Council tax collected			95.72%	99.40%
Council Tax net collection fund receipts			£68,755,817	£68,341,134
% of NNDR Collected			96.79%	96.58%
NNDR net collection fund receipts			£24,779,458	£25,460,126
Number of online forms submitted via FDC website			21,000	21,848

## 11. FINANCIAL PERFORMANCE

### The 2023/24 Revenue Budget Process

The Revenue Budget for 2023/24 was prepared against a background of meeting the Council's Corporate Plan objectives whilst continuing to face significant financial pressures. A balanced budget was produced that included a deliverable level of savings and income, provided for investment in key services and funding from general reserves. This was achieved through a budget strategy that resulted in:

- the delivery of savings through the service transformation review process;
- making efficiencies through specific budget reviews and contract renewals;
- maximising new and existing income streams;
- recognising cost pressures and making decisions on budget changes where necessary; and
- strategic use of general reserves

Council approved a net revenue budget for 2023/24 of £15.733m (£15.729m plus £0.004m transfer to reserves) at its meeting on 20 February 2023. Council also approved the Fees and Charges proposals that support delivery of the revenue budget, the Treasury Management Strategy and Capital Programme and funding for 2023/24- 2025/26.

### Council Tax

At its meeting on 20 February 2023 Council resolved to reduce it's element of Council Tax by 2% in the 2023/24 financial year. The County Council increase for 2023/24 included 3% for the Adult Social Care precept (£44.09) and 1.99% on the general council tax (£29.17), giving a total increase of 4.99% (£73.26). For 2023/24, the Police and Crime Commissioner was allowed to increase council tax by up to £15.00 on a Band D property. The actual increase is £14.94 (5.80%). The Fire Authority increased theirs by 6.60% (£4.95) and Cambridgeshire and Peterborough Combined Authority agreed a precept for the first time in 2023/24, resulting in a council tax level of £12.00 on a Band D property.

The calculation of the 2023/24 Tax-Base resulted in an increase of 395 in Band D equivalent properties (as shown in the table below). The increase in Band D equivalent properties reflects both an increase in properties built and a reduction in the number of people claiming Council Tax Support.

The comparison of Council Tax levels and Tax Base from 2021/22 to 2023/24 is shown below:

<b>Band D Council Tax by authority</b>	<b>2021/22 £</b>	<b>2022/23 £</b>	<b>2023/24 £</b>
Fenland District Council	260.46	260.46	255.24
Cambs. County Council	1,399.77	1,469.61	1,542.87
Cambs. Police & Crime Commissioner	247.59	257.58	272.52
Cambs. Fire Authority	73.53	74.97	79.92
Cambridgeshire & Peterborough Combined Authority	0	0	12.00
	1,981.35	2,062.62	2,162.55
Parish Councils (Average)	48.05	48.48	51.17
<b>Total average Band D Council Tax</b>	<b>2,029.40</b>	<b>2,111.10</b>	<b>2,213.72</b>
Total average increase	56.56 (2.87%)	81.70 (3.96%)	102.62 (4.86%)
Council Tax Base			
Number of Band D equivalent dwellings	30,143	30,664	31,059

### Revenue Spending

For 2023/24, the Council agreed an original budget of net spending on services of £15.733m and then revised it in February 2024 to £16.391m. This sum was to be financed in part by Government Grant together with the Council's share of Business Rates, with the remainder being raised through Council Tax.

In February 2024 the Council's year end position was estimated as a deficit of £548,352. It is important to note that this figure was based on projections as at the end of December 2023 and the report to Council also noted that there were still many uncertainties around the year-end position, particularly around projected income levels, government grants for new burdens and the projected support required by Freedom Leisure.

Following the closure process, the full position shows a net deficit of £212,425, an improvement of £335,927 compared to the previous projection. The net deficit of £212,425 represents 1.33% of the net expenditure of £16.016m and compares with an under-spend of £799,924 in 2022/23.

Together with the projected deficit of £548,352 (as detailed in the budget report to Cabinet and Council on 26 February 2024), the reduction in deficit of -£335,927 brings the total deficit in 2023/24 to £212,425. This has been funded from the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end be transferred to this reserve. As at 31 March 2024, this reserve has a balance of £1,654,142.

As a result of continuing prudent financial management together with better than expected income received, the Council is in an improved position, compared to the projections in February 2024, to deal with the significant ongoing financial challenges in 2024/25 and over the medium term.

The Council's reserves will be reviewed again as part of the 2025/26 budget process during the Autumn of 2024.

<b>FENLAND DISTRICT COUNCIL</b>			
<b>Summary of Revenue Estimates</b>			
	<b>Projected 2023/24</b>	<b>Outturn 2023/24</b>	<b>Variation compared with Projected</b>
<b>Service Summary</b>	<b>£</b>	<b>£</b>	<b>£</b>
Growth & Infrastructure	1,441,865	1,166,341	-275,524
Communities, Environment, Leisure & Planning	4,701,947	4,655,782	-46,165
Resources & Customer Services	9,953,820	9,970,374	16,554
<b>NET COST OF GENERAL FUND SERVICES</b>	<b>16,097,632</b>	<b>15,792,497</b>	<b>-305,135</b>
<b>Corporate Items</b>			
Internal Drainage Board Levies	1,903,750	1,903,751	1
Internal Drainage Board Levies Grant	-177,280	-177,281	-1
Contributions to(+)/from(-) Earmarked Reserves	64,734	246,130	181,396
Contribution from(-) Business Rates Reserve	-211,048	-250,478	-39,430
Bad Debts Provision	80,000	62,531	-17,469
RTB/VAT Sharing Income	-20,000	-151,872	-131,872
Financing Charges - <i>Interest on External Borrowings</i>	504,450	485,266	-19,184
Financing Charges - <i>Minimum Revenue Provision</i>	383,989	383,989	0
Investment Income and Property Funds	-1,115,000	-1,158,663	-43,663
New Homes Bonus	-369,245	-369,245	0
Services Grant	-149,720	-149,720	0
Core Spending Power 3% Guarantee Grant	-600,957	-600,957	0
Corporate Adjustments	<b>293,673</b>	<b>223,451</b>	<b>-70,222</b>
<b>Net Expenditure after use of balances/reserves</b>	<b>16,391,305</b>	<b>16,015,948</b>	<b>-375,357</b>
<b>Core Funding</b>			
Revenue Support Grant	<b>-173,414</b>	<b>-173,414</b>	0
<b>Business Rates - Income due in Year</b>			
Business Rates Funding	-10,557,996	-10,557,996	0
Tariff Payment to Government	7,243,731	7,243,731	0
Renewable Energy Rates Retained	-2,076,700	-2,076,700	0
Business Rates Pool - FDC Share of Benefit	-450,000	-505,595	-55,595
Business Rates S31 Grants due in year	-3,028,030	-3,184,480	-156,450
Business Rates Levy due in year	1,034,013	1,285,488	251,475
Business Rates Levy Account Surplus allocation	-31,046	-31,046	0
	<b>-7,866,028</b>	<b>-7,826,598</b>	<b>39,430</b>
<b>Business Rates Collection Fund Deficit(+)</b>	<b>211,048</b>	<b>211,048</b>	0
<b>Council Tax Collection Fund Deficit(+)/Surplus(-)</b>	<b>-87,064</b>	<b>-87,064</b>	0
<b>Council Tax</b>	<b>-7,927,495</b>	<b>-7,927,495</b>	0
<b>Business Rates and Council Tax Funding</b>	<b>-15,842,953</b>	<b>-15,803,523</b>	<b>39,430</b>
<b>Shortfall(+)</b>	<b>548,352</b>	<b>212,425</b>	<b>-335,927</b>
<i>Shortfall at year-end funded from Budget Equalisation Reserve</i>			

The shortfall reduced by £0.336m compared with the revised budget due principally to the following reasons:

		APPENDIX A(ii)	
Summary of Revenue Provisional Out-turn 2023/24 - Main Variances		Over(+) / Under spend (-)	
Service Area	Description	£000	£000
<b><u>One-Off Variations</u></b>			
Fees and Charges	Income variations across a variety of services		
	Enforcement Fees (Housing Standards)	-20	
	Marine Services	-15	
	Planning & Pre-App Fees	110	
	Waste Services - bulky waste and recycling	-45	
	Trade Waste	-24	
	Planning Policy	-21	
			-15
Other Income/Costs			
	Investment Income and property funds		-44
	RTB/VAT Sharing arrangement with Clarion		-132
	Higher contribution to ARP costs mainly due to lower Enforcement Fees		75
	Lower Gate Fees - Recycling		-34
	Planning Appeal Costs		20
	Higher Legal Fees, of which:		53
	- Wisbech Incinerator Appeal costs in 2023/24 (£88k)		
	- Lower Household Waste fees - MRF Contract (-£31k)		
	Lower Bad Debts Provision		-17
	<b>Sub-Total One-Off Variations</b>		<b>-94</b>
<b><u>Service Base Variations</u></b>			
Employee Costs	Variance across a variety of services mainly resulting from vacancies	-67	
Premises Costs	Lower Repair & Maintenance costs across a variety of services	-181	
	Lower Utilities costs across a variety of services	-23	
Transport Costs	Lower car allowance & mileage costs across a variety of services	-13	
	Lower vehicles/vessel maintenance costs	-15	
Supplies and Services	Homelessness - higher accommodation costs	60	
Third Party Payments	Net impact of Housing Benefit subsidy claim and overpayments	14	
Capitl Financing Costs	Lower Interest Paid	-19	
Other variations	Other cost/income variations	2	
	<b>Sub-Total Service Base Variations</b>		<b>-242</b>
	<b>Reduction in Deficit</b>		<b>-336</b>
Projected Deficit 2023-24 at Revised Estimate (Cabinet/Council February 2024)			<b>548</b>
<b>Net Deficit 2023-24</b>	<b>Transfer from Budget Equalisation Reserve</b>		<b>212</b>

## **Budget Monitoring**

Revenue and capital budget monitoring information is reported throughout the year to Corporate Management Team and Heads of Service. Cabinet Portfolio Holders are also provided financial monitoring information regularly throughout the year and provided to Cabinet at specific times during the year. In addition, treasury management performance is reported to Cabinet and Council with reviews undertaken by the Audit and Risk Management Committee.

## **Capital Spending and Funding**

In 2023/24 the Council spent £15.847m on capital projects, which included Revenue Expenditure Funded from Capital under Statute (grants and loans to private sector home owners and support for community development), compared with the original budget of £17.716m and a revised budget of £22.023m.

The main items of capital expenditure in the year were the purchases of Local Authority Housing Fund properties (£5.844m), investment in Regeneration programmes including High Street, Wisbech (£1.479m), March Future High Street works (£1.577m), Loans to Future Fenland Ltd (£1.300m), Wisbech Port Structural works (£1,178m), construction of the Wisbech Park Pavilion (£976k), replacement of Council vehicles (£307k), replacement of Sewage Treatment Works (£225k) and investment in ICT infrastructure and software linked to the Council's transformation agenda (£224k). This expenditure was financed by capital grants, capital receipts and revenue contributions. Capital receipts of £282k (net of costs) were realised in 2023/24 (2022/23: £390k).

Grants of £1.327m were paid to individuals in the District who qualified for a Private Sector Renewal Grant/Disabled Facilities Grant. These grants are funded from money the Council receives from Central Government via Cambridgeshire County Council as part of the national Better Care Fund arrangements.

## **Revenue Balances**

Set out in notes 24 and 25 to the core financial statements are the Council's reserves. As at 31 March 2024, the Council's uncommitted General Fund Balance stood at £2m and the total Earmarked Reserves balance stood at £10.270m.

Reserves are required to cover a number of potential unforeseen eventualities and risks of additional expenditure being required over and above that allowed for within budgets.

## **Provisions and Contingencies**

Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in 2023/24 and earlier financial years in their proportionate share. Therefore, a provision of £0.920m (Fenland's share) has been recognised for the best estimate of the amount that businesses are potentially due a refund, as at 31 March 2024.

## **Treasury Management**

The Local Government Act 2003 gave councils the freedom to determine how much they borrow for investment in new capital projects, subject to a regulation that such borrowing complies with the 'Prudential Code for Capital Finance in Local Authorities'. The Prudential Code looks to ensure affordability, prudence and sustainability in relation to determined borrowing limits. The Council determined the required Prudential Code indicators and Treasury Management Strategy as part of the budget process for 2023/24. No new borrowing was undertaken in 2023/24 and all investment activities were undertaken in accordance with the approved strategy.

The total external loan debt was £7.8m at the year-end, unchanged from the previous year. Short-Term Investments (i.e. between 3-12 months) at the year-end amounted to £11.7m (£19m at 31<sup>st</sup> March 2023).

### **Pension Liabilities**

As at 31 March 2024, the value of the scheme assets exceeded the liabilities by £3.177m compared with a net liability of £8.265m at 31 March 2023. The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net asset/liability has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the scheme mean that the financial position of the Council remains healthy. The surplus/deficit on the local government scheme will determine the value of the Council's future contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The Council anticipates paying £2.144m contributions to the scheme in 2024/25. In addition, an up-front payment of £2.651m was paid in April 2023 in respect of lump sums due for the 3-year period 2023/24 - 2025/26. This will be reflected in the pension liability in the Balance Sheet in those years to take account of the up-front payment. The weighted average duration of the defined benefit obligation for scheme members is 18 years.

Further information relating to the assets, liabilities, income and expenditure of the Council's pension scheme is detailed at note 35 to the financial statements.

### **Significant Transactions**

The actuarial valuation of the Council's Local Government Pension Scheme liabilities and pension reserve shown on the Balance Sheet has reversed to an asset of £3.177m from a liability of £8.265m at 31 March 2023. This reflects the valuation received from the Council's actuary which included updated assumptions relating to the pension increase rate, the salary increase rate and the discount rate used.

Pension fund assets are valued separately but form part of the net pension liability disclosed on the Balance Sheet. Pension fund assets attributable to the Council increased in value by £11.442m. The assumptions used are determined by the Actuary and represent the market conditions at the reporting date. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation. Further details are given in note 35 of the core financial statements.

The Council engages Wilks Head and Eve to undertake valuations of the Council's asset base in accordance with the requirements set out in the CIPFA Code of Accounting Practice and the professional standards of the Royal Institute of Chartered Surveyors. All assets are formally re-valued at least every five years and an annual review is undertaken to ensure there has been no significant movement in the value of the Council's assets since they were last subject to formal valuation. Further details are given in notes 16 and 25 of the core financial statements. Decreases in the value of some of the Council's assets led to revaluation losses of £5.506m being recognised in the revaluation reserve. These losses were offset by upward movements and disposals in the value of other assets totalling £2.112m leading to a net credit to the revaluation reserve of £3.394m.

## **12. MEDIUM TERM FINANCIAL STRATEGY 2024/25 – 2028/29**

This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including providing statutory services, ongoing pressures caused by maintaining and developing sources of income through fees and charges

whilst managing the impact on revenue and capital budget of delivering against the Council's strategic priorities.

There is still considerable uncertainty around the estimates for 2024/25 and the forecasts for the medium term. Currently there are a number of 'unknowns' which could both positively and negatively impact on the forecasts including:

**Risks associated with the MTFS forecasts:**

- The ongoing impact of the Finance Settlements on 2024/25 and the medium term;
- Impact of potential changes to the New Home Bonus methodology and allocations from April 2025;
- Impact of the longer-term changes to the Business Rates Retention system from April 2025;
- Impact of pay awards higher or lower than currently allowed for in the MTFS (4% increase included for 2024/25 and 2% per annum from 2025/26 onwards);
- Impact of potential additional costs and income of the government's waste strategy particularly in relation to Food Waste and the Extended Producer Responsibility scheme for managing packaging waste;
- Impact on income streams being greater than anticipated due to external factors such as Port Income;
- Impact of the current review of Port operations and the future liability of the quay at Wisbech Port;
- Continuing impact of homelessness temporary accommodation costs in 2024/25 and the medium term and the impact on recovery of housing benefit subsidy;
- Potential for additional support for the Leisure Management contactor in 2025/26 as a result of the energy costs crisis;
- Impact of increases in Fees and Charges (where feasible) on the 2024/25 estimates and MTFS;
- Impact of service developments eg. Car Parking Enforcement (CPE);
- Revenue impact of funding new capital schemes not currently included in the capital programme;
- Potential impact of the Council's future transformation programme with associated savings. Further detailed work is required to quantify the extent of these savings;
- Potential positive impact over the MTFS of implementing the outcomes from the Accommodation Strategy;
- Review of the recharge of staff time to the LATCO (Fenland Future Ltd) to quantify potential revenue savings. Currently recharges of £125k in 2024/25 onwards have been assumed in the MTFS;
- Potential net benefits from FFL of loan interest and dividends from future developments over and above already included in the MTFS generating revenue income;
- Commercial and Investment Strategy and future potential positive returns to the Council;
- Review of the General Fund Balance and Earmarked Reserves to ensure they align with the future requirements of the Council.

**Whatever impact the above issues may have however, there will remain a significant structural deficit for the Council to address over the medium term.**

The forecasts for the years 2025/26 – 2028/29 are provisional at this stage and should be considered with extreme caution. Future announcements and consultation outcomes will also determine government policy and therefore the funding in the future years. In addition, the

forecasts are dependent on permanently maintaining the savings already identified through the My Fenland transformation initiative and the current TA2 programme.

Business Rates Retention Reform, Fair Funding Review and changes to the New Homes Bonus could have a significant impact on the Council's forecast resources over the term of the MTFS. Further to the risks associated with these externally determined funding streams the Council should also ensure that income budgets are achieved, and new income streams considered and implemented for medium to long term sustainability in combination with any operational and transformational benefits that the Council realises. The use of general reserves to support revenue expenditure adds to the overall risks to the Council as such reserves can only be used once but the cumulative impact of such use will continue to be felt into the future.

				<i>(Council Tax income level constant 2024/25 onwards)</i>		
<b>Medium Term Financial Strategy</b>	Projected 2023/24 £000	Estimate 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
<b>Expenditure</b>						
<b>Service Expenditure/Income</b>						
Gross Service Expenditure	29,669	29,404	29,141	29,421	29,964	30,355
Gross Service Income	-13,383	-12,243	-11,869	-12,067	-12,375	-12,692
Vacancy Factor (1.5%)	0	-230	-235	-238	-244	-250
Transformation Programme - additional savings	0	-225	-306	-339	-372	-372
<b>Total Net Service Expenditure</b>	<b>16,286</b>	<b>16,706</b>	<b>16,731</b>	<b>16,777</b>	<b>16,973</b>	<b>17,641</b>
<b>Corporate Items</b>						
<b>Corporate Expenditure/Savings</b>						
Internal Drainage Board Levies	1,904	2,099	2,162	2,226	2,293	2,362
Internal Drainage Board Levies Grant	-177	-177	0	0	0	0
Financing Charges - Interest on External Borrowing	534	906	1,025	1,185	1,360	1,360
Financing Charges - MRP Current Capital Programme	384	588	674	676	750	800
	<b>2,645</b>	<b>3,416</b>	<b>3,861</b>	<b>4,087</b>	<b>4,403</b>	<b>4,522</b>
<b>Corporate Income Items</b>						
Contribution to (+)/from (-) Earmarked Reserves	65	-653	-90	118	39	125
Contribution to (+)/from (-) Business Rates Reserve	-211	0	0	0	0	0
RTB/VAT Sharing Income	-20	-20	-20	-20	-20	-20
Investment and Property Fund Income	-1,255	-795	-945	-1,145	-1,345	-1,145
New Homes Bonus	-369	-442	-442	-442	-442	-442
CSP Guarantee Grant	-601	-789	-654	-654	-654	-654
Services Grant	-150	-26	-24	-24	-24	-24
Contribution to/from (-) Budget Equalisation Reserve	-548	3	0	0	0	0
	<b>-3,089</b>	<b>-2,722</b>	<b>-2,176</b>	<b>-2,167</b>	<b>-2,446</b>	<b>-2,160</b>
<b>Total Corporate Items</b>	<b>-444</b>	<b>694</b>	<b>1,686</b>	<b>1,920</b>	<b>1,957</b>	<b>2,362</b>
<b>Gross Service/Corporate Expenditure</b>	<b>32,314</b>	<b>32,365</b>	<b>32,461</b>	<b>32,931</b>	<b>33,751</b>	<b>34,255</b>
<b>Gross Service/Corporate Income</b>	<b>-16,472</b>	<b>-14,965</b>	<b>-14,044</b>	<b>-14,234</b>	<b>-14,821</b>	<b>-14,852</b>
<b>Net Budget Requirement</b>	<b>15,842</b>	<b>17,400</b>	<b>18,417</b>	<b>18,697</b>	<b>18,930</b>	<b>19,403</b>
<b>Funding - RSG, Business Rates &amp; Council Tax</b>						
<b>Revenue Support Grant</b>	<b>-173</b>	<b>-185</b>	<b>-185</b>	<b>-185</b>	<b>-185</b>	<b>-185</b>
<b>Business Rates</b>						
Business Rates Baseline Funding	-10,558	-11,177	-12,047	-12,105	-12,467	-12,693
Tariff Payment to Government	7,244	7,554	7,683	7,813	7,946	8,081
Renewable Energy Rates Retained	-2,077	-1,476	-1,595	-1,598	-1,601	-1,610
Business Rates Pool - FDC Share of Benefit	-450	-300	-300	-300	-300	-300
Business Rates S31 Grants due in year	-3,028	-3,167	-2,555	-2,598	-2,642	-2,687
Business Rates Levy due in year	1,034	745	764	703	793	813
Business Rates Levy Account Surplus Allocation	-31	0	0	0	0	0
Business Rates Collection Fund Deficit/Surplus (-)	211	-1,292	0	0	0	0
<b>Total Business Rates Funding</b>	<b>-7,655</b>	<b>-9,113</b>	<b>-8,050</b>	<b>-8,085</b>	<b>-8,271</b>	<b>-8,396</b>
<b>Council Tax</b>						
Council Tax Collection Fund Surplus (-)/Deficit	-87	-58	-50	-50	-50	-50
Council Tax <i>(Constant level 2024/25 onwards)</i>	-7,927	-8,044	-8,044	-8,044	-8,044	-8,044
<b>Total Council Tax Funding</b>	<b>-8,014</b>	<b>-8,102</b>	<b>-8,094</b>	<b>-8,094</b>	<b>-8,094</b>	<b>-8,094</b>
<b>Total Funding - RSG/Business Rates/Council Tax</b>	<b>-15,842</b>	<b>-17,400</b>	<b>-16,329</b>	<b>-16,364</b>	<b>-16,550</b>	<b>-16,675</b>
<b>Surplus (-)/Shortfall (+)</b>	<b>0</b>	<b>0</b>	<b>+2,088</b>	<b>+2,333</b>	<b>+2,380</b>	<b>+2,728</b>



## **Business Rates Reform – 2025/26 onwards**

No major changes will take place until 2025/26 at least. At that time, it is likely that the Baseline Funding Level of all Councils will be reset with all 'growth' income being taken into account nationally and redistributed in the new system. In the estimate for 2024/25 and the medium term forecasts, around £1.4m of business rates above the Council's Baseline Funding Level is being retained. Under a baseline reset, this would mean that initially the additional £1.4m business rates income would be removed and redistributed. What remains unclear, is how much of this £1.4m will be returned to the Council as part of its recalculated Baseline Funding Level.

In theory therefore, the Council could lose all of this additional £1.4m in the absolute worst case scenario. However, this is unlikely and would create significant volatility within future funding allocations nationally, which the government does not wish to see. There will also undoubtedly be some kind of transitional arrangements which would also limit the extent of any gains and losses in funding arising from the new system.

Although it is extremely difficult to exemplify the impact of this redistribution, in broad terms, if the Council were to lose 50% of its growth income then this would add a further £700k per annum from 2025/26 to the current forecast MTFS shortfalls. A 20% loss of growth income would add a further £280k per annum to the current shortfalls.

In addition, the current system of retaining 100% of business rates from businesses generating Renewable Energy (estimated £1.476m in 2024/25) and the benefits from current pooling arrangements (estimated £300k in 2024/25) could also be reviewed and amended.

## **Council for the Future (CFF)**

During 2022/23, our Cabinet members selected a number of projects to contribute towards our 'Council for the Future' agenda. These projects have a variety of aims; from tackling areas of particular need within Fenland, to sustainably transforming services and our organisation to be fit for the future. Although these are influenced by external factors, the aim is to have a programme of projects completed by the end of the current Council leadership term in 2023. Projects vary in scope and complexity, with some requiring close partnership working with external organisations and changes in policies before their aims can be delivered. Progress of these projects to date are detailed in Section 6 above of this narrative report.

## **Transformation Agenda 2 (TA2)**

In 2023, at the start of a new term of office following the Local Elections, our members committed to building on the successes of the Transformation Agenda, and to develop a second phase – Transformation Agenda 2.

Spanning across all services within the council, the Transformation Agenda 2 programme ties together all major 'change' initiatives that are looking to improve how the council works and delivers services.

Whether this is reviewing a service, how systems support delivery or how staff are able to conduct their jobs in a more effective and flexible manner, the programme will aim to ensure we are an effective and efficient council for the future

During 2023, the approach, timescales and resources associated with reviewing all Council Services has been agreed and these will take place over the next two years. Savings from the TA2 programme are expected to start feeding into the Council's budget during 2024/25.

## **Combined Authority**

This Council is a constituent authority of the Cambridgeshire and Peterborough Combined Authority (CPCA) which was formally established following the Mayoral election in May 2017. The devolution deal for the CPCA includes a new £20m fund for the next 30 years (£600m) to support economic growth, development of local infrastructure and jobs. In addition, a new

£100m housing fund is to be invested over the next five years to build more homes in Cambridgeshire and Peterborough including affordable, rent and shared ownership.

The Council has continued to work closely with Combined Authority to secure investment in the District. During the 2023/24 financial year, the work on the Manea Station Regeneration Programme, to enhance transport infrastructure across the District, was completed. The Combined Authority has also committed funding towards the March Future High Street project which is due to complete later in 2024/25. The Council has also received grant money from the Combined Authority for the UK Shared Prosperity Fund which provides grants to support businesses to grow and provide employment and prosperity to benefit all of Fenland.

### 13. EXPLANATION OF THE FINANCIAL STATEMENTS

The Council's financial statements for the year 2023/24 are set out on pages 29 to 109. They consist of:

- the **Movement in Reserves Statement** – shows how the movement in reserves in the Balance Sheet is reconciled to the Comprehensive Income and Expenditure Account Deficit and what adjustments are required to be charged to the General Fund Balance for Council Tax setting purposes;
- the **Comprehensive Income and Expenditure Statement (CIES)**– a summary of the resources generated and consumed by the Council;
- the **Balance Sheet** - setting out the Council's financial position as at 31 March 2024;
- the **Cash Flow Statement** - which summarises the Council's inflows and outflows of cash for revenue and capital transactions for the year with third parties;
- the **Expenditure and Funding Analysis** – a summary of annual expenditure used and funded by the Council together with the adjustments required between funding and accounting basis to reconcile with the CIES;
- the **Collection Fund** – is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non – Domestic Rates (NNDR) and its distribution to precepting bodies.

The accounts referred to above are supported by **Accounting Policies**, which are in note 1 to the financial statements.

### 14. FURTHER INFORMATION

Further information about these accounts is available from the Chief Accountant, Fenland Hall, County Road, March, Cambridgeshire, PE15 8NQ.

This document forms part of the Council's policy of providing full information about the Council's affairs. In addition, interested members of the public have a statutory right to inspect the accounts.

## **15. CHIEF FINANCE OFFICER'S CERTIFICATE**

I certify that the financial statements set out on pages 29 to 109 present a true and fair view of the financial position of Fenland District Council at 31 March 2024 and its income and expenditure for the year then ended.

**Signed:**

A handwritten signature in black ink, appearing to be 'P. Catchpole', with a long horizontal flourish extending to the right.

**Peter Catchpole**

**Chief Finance Officer**

**29 October 2024**

## **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 Chief Finance Officer.
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- to approve the statement of accounts.

### **The Chief Finance Officer's Responsibilities**

The Chief Finance 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 Chief Finance 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.

The Chief Finance Officer has also:

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

**Signed:**



**Peter Catchpole**

**Chief Finance Officer**

**29 October 2024**

## CORE FINANCIAL STATEMENTS

### MOVEMENT IN RESERVES STATEMENT

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

<b>2022/23</b>							
	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2022</b>	<b>2,000</b>	<b>12,339</b>	<b>0</b>	<b>9,279</b>	<b>23,618</b>	<b>6,831</b>	<b>30,449</b>
<b>Movement in reserves</b>							
Surplus on Provision of Services	(10,998)	0	0	0	(10,998)	0	(10,998)
Other Comprehensive Expenditure and Income	0	0	0	0	0	48,712	48,712
<b>Total Comprehensive Expenditure and Income</b>	<b>(10,998)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10,998)</b>	<b>48,712</b>	<b>37,714</b>
Adjustments between accounting basis and funding basis under regulation (note 7)	9,784	0	0	(5,426)	4,358	(4,358)	0
<b>Net Increase/(Decrease) before Transfers (to)/from Earmarked Reserves</b>							
Transfers to / (from) Earmarked Reserves (note 8)	1,214	(1,214)	0	0	0	0	0
<b>Increase/(Decrease) in 2022/23</b>	<b>0</b>	<b>(1,214)</b>	<b>0</b>	<b>(5,426)</b>	<b>(6,640)</b>	<b>44,354</b>	<b>37,714</b>
<b>Balance at 31 March 2023 carried forward</b>	<b>2,000</b>	<b>11,125</b>	<b>0</b>	<b>3,853</b>	<b>16,978</b>	<b>51,185</b>	<b>68,163</b>

<b>2023/24</b>	General Fund Balance	Earmarked Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Council Reserves
	£000	£000	£000	£000	£000	£000	£000
<b>Balance at 31 March 2023</b>	<b>2,000</b>	<b>11,125</b>	<b>0</b>	<b>3,853</b>	<b>16,978</b>	<b>51,185</b>	<b>68,163</b>
<b>Movement in reserves</b>							
Surplus on Provision of Services	5,489	0	0	0	5,489	0	5,489
Other Comprehensive Expenditure and Income	0	0	0	0	0	6,228	6,228
<b>Total Comprehensive Expenditure and Income</b>	<b>5,489</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5,489</b>	<b>6,228</b>	<b>6,228</b>
Adjustments between accounting basis and funding basis under regulation (note 7)	(6,343)	0	0	914	(5,429)	5,429	0
<b>Net Increase/(Decrease) before Transfers (to)/from Earmarked Reserves</b>	<b>(854)</b>	<b>0</b>	<b>0</b>	<b>914</b>	<b>60</b>	<b>11,657</b>	<b>11,717</b>
Transfers to / (from) Earmarked Reserves (note 8)	854	(854)	0	0	0	0	0
<b>Increase/(Decrease) in 2023/24</b>	<b>0</b>	<b>(854)</b>	<b>0</b>	<b>914</b>	<b>60</b>	<b>11,657</b>	<b>11,717</b>
<b>Balance at 31 March 2024 carried forward</b>	<b>2,000</b>	<b>10,270</b>	<b>0</b>	<b>4,767</b>	<b>17,038</b>	<b>62,842</b>	<b>79,880</b>

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

2022/23				2023/24		
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000		£000	£000	£000
3,889	(2,225)	1,664	Growth and Infrastructure	4,962	(1,290)	3,672
21,234	(8,908)	12,326	Communities, Environment, Leisure and Planning	18,339	(10,467)	7,871
37,354	(29,429)	7,925	Resources and Customer Services	30,102	(22,269)	7,834
62,477	(40,562)	21,915	<b>Cost of Services</b>	53,403	(34,026)	19,377
		<b>3,699</b>	Other operating expenditure (note 9)			3,031
		4,290	Financing and investment income and expenditure (note 10)			(783)
		(18,906)	Taxation and non-specific grant income (note 11)			(27,113)
		<b>10,998</b>	<b>(Surplus)/Deficit on Provision of Services</b>			<b>(5,489)</b>
		(6,090)	(Surplus)/Deficit on revaluation of property, plant and equipment assets (note 25)			3,326
		(42,622)	Re-measurement of net defined benefit liability/ (asset) (note 35)			(9,554)
		<b>(48,712)</b>	<b>Other Comprehensive Income and Expenditure</b>			<b>(6,228)</b>
		<b>(37,714)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(11,717)</b>

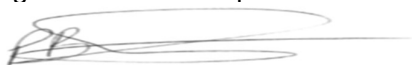
## BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve that may only be used to fund capital expenditure or repay debt). The second category of reserves is those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

<b>31 March 2023</b>		<b>Note</b>	<b>31 March 2024</b>
<b>£000</b>			<b>£000</b>
55,757	Property, Plant and Equipment	14	59,369
5,416	Infrastructure	15	7,091
5,960	Investment Property	16	6,012
59	Intangible Assets		108
3,450	Long Term Investments	18	3,251
447	Long Term Debtors		1,822
0	Defined Benefit Pension Asset	35	3,177
<b>71,089</b>	<b>Long Term Assets</b>		<b>80,830</b>
5,016	Short Term Investments	18	0
82	Inventories		84
9,501	Short Term Debtors	20	6,481
14,037	Cash and Cash Equivalents	29	11,660
<b>28,636</b>	<b>Current Assets</b>		<b>18,225</b>
(35)	Short Term Borrowing	18	(36)
(23)	Short Term Finance Lease Liability	34	0
(11,194)	Short Term Creditors	21	(8,667)
(2,329)	Receipts in Advance	22	(1,752)
(1,916)	Provisions	23	(920)
<b>(15,497)</b>	<b>Current Liabilities</b>		<b>(11,375)</b>
(7,800)	Long Term Borrowing	18	(7,800)
0	Finance Lease Liability	34	0
(8,265)	Defined Benefit Pension Liability	35	0
<b>(16,065)</b>	<b>Long Term Liabilities</b>		<b>(7,800)</b>
<b>68,163</b>	<b>Net Assets/(Liabilities)</b>		<b>79,880</b>
(16,978)	Usable Reserves	24	(17,038)
(51,185)	Unusable Reserves	25	(62,842)
<b>(68,163)</b>	<b>Total Reserves</b>		<b>(79,880)</b>

The notes on page 37 to 103 form part of the financial statements.

Signed:



Chief Finance Officer 29 October 2024



## THE CASH FLOW STATEMENT

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

<b>2022/23 £000</b>		<b>2023/24 £000</b>
<b>(10,998)</b>	<b>Net (deficit)/surplus on the provision of services</b>	<b>5,489</b>
3,709	Adjust net deficit on the provision of services for non-cash movements (note 26)	(1,575)
(4,520)	Adjust for items included in the net deficit on the provision of services that are investing and financing activities (note 27)	(4,245)
<b>(11,809)</b>	<b>Net cash flows from Operating Activities</b>	<b>(332)</b>
4,593	Investing Activities (note 27)	(1,352)
318	Financing Activities (note 28)	(693)
<b>(6,898)</b>	<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(2,377)</b>
20,935	Cash and cash equivalents at the beginning of the reporting period (note 29)	14,037
<b>14,037</b>	<b>Cash and cash equivalents at the end of the reporting period (note 29)</b>	<b>11,660</b>

## EXPENDITURE AND FUNDING ANALYSIS

The Expenditure and Funding Analysis (EFA) is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Council's Outturn Report to the CIES. The EFA shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by Local Council's in comparison with those resources consumed or earned by Council's in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates/services/departments. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2022/23				2023/24		
Net Expenditure Chargeable to General Fund	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the CIES		Net Expenditure Chargeable to General Fund	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
1,158	466	1,624	Growth and Infrastructure	1,166	2,504	3,672
3,906	8,420	12,326	Communities, Environment, Leisure and Planning	4,656	3,216	7,871
9,769	(1,804)	7,965	Resources and Customer Services	10,035	(2,201)	7,834
14,833	7,082	21,915	<b>Net Cost of Services</b>	15,857	3,519	19,377
(14,833)	3,916	(10,917)	Other Income and Expenditure	(15,857)	(8,008)	(24,867)
<b>0</b>	<b>10,998</b>	<b>10,998</b>	<b>(Surplus) or Deficit</b>	<b>0</b>	<b>(5,489)</b>	<b>(5,489)</b>
<b>2,000</b>			<b>Opening General Fund Balance</b>	<b>2,000</b>		
<b>0</b>			<b>Add/(Less) Surplus/(Deficit) on General Fund in Year</b>	<b>0</b>		
<b>2,000</b>			<b>Closing General Fund Balance at 31<sup>st</sup> March</b>	<b>2,000</b>		

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## NOTES TO THE CORE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### i. GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and Service Reporting Code of Practice 2023/24, supported by International Financial Reporting Standards (IFRS). Policies have been consistently applied except for the policy in relation to heritage assets where some of the measurement rules are relaxed (details are provided in paragraph xi below).

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

#### ii. ACCRUALS OF INCOME AND EXPENDITURE

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

- Revenue from the sale of goods is recognised when the Council transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Revenue from the provision of services is recognised when the Council can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the Council.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplied, received and their consumption, they are carried as inventories on the Balance Sheet. Exceptions to this principle include utility bills, maintenance contracts and other similar quarterly payments, which are charged at the date of billing rather than being apportioned between financial years. This policy is consistently applied each year and therefore does not have a material effect on the year's accounts.
- Expenses in relation to services received (including those rendered by the Council's officers) are recorded as expenditure when the services are received, rather than when payments are made.
- Interest payable on borrowings and receivable on investments are accounted for on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Grants paid or payable to third parties by the Council are recognised in the Comprehensive Income and Expenditure account if the Council is acting as principal to the transaction. Where the Council is acting as the agent of another organisation when paying a grant, the Council does not account for the grant paid or payable or the funding received to award the grant in the Comprehensive Income and Expenditure account.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

### **iii. CASH AND CASH EQUIVALENTS**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Cash Flow Statement, cash and cash equivalents are shown that are repayable on demand and form an integral part of the Council's cash management.

### **iv. PRIOR PERIOD ADJUSTMENTS, CHANGES IN ACCOUNTING POLICIES AND ESTIMATES AND ERRORS**

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

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

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

### **v. CHARGES TO REVENUE FOR NON-CURRENT ASSETS**

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

- Depreciation/amortisation attributable to the assets used by the relevant service.
- Revaluation and Impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written-off.

- vi.** The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by guidance). Depreciation, revaluation and impairment losses and amortisation 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.

### **vii. COUNCIL TAX AND NON – DOMESTIC RATES**

The Council as billing authority, act as an agent, collecting Council Tax and Non-domestic Rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principal, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share

proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

#### Accounting for Council Tax and NDR

The council tax and NDR income included in the Comprehensive Income and Expenditure Statement is the Council's share of accrued income for the year. However, regulations determine the amount of council tax and NDR that must be included in the Council's General Fund. Therefore, the difference between the income included in the Comprehensive Income and Expenditure Statement and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet includes the Council's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments and prepayments and appeals.

### **viii. EMPLOYEE BENEFITS**

#### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave, paid sick leave and non-monetary benefits for current employees and are recognised as an expense in the year in which employees render service to the Council.

#### Termination

#### Benefits Payable During Employment

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as salaries, paid annual leave, paid sick leave and non-monetary benefits for current employees and are recognised as an expense in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

#### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Council can no longer withdraw the offer of these benefits or when the Council recognises costs for a restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund or the pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for termination benefits related to pensions enhancements and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Post-Employment Benefits

Employees of the Council are members of the Local Government Pensions Scheme, administered by Cambridgeshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Council.

### **The Local Government Pension Scheme**

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

- The liabilities of the Cambridgeshire 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 4.85% (based on the yields of the constituents of the IBoxx £ Corporates AA index and the Council's weighted average duration).
- The assets of Cambridgeshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

**quoted securities** – current bid price

**unquoted securities** – professional estimate

**unitised securities** – current bid price

**property** – market value

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

Service cost comprising:

**current service cost** – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.

**past service cost** – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus/Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.

**net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council** – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and 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 period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

**Re-measurements comprising:**

**the return on plan assets** – excluding amounts included in net interest on the net defined liability (asset) – charged to the Pensions Reserve as other Comprehensive Income and Expenditure.

**actuarial gains and losses** – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial



valuation or because the actuaries have updated their assumptions – charged to the Pension Reserves as Other Comprehensive Income and expenditure.

Contributions paid to the Cambridgeshire County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

Statutory provisions limit the Council to raising Council Tax to cover the amounts payable by the Council to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pension Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable to the fund but unpaid at the year-end. The negative balance that arises on the Pension Reserve thereby measures the beneficial impact on the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

### **Discretionary Benefits**

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

## **ix. FAIR VALUE MEASUREMENT**

The Council measures some of its non- financial assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability 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 Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

The Council uses appropriate valuation techniques for each circumstance, maximising the use of relevant known data and minimising the use of estimates or unknowns. This takes into account the three levels of categories for inputs to valuations for fair value assets:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Council can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

## **x. FINANCIAL INSTRUMENTS**

A financial asset or liability is recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the instrument. This will normally be the date that a contract is entered into but may be later if there are conditions that need to be satisfied.

Financial assets are recognised by the Council on the Balance Sheet only when goods or services have been provided or rendered to a third party. Financial liabilities are recognised when the goods or services ordered from a third party have been received by the Council and the third party has performed its contractual obligations.

### **Financial Liabilities**

Financial liabilities are initially measured at fair value and are subsequently carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in 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. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

Gains and losses on the repurchase or early settlement of borrowing are credited and debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement in the year of repurchase/settlement. However, where repurchase has taken place as part of a restructuring of the loan portfolio that involves the modification or exchange of existing instruments, the premium or discount is respectively deducted from or added to the amortised cost of the new or modified loan and the write-down to the Comprehensive Income and Expenditure Statement is spread over the life of the loan by an adjustment to the effective interest rate.

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### **Financial Assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- amortised cost;
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI)

The authority's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost with the exception of the Council's investment in pooled property funds which is measured at fair value through profit or loss. Further detail is provided below.

## **Financial Assets Measured at Amortised Cost**

Financial assets measured at amortised cost are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the authority, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

However, the Council has made a number of loans to private individuals at nil interest and the loans form a charge on the individual's properties. This means that market rates of interest have not been charged and these loans are classed as "soft loans". When soft loans are made, a loss is recorded in the Comprehensive Income and Expenditure Statement (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement at the real effective rate of interest with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the Comprehensive Income and Expenditure Statement to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

Any gains or losses that arise on the de-recognition of the asset are credited/debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement

## **Expected Credit Loss Model**

The authority recognises expected credit losses on all of its financial assets held at amortised cost either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority.

Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

## **Financial Assets Measured at Fair Value through Profit or Loss (FVPL)**

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in the surplus or deficit on the provision of services.

The fair value measurements of the financial assets are based on the following techniques:

- Instruments with quoted market prices – the market price; and
- Other instruments with fixed and determinable payments – discounted cash flow analysis

The inputs to the measurement techniques are categorised in accordance with the following three levels:

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

Any gains or losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement. Where fair value cannot be measured reliably, the instrument is measured at cost (less any impairment losses).

#### **xi. GOVERNMENT GRANTS AND CONTRIBUTIONS**

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

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

Amounts recognised as due to the Council are credited to the Comprehensive Income and Expenditure Statement only when conditions attached to the grant or contributions have been satisfied. Conditions are stipulations that specify that future economic benefits or service potential embodied in the asset received in the form of the grant or contribution are required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Monies advanced as grants and contributions for which conditions have yet to be satisfied are carried in the Balance Sheet as creditors. When conditions are satisfied, the grant or condition is credited to the relevant service line (attributable revenue grants/contributions) or Taxation and Non-Specific Grant Income (non ring-fenced revenue grants and all capital grants) in the Comprehensive Income and Expenditure Statement.

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant is yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

#### **xii. HERITAGE ASSETS**

Heritage assets are held by the Council principally for their contribution to knowledge or culture. The heritage assets held by this Council are monuments, war memorials, public clocks, civic regalia and operational historic buildings in cemeteries.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below.

The historical cemetery buildings are operational assets accounted for at depreciated replacement cost within Property, Plant and Equipment in the Balance Sheet.

The remaining heritage assets are not recognised in the financial statements as no information is available on the cost.

The Council is of the view that obtaining valuations for these assets would involve a disproportionate cost in comparison to the benefits that would be provided to the users of the Council's financial statement. These assets are recorded in the asset register of the Council and detailed records are kept on each asset.

### **xiii. INFRASTRUCTURE ASSETS**

Infrastructure assets include sewage treatment works, the port quay, footpaths, street lighting and roads.

#### **Recognition**

Expenditure on the acquisition or replacement of components of the network is capitalised on an accrual basis, provided that it is probable that the future economic benefits associated with the item will flow to the authority and the cost of the item can be measured reliably.

#### **Measurement**

Infrastructure assets are generally measured at depreciated historical cost. However, this is a modified form of historical cost – opening balances for highways infrastructure assets were originally recorded in balance sheets at amounts of capital undischarged for sums borrowed as at 1 April 1994, which was deemed at that time to be historical cost. Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Where impairment losses are identified, they are accounted for by the carrying amount of the asset being written down to the recoverable amount.

Additions and enhancements are recorded at cost and have increased the balance. These have been recorded in the Council's fixed asset register as an individual asset. The infrastructure balance has been reduced annually by depreciation. This has been calculated using the Council's depreciation policy.

#### **Depreciation**

Depreciation is provided on the parts of the infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. Annual depreciation is the depreciation amount allocated each year. Useful lives of the various parts of the highways network and non highways infrastructure is assessed by the Highways, Sewage Works and Port Quay Engineers and using industry standards where applicable and vary depending on the asset classification.

<b>Infrastructure Type</b>	<b>Useful Life</b>
Sewage Treatment Works	20 years
Port Quay and Nene Waterfront	40 years
Foot Paths and Roads	30 years
Street Lighting	15 years

#### **Disposals and Derecognition**

When a component of the network is disposed of, decommissioned, or replaced, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive

Income and Expenditure Statement, also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal).

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

#### **xiv. INTANGIBLE ASSETS**

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

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

Intangible assets are initially measured at cost. Amounts are only revalued where the current value of the assets held by the Council can be determined by reference to an active market. In practice no intangible assets held by the Council meet this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line in the Comprehensive Income and Expenditure Statement. An asset is tested for impairment whenever there is an indication that the asset might be impaired; any losses recognised are posted to the relevant service line in the Comprehensive Income and Expenditure Statement. Any gain or loss arising on the disposal or abandonment of an intangible asset is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

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

#### **xv. INVENTORIES**

Inventories are valued at latest price, with an allowance made for obsolete and slow moving items. While this is a departure from the requirements of the Code of Practice on Local Authority Accounting and IAS 2, which require inventories to be shown at the lower of cost and net realisable value, the effect of the different treatment is not material.

#### **xvi. INVESTMENT PROPERTY**

Investment properties are those that are used solely to earn rentals and/or for capital appreciation. The definition is not met if the property is used in any way to facilitate the delivery of services or production of goods or is held for sale.

Investment properties are measured initially at cost and subsequently at fair value, being the price that would be received to sell such an asset in an orderly transaction between market participants at the measurement date. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation

and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

## **xvii. LEASES**

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant or equipment from the lessor to the lessee. All other leases are classified as operating leases.

Where a lease covers both land and buildings, the land and buildings element are considered separately for classification.

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

### The Council as Lessee

#### **Finance Leases**

Property, plant and equipment held under a finance lease are recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to the lessor. Indirect costs of the Council are added to the carrying amount of the asset. Premiums paid on entry into a lease are applied to writing down the lease liability. Contingent rents are charged as expenses in the years in which they are incurred.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment – applied to write down the lease liability; and
- a finance charge (debited to Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

The Council is not required to raise Council Tax to cover depreciation, revaluation or impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue towards the deemed capital investment in accordance with statutory requirements. Depreciation, revaluation and impairment losses are therefore substituted by a revenue contribution 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.

#### **Operating Leases**

Rentals paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the service benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, generally meaning that rentals are charged when they become payable.

### **Operating Leases**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

## **xviii. OVERHEADS AND SUPPORT SERVICES**

The costs of overheads and support services are charged to service segments in accordance with the Council's arrangements for accountability and financial performance.

## **xix. PROPERTY, PLANT AND EQUIPMENT**

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

### **Recognition**

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (e.g. repairs and maintenance) is charged as an expense when it is incurred. Assets valued at less than £10,000 are not normally recognised in the Balance Sheet. The exception to this principal relates to land holdings which may have a current value of less than £10,000 but where they meet the Assets Held for Sale criteria. The total value of such assets does not materially affect the Property, Plant and Equipment disclosure note.

### **Measurement**

Assets are initially measured at cost, comprising:

- The purchase price.
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management; and
- The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

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

The cost of assets acquired other than by purchase is deemed to be its current value unless the acquisition will not increase the cash flows of the Council. In the latter case, the cost of the acquisition is the carrying amount of the asset given up by the Council.

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

- Infrastructure, community assets and assets under construction – depreciated historical cost.



- Surplus assets – the current value measurement basis is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Where non-property assets that have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains or credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

Where decreases in value are identified, the loss is accounted for by:

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

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

## **Impairment**

Assets are assessed at each year-end as to whether there is any indication that an asset may be impaired. Where indications exist and any possible differences are estimated to be material, the recoverable amount of the asset is estimated and, where this is less than the carrying amount of the asset, an impairment loss is recognised for the shortfall.

Where impairment losses are identified, they are accounted for by:

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

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

## **Depreciation**

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

Depreciation is calculated on the following bases:

Buildings – straight-line allocation over the useful life of the property as estimated by the valuer.

- Vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the balance sheet, as advised by a suitably qualified officer.

Where an item of Property, Plant and Equipment has major components with different estimated useful lives and whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

## **Disposals and Non-current Assets Held for Sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less cost to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

If assets no longer meet the criteria to be classified as Assets Held for Sale, they are reclassified back to non-current assets and valued at the lower of their carrying amount before they were classified as held for sale, adjusted for depreciation, amortisation or revaluations that would have been recognised had they not been classified as Held for Sale, and their recoverable amount at the date of the decision not to sell.

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Disposal proceeds in excess of £10,000 are categorised as capital receipts. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of Property, Plant and Equipment is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

## **xx. PROVISIONS**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not 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.

Where some or all of 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 if it is virtually certain that reimbursement will be received if the obligation is settled.

## **xxi. CONTINGENT LIABILITIES**

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

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

## **xxii. CONTINGENT ASSETS**

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

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

## **xxiii. RESERVES**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the 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 are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and they do not represent usable resources for the Council – these reserves are explained in the relevant policies below.

**xxiv. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset (e.g. renovation grants) has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

**xxv. VALUE ADDED TAX (VAT)**

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

The Council has complied with the Code of Practice on Local Authority Accounting, with the exception of its inventory policy as stated above. Despite this departure from the code, management has concluded that the accounts present a true and fair view of the Council's financial position, financial performance and cash flows.

**2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED**

Under the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) the Council is required to disclose information setting out the expected impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2023/24 Code:

- IFRS 16 (Leases) – amendment removes a misleading example that is not referenced in the Code material.

The Council does not anticipate these changes will have a material impact on its financial statements.

**3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES**

In applying the accounting policies set out in note 1 to the financial statements, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events.

The critical judgements made in the financial statements are:

**Business Rates**

Since the introduction of the Business Rates Retention Scheme effective from 1st April 2013, the Council is liable for successful appeals against business rates charged to businesses in 2023/24 and earlier financial years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31st March 2024. The estimate has been calculated using the latest Valuation Office (VOA) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of total provision up to and including 31st March 2024.

The Council's share of the balance of business rate appeals provisions held at this date amounted to £0.920m. This is a reduction of £0.990m from the previous year.

## Investment Properties

The Council acquired a commercial property in Wisbech during the 2020/21 financial year. The property is leased to a commercial tenant on a long-term lease. Having obtained and reviewed an independent valuation of the property, the Council is satisfied that the property should be accounted for as an investment property as the Council's residual interest in the property exceeds the value of the Council's net investment in the lease. Had this not been the case the property would have been de-recognised as at 31 March 2024 and a long-term debtor reflecting the value of the Council's net investment in the lease would have been reflected in the Balance Sheet instead.

## Group Accounts

The Council established a wholly-owned subsidiary, Fenland Future Limited ('the company') in June 2020. The Council owns 100% of the company's share capital. During the 2023/24 financial year the company incurred expenditure consistent with its business plan approved by the Council's Investment Board in March 2023. The company did not generate any turnover from its activities during 2023/24.

As at 31 March 2024 the company had exchanged contracts to acquire land to the value of £0.2m and these transactions are provided as part of the related party transactions note to these financial statements (note 32).

These transactions were not deemed to be material at the time of these draft accounts and based upon the information above regarding 2023/24 transactions recognised by the company and its Balance Sheet as at 31 March 2024 the Council has not prepared Group Accounts.

## 4. ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

The following items in the Council's Balance Sheet as at 31 March 2024 for which there is a significant risk of material adjustments in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible assets respectively. This enables the assets to be written down to their residual value over their estimated useful lives and show an appropriate cost of the use of the asset in the Comprehensive Income and Expenditure Statement.</p> <p>Management judgement is used to determine the useful economic lives of the Plant and Equipment. The</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £8.1k for every year that useful life is reduced.</p> <p>A reduction of 10% in the value of assets valued on the basis of Existing-Use-Value and Fair Value would reduce the carrying value of Investment Property by £601,000 and the value of Property, Plant Equipment</p>

	<p>Council's valuers provide estimates for the useful life of property assets.</p> <p>The methodology for valuing properties at Depreciated Replacement Cost (DRC), e.g. Leisure Centres, includes an adjustment for obsolescence as deemed reasonable by the Council's valuers and management.</p>	<p>by £3.25m. An increase would result in an upward increase by the same amount.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension's liability of changes in individual assumptions can be measured. For example:</p> <ul style="list-style-type: none"> <li>(i) a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £1.981m</li> <li>(ii) a 1 year increase in member life expectancy would result in an increase in the pension liability of £4.253m</li> <li>(iii) a 0.1% increase in the salary increase rate would result in an increase in the pension liability of £0.075m</li> <li>(iv) a 0.1% increase in the pension increase rate would result in an increase in the pension liability of £1.943m</li> </ul> <p>However, the assumptions interact in complex ways, so care should be taken when looking at changes in one variable in isolation.</p>

## 5. EXPENDITURE AND FUNDING ADJUSTMENTS ANALYSIS

Adjustments between Funding and Accounting Basis 2023/24	Adjustments for Capital Purposes (Note i) £000	Net Change for the Pensions Adjustment (Note ii) £000	Other Differences (Note iii) £000	Total Adjustments £000
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>				
Growth and Infrastructure	1,932	(17)	(347)	1,568
Communities, Environment, Leisure and Planning	1,691	(278)	1,802	3,215
Resources and Customer Services	233	(173)	(2,262)	(2,202)
<b>Net Cost of Services</b>	<b>3,856</b>	<b>(468)</b>	<b>(807)</b>	<b>2,581</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>(8,860)</b>	<b>310</b>	<b>480</b>	<b>(8,071)</b>
<b>Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Surplus on the Provision of Services</b>	<b>(5,004)</b>	<b>(158)</b>	<b>(327)</b>	<b>(5,489)</b>

<b>Adjustments between Funding and Accounting Basis 2022/23</b>	<b>Adjustments for Capital Purposes (Note i) £000</b>	<b>Net Change for the Pensions Adjustment (Note ii) £000</b>	<b>Other Differences (Note iii) £000</b>	<b>Total Adjustments £000</b>
<b>Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts</b>				
Growth and Infrastructure	1,339	72	(945)	466
Communities, Environment, Leisure and Planning	6,733	1,210	477	8,420
Resources and Customer Services	69	347	(2,220)	(1,804)
<b>Net Cost of Services</b>	<b>8,141</b>	<b>1,629</b>	<b>(2,688)</b>	<b>7,082</b>
<b>Other Income and Expenditure from the Expenditure and Funding Analysis</b>	<b>1,244</b>	<b>1,446</b>	<b>1,226</b>	<b>3,916</b>
<b>Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Surplus on the Provision of Services</b>	<b>9,385</b>	<b>3,075</b>	<b>(1,462)</b>	<b>10,998</b>

**Note (i): Adjustments for Capital Purposes**

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

**Other Operating Expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.

**Financing and Investment Income and Expenditure** – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.

**Taxation and Non-Specific Grant Income and Expenditure** – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions of for which conditions were satisfied throughout the year. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or where conditions attached to the grant were satisfied in the year.

**Note (ii): Net Change for the Pensions Adjustments**

Net change for the removal of pension contributions and the addition of IAS 19 *Employee Benefits* pension related expenditure and income:



**For Services** – this represents the removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

For **Financing and Investment Income and Expenditure** – the net interest on the defined benefit liability is charged to the CIES.

**Note (iii): Other Differences**

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

This includes changes relating to the Taxation and Non-Specific Grant Income and Expenditure line in the Comprehensive Income and Expenditure Account. This includes the difference between what is chargeable under statutory regulations for Council Tax and NNDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

Entries included in this column of the above note also identify the impact of internal recharges which are recognised in the year-end position, in accordance with relevant guidance, but do not form part of the outturn position which is presented to management during the year and at the year-end.

**Segmental Income**

Fees, charges and other service income is analysed by segment as follows:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Growth and Infrastructure	(264)	(405)
Communities, Environment, Leisure and Planning	(5,407)	(5,265)
Resources and Customer Services	(442)	(246)
Financing and Investment Income	(2,251)	(2,360)
<b>Total Fees, charges and other service income</b>	<b>(8,364)</b>	<b>(8,276)</b>

## 6. EXPENDITURE AND INCOME ANALYSED BY NATURE

The Council's expenditure and income is analysed as follows:

	2023/24 £000	2022/23 £000
<b><u>Expenditure/Income</u></b>		
<b><u>Expenditure</u></b>		
Employee Benefits Expenses	15,412	17,136
Other Service Expenses	34,174	38,600
Depreciation, Revaluation, Amortisation and Impairment	3,213	3,622
Interest Payments	683	1,102
Precepts and Levies	4,450	3,781
Gain on the Disposal of Assets	285	505
<b>Total Expenditure</b>	<b>57,648</b>	<b>64,746</b>
Fees, Charges and Other Service Income	(8,364)	(8,276)
Interest and Investment Income	(1,176)	(737)
Income from Council Tax and Non-Domestic Rates	(14,743)	(14,289)
Government Grants, Reimbursements and Other Contributions	(38,853)	(30,446)
<b>Total Income</b>	<b>(63,136)</b>	<b>(53,748)</b>
<b>Surplus on Provision of Services</b>	<b>(5,489)</b>	<b>10,998</b>

## **7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION**

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

### **General Fund Balance**

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

### **Capital Receipts Reserve**

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

### **Capital Grants Unapplied Account**

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

2023/24	Usable Reserves			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<b><u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u></b>				
Charges for depreciation of non-current assets	1,677	0	0	(1,677)
Deficit arising from revaluation and impairment of Property, Plant and Equipment	2,821	0	0	(2,821)
Movements in the market value of Investment Properties	(52)	0	0	52
Amortisation of intangible assets	17	0	0	(17)
Capital grants and contributions that have been applied to capital financing	(9,185)	0	0	9,185
Revenue expenditure funded from capital under statute	1,795	0	0	(1,795)
Disposals	283	0	0	(283)
<b><u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u></b>				
Statutory provision for the financing of capital investment	(384)	0	0	384
Capital expenditure charged against General Fund Balance	(637)	0	0	637
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				
Transfer of sale proceeds credited as part of the gain/ loss on disposal to the Comprehensive Income and Expenditure Statement	(282)	282	0	0
Use of Capital Receipts Reserve to finance new Capital expenditure	0	(282)	0	282
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(1,638)	0	1,638	0
Capital Grants Unapplied applied to Financing of Capital Expenditure	0	0	(724)	724
Capital Grants Due to Be Repaid	0	0	0	0

2023/24	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving the Pooled Investments Fund Adjustment Account:</b>				
Movement in the fair value of Pooled Funds credited to the Comprehensive Income and Expenditure Statement	200	0	0	(200)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in	(6)	0	0	6
<b>Adjustments primarily involving the LGPS Pensions Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,577	0	0	(2,577)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,736)	0	0	2,736
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
Amount by which Council Tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from the Council Tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(772)	0	0	772
<b>Adjustments primarily involving the Accumulated Absences Account:</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	(21)	0	0	21
<b>Total Adjustments</b>	<b>(6,343)</b>	<b>0</b>	<b>914</b>	<b>5,429</b>

2022/23	Usable Reserves			
	General Fund Balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied Account £000	Movement in Unusable Reserves £000
<b>Adjustments primarily involving the Capital Adjustment Account:</b>				
<b><u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u></b>				
Charges for depreciation of non-current assets	1,795	0	0	(1,795)
Deficit arising from revaluation and impairment of Property, Plant and Equipment	922	0	0	(922)
Movements in the market value of Investment Properties	1,492	0	0	(1,492)
Amortisation of intangible assets	18	0	0	(18)
Capital grants and contributions that have been applied to capital financing	(3,599)	0	0	3,599
Revenue expenditure funded from capital under statute	6,483	0	0	(6,483)
Disposals	290	0	0	(290)
<b><u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u></b>				
Statutory provision for the financing of capital investment	(406)	0	0	406
Capital expenditure charged against General Fund Balance	(50)	0	0	50
<b>Adjustments primarily involving the Capital Receipts Reserve:</b>				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(391)	391	0	0
Use of Capital Receipts Reserve to finance new Capital expenditure	0	(391)	00	391
<b>Adjustments primarily involving the Capital Grants Unapplied Account:</b>				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(754)	0	754	0
Capital Grants Unapplied applied to Financing of Capital Expenditure	0	0	(4,446)	4,446
Capital Grants Due to Be Repaid	1,734	0	(1,734)	0

2022/23	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£000	£000	£000	£000
<b>Adjustments primarily involving the Pooled Investments Fund Adjustment Account:</b>				
Movement in the fair value of Pooled Funds credited to the Comprehensive Income and Expenditure Statement	616	0	0	(616)
<b>Adjustments primarily involving the Financial Instruments Adjustment Account:</b>				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in	(8)	0	0	8
<b>Adjustments primarily involving the LGPS Pensions Reserve:</b>				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	5,698	0	0	(5,698)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,624)	0	0	2,624
<b>Adjustments primarily involving the Collection Fund Adjustment Account:</b>				
Amount by which Council Tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from the Council Tax and non-domestic rating income calculated for the year in accordance with statutory requirements	(1,360)	0	0	1,360
<b>Adjustments primarily involving the Accumulated Absences Account:</b>				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	(72)	0	0	72
<b>Total Adjustments</b>	<b>9,784</b>	<b>0</b>	<b>(5,426)</b>	<b>(4,358)</b>

## 8. TRANSFERS (TO)/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund Balance in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in 2023/24.

	Note	Balance at 1 April 2022	Movements in year		Balance at 31 March 2023	Movements in year		Balance at 31 March 2024
			Receipts	Applied		Receipts	Applied	
		£000	£000	£000	£000	£000	£000	£000
Travellers Sites	1	388	60	0	448	31	0	479
Maintenance -Station Road, Whittlesey	2	8	2	0	10	3	0	13
CCTV	3	31	10	0	41	10	0	51
Management of Change Reserve	4	495	0	(47)	448	0	(214)	234
Specific Grants Reserve	5	1,239	684	(456)	1,467	944	(648)	1,763
Local Government Resource Review	6	2,016	110	(1,075)	1,051	0	(251)	800
Capital Contribution Reserve	7	135	0	(4)	131	0	(15)	116
Port – Buoy Maintenance	8	147	8	(8)	147	0	(1)	146
Repairs & Maintenance Reserve	9	545	160	0	705	0	(46)	659
Wisbech High St HLF Reserve	10	52	24	(24)	52	0	(2)	50
Solid Wall Remediation	11	100	0	0	100	0	0	100
Street Lighting	12	47	19	0	66	19	0	85
Investment Strategy Reserve	13	1,340	0	0	1,340	0	0	1,340
Budget Equalisation Reserve	14	1,066	800	0	1,866	0	(212)	1,654
Planning Reserve	15	283	161	(118)	326	10	0	336
Election Reserve	16	60	135	0	195	0	(83)	112
Covid Outbreak Management Fund	17	443	0	(253)	190	0	(190)	0
Council Tax Hardship Fund	18	4	0	(4)	0	0	0	0
Pilots Development Training	19	24	1	(1)	24	0	(12)	12
Council Tax Energy Rebate	20	217	0	(214)	3	0	(3)	0
Cambridgeshire Horizons Reserve	21	3,699	0	(1,184)	2,515	0	(195)	2,320
<b>Total</b>		<b>12,339</b>	<b>2,174</b>	<b>(3,388)</b>	<b>11,125</b>	<b>1,017</b>	<b>(1,872)</b>	<b>10,270</b>



## **Notes**

1. The Travellers Sites Reserve is used to fund future maintenance programmes.
2. The Station Road, Whittlesey Reserve was set up in 2004/05 to finance future maintenance costs in relation to the un-adopted estate road. Contributions are received annually from the Companies who have purchased the freehold of individual sites.
3. CCTV Reserve is to provide for future plant and equipment requirements.
4. The Management of Change Reserve was established for the effective management of any organisational changes required to meet the Council's future priorities.
5. Specific grants received in year but not spent. Balance available to fund specific spending commitments in future years.
6. The Local Government Resource Review Reserve was established to assist the Council in delivering the localisation of council tax support and business rates retention from 2013/14. Transfers to and from this reserve in 2022/23 reflect the impact of the significant grants received by the Council to fund the award of additional business rate relief awarded to businesses. The impact of awarding this relief is reflected in the Collection Fund. The transfer from this reserve in 2023/24 has been used to mitigate the impact of recognising the Council's share of the Collection Fund deficit in the General Fund, together with variations to business rates S31 grant and levy due in the year.
7. The Capital Contributions Reserve was set-up to provide funding for future capital schemes.
8. The Port Buoy Maintenance Reserve was established to provide funding for future buoy maintenance to windfarms.
9. The Repairs and Maintenance Reserve was established in 2016/17 to provide funding for one-off schemes, not covered by the normal Repairs and Maintenance revenue budgets.
10. The Wisbech High Street Heritage Lottery Fund Reserve was established in 2017/18 to facilitate work on grant-funded projects on buildings located in Wisbech High Street.
11. The Solid Wall Remediation Reserve has been established in 2018/19 to fund potential costs linked to solid wall installations in the District.
12. The Street Lighting Reserve has been established in 2018/9 to fund future repairs and maintenance relating to street lighting.
13. The Investment Strategy Reserve was established following a meeting of Cabinet held in January 2020. The purpose of the reserve is to enable the Council to take forward projects approved in accordance with the Council's Commercial and Investment Strategy.
14. The Budget Equalisation Reserve was established in January 2020. The purpose of the reserve is to hold surpluses achieved in previous financial years so that these are available to cover deficits returned in future years should the Council wish to do so.
15. The Planning Reserve was established in January 2020 using balances held previously in the Local Plan Reserve and the Neighbourhood Planning Reserve.
16. The Elections Reserve was established in 2020/21 to fund the cost of future District Council elections.

17. The Covid Outbreak Management Fund holds money received from government to support the council in controlling and managing covid outbreaks. The remaining balance was paid out over the course of the 2023/24 financial year.
18. The Council Tax Hardship Fund reserve holds money received from government to assist Council Taxpayers experiencing hardship linked to the Covid 19 pandemic. Most of the balance carried forward at 1 April 2021 was distributed by the Council during the 2021/22 financial year. There was a small balance at 1 April 2022 which was distributed in the 2022/23 financial year.
19. The Pilots Development Training reserve holds money to be utilised in future years to fund the training of maritime pilots to fulfil the authority's statutory functions.
20. The Council Tax Energy Rebate reserve was set up in the 2021/22 financial year. It contains funds received from government for the purpose of making payments, on a discretionary basis, to households impacted by the increase in energy prices in accordance with a policy introduced by central government in February 2022. The small balance at 31 March 2023 represents the underspend of the funding received and was repaid to the government in the 2023/24 financial year.
21. The Cambridgeshire Horizons reserve was set up in the 2021/22 after the Council received a distribution from Cambridgeshire Horizons Limited. In March 2023 the council repaid it's A14 contribution as a single lump sum and utilised £1.008m of this reserve to fund the contribution.

## 9. OTHER OPERATING EXPENDITURE

	2023/24	2022/23
	£000	£000
Parish Council Precepts	1,589	1,486
Drainage Board Levies	1,726	1,708
Loss/(Gain) on the Disposal of Non-Current Assets	(284)	505
<b>Total</b>	<b>3,031</b>	<b>3,699</b>

## 10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2023/24	2022/23
	£000	£000
Surplus on Trading Accounts	(488)	1,224
Interest payable and similar charges	683	1,102
Interest on the net defined pension liability	340	1,301
Interest receivable and similar income	(1,176)	(737)
Income and expenditure in relation to investment properties and changes in their fair value	(142)	1,400
<b>Total</b>	<b>(783)</b>	<b>4,290</b>

## 11. TAXATION AND NON-SPECIFIC GRANT INCOME

	2023/24	2022/23
	£000	£000
Council Tax income	(9,562)	(9,526)
Net share of business rate income	(4,431)	(4,356)
Non-ring-fenced Government grants	(4,478)	(4,137)
Capital grants and contributions	(8,642)	(887)
<b>Total</b>	<b>(27,113)</b>	<b>(18,906)</b>

## 12. MEMBERS' ALLOWANCES

The Council paid the following amounts to members of the Council during the year. Full details can be found on the Council's website. Details of payments to individual members are published annually in a local newspaper and on the Council's website.

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Allowances	426	347
Expenses	8	7
<b>Total</b>	<b>434</b>	<b>354</b>

## 13. EXTERNAL AUDIT COSTS

In 2023/24 Fenland District Council incurred the following fees relating to external audit and inspection:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Fees payable with regard to external audit services carried out by the appointed auditor	168	58
Fees payable for the certification of grant claims and returns	37	15
Fees payable to the Cabinet Office in respect of services provided – National Fraud Initiative	0	3
<b>Total Audit Costs</b>	<b>205</b>	<b>76</b>

The final fees for external audit services and grant certification work undertaken in relation to the 2021/22 final year were agreed after the 2022/23 accounts had been published and the 2022/23 fees are at the time of writing not finalised. The amounts disclosed in the 2023/24 column above include additional fees of £30,158 in respect of external audit service relating to 2021/22 and an estimated reduction of £9,980 in respect of external services relating to the 2022/23 financial year.

The total amount disclosed in the 2023/24 column in respect of fees payable for the certification of grant claims includes additional fees of £6,000 and £8,000 respectively for 2021/22 and 2022/23 financial years. The 2022/23 estimate is based on the EY engagement letter.

## 14. PROPERTY, PLANT AND EQUIPMENT

Movements in 2023/24:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Asset Under Construction	Community Assets	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
<b>At 1 April 2023</b>	<b>46,001</b>	<b>19,596</b>	<b>2,304</b>	<b>1,389</b>	<b>3,471</b>	<b>72,761</b>
Additions	6,400	577	4,071	71	17	11,136
Revaluation Surplus/(Deficit) recognised in the Revaluation Reserve	(3,230)	0	0	0	(2)	(3,232)
Revaluation Surplus/(Deficit) recognised in the Deficit on the Provision of Services	(2,335)	0	0	0	(5)	(2,340)
Transfers	2,330	0	(2,807)	0	0	(477)
Disposals	0	0	0	0	(308)	(308)
<b>At 31 March 2024</b>	<b>49,166</b>	<b>20,173</b>	<b>3,568</b>	<b>1,460</b>	<b>3,173</b>	<b>77,540</b>
<b>Accumulated Depreciation and Impairment</b>						
<b>At 1 April 2023</b>	<b>(919)</b>	<b>(15,535)</b>	<b>0</b>	<b>0</b>	<b>(550)</b>	<b>(17,004)</b>
Depreciation charge	(507)	(845)	0	0	0	(1,352)
Impairments	(318)	0	0	0	0	(318)
Depreciation charge to the Revaluation Reserve	0	0	0	0	0	0
Depreciation charge written out to the Revaluation Reserve	503	0	0	0	0	503
Depreciation charge written out in respect of Disposals	0	0	0	0	0	0
<b>At 31 March 2024</b>	<b>(1,241)</b>	<b>(16,380)</b>	<b>0</b>	<b>0</b>	<b>(550)</b>	<b>(18,171)</b>
<b>Net Book Value</b>						
<b>At 31 March 2024</b>	<b>47,925</b>	<b>3,793</b>	<b>3,568</b>	<b>1,460</b>	<b>2,623</b>	<b>59,369</b>
<b>At 31 March 2023</b>	<b>45,082</b>	<b>4,061</b>	<b>2,304</b>	<b>1,389</b>	<b>2,921</b>	<b>55,757</b>

Comparative Movements in 2022/23:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Asset Under Construction	Community Assets	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or Valuation</b>						
<b>At 1 April 2022</b>	<b>40,289</b>	<b>18,866</b>	<b>1,444</b>	<b>1,389</b>	<b>3,790</b>	<b>65,778</b>
Additions	1,055	730	916	0	0	2,701
Revaluation Surplus/(Deficit) recognised in the Revaluation Reserve	5,767	0	0	0	(29)	5,738
Revaluation Surplus/(Deficit) recognised in the Deficit on the Provision of Services	(316)	0	0	0	0	(316)
Transfers	(794)	0	0	0	0	(794)
Disposals	0	0	0	0	(290)	(290)
<b>At 31 March 2023</b>	<b>46,001</b>	<b>19,596</b>	<b>2,360</b>	<b>1,389</b>	<b>3,471</b>	<b>72,817</b>
<b>Accumulated Depreciation and Impairment</b>						
<b>At 1 April 2022</b>	<b>(754)</b>	<b>(14,568)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(15,322)</b>
Depreciation charge	(517)	(967)	0	0	0	(1,484)
Impairments	0	0	(56)	0	(550)	(606)
Depreciation charge to the Revaluation Reserve	0	0	0	0	0	0
Depreciation charge written out to the Revaluation Reserve	352	0	0	0	0	352
Depreciation charge written out in respect of Disposals	0	0	0	0	0	0
<b>At 31 March 2023</b>	<b>(919)</b>	<b>(15,535)</b>	<b>(56)</b>	<b>0</b>	<b>(550)</b>	<b>(17,060)</b>
<b>Net Book Value</b>						
<b>At 31 March 2023</b>	<b>45,082</b>	<b>4,061</b>	<b>2,304</b>	<b>1,389</b>	<b>2,921</b>	<b>55,757</b>
<b>At 31 March 2022</b>	<b>39,535</b>	<b>4,298</b>	<b>1,444</b>	<b>1,389</b>	<b>3,790</b>	<b>50,456</b>

### **Fair Value Hierarchy**

All the Council's surplus assets and investment properties have been assessed as Level 2 on the fair value hierarchy for valuation purposes (see accounting policy note 1 viii for an explanation of the fair value levels).

### **Valuation Techniques Used to Determine Level 2 Fair Values for Surplus Assets and Investment Properties**

The fair value of surplus assets and investment properties have been measured using a market approach, which takes into account quoted prices for similar assets in active markets, existing lease terms and rentals, research into market evidence including market rentals and yields, the covenant strength for existing tenants, and data and market knowledge gained in managing the Council's asset portfolio. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised as level 2 on the fair value hierarchy.

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

### **Highest and Best Use**

In ascertaining the fair value of the Council's surplus assets and investment properties the ultimate aim is to arrive at the notional 'Highest and Best use value' for the asset either as a stand-alone asset or in combination with other assets within the principal market whilst ensuring that any alternative use is physically, legally and financially possible.

This has been achieved, for these purposes, by comparing the 'current use' of the asset to the notional 'alternative use' based on potential redevelopment on a land value basis for the site(s).

### **Valuation Process for Investment Properties**

The Council's investment properties have been valued as at 31 March 2024 by Wilks Head & Eve in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Management obtained a market review from Wilks Head & Eve in May 2024. This indicated that relevant market data indicated that the value of the Council's Investment Properties was unlikely to have increased by a material amount between 1 April 2023 on 31 March 2024. Management has reviewed in detail the valuations provided in respect of the investment properties recognised in the Council's Balance Sheet and made an appropriate allowance to reflect anticipated changes in the value of each asset. The increases applied range from 0% to 15%.

### **Depreciation**

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

- Other Land and Buildings – Up to 57 years
- Vehicles, Plant, Furniture & Equipment – 5 - 20 years
- Infrastructure – Up to 40 years

### **Capital Commitments**

At 31 March 2024 the Council had contractual capital commitments of £3.203m (31 March 2023 £6.716m).

## Revaluations

A full re-valuation of all assets valued at current value or fair value was undertaken as at 31 March 2024. All assets required to be valued at current value are re-valued at least every 5 years. The Council also instructs its valuers to undertake an annual valuation, as at 1<sup>st</sup> April each year of all assets considered to be materially significant in the context of the Council's overall property portfolio. This includes all assets valued on the basis of fair value in accordance with IFRS13.

All valuations were carried out externally by Wilks Head & Eve in accordance with the professional standards of the Royal Institution of Chartered Surveyors. The basis for valuations is set out in the accounting policies, note 1 of the financial statements.

Additionally, the Council instructs its valuers annually to undertake a market review of all land and property assets, to ensure that the carrying value of those assets is not materially different from their fair value at the end of the reporting period.

The following table analyses the Council's Property, Plant and Equipment according to when it was last revalued. It includes those assets held at historical cost valuation in accordance with the requirements of the CIPFA Code of Accounting Practice. All other assets have been revalued in accordance with the process explained above.

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Infrastructure Assets £000	Total £000
Valued at historical cost	0	3,793	1,460	0	7,091	12,344
Valued at current/fair value as at:						
31 March 2024	47,925	0	0	2,623	0	50,548
Total	47,925	3,793	1,460	2,623	7,091	62,892

## 15. HIGHWAYS INFRASTRUCTURE

In accordance with the temporary relief offered by the update to the CIPFA Code on highway infrastructure assets this note does not include disclosure of gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits means that this would not faithfully represent the asset position to the users of the financial statements.

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits means that gross costs and accumulated depreciation are not measured accurately and would not provide the basis for users of the financial statements to take economic or other decisions relating to the infrastructure assets.



	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Balance at start of the year	5,416	5,439
Transfers	477	0
Additions	1,523	289
Depreciation	(325)	(312)
Balance at end of the year	<b>7,091</b>	<b>5,416</b>

## 16. INVESTMENT PROPERTY

The following items of income and expense have been accounted for in the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Rental income from investment property	(90)	(93)
Loss/(Gain) on revaluation of investment property	(52)	1,492
Net (Gain)/Loss	<b>(142)</b>	<b>1,399</b>

There are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct or develop investment property or carry out repairs, maintenance or enhancement. The following table summarises the movement in the fair value of investment properties over the year:

	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Balance at start of year	5,960	6,658
Transfers from Property, Plant and Equipment	0	794
Additions	10	0
Impairment	(10)	0
Net gain/(loss) from fair value adjustments	52	(1,492)
Balance at end of the year	<b>6,012</b>	<b>5,960</b>

### Fair Value Hierarchy

All the Council's investment properties have been assessed as Level 2 on the fair value hierarchy for valuation purposes (see accounting policy note 1 viii and note 14 to the core financial statements for an explanation of the fair value levels).

## 17. FINANCIAL INSTRUMENTS

### Categories of financial instruments

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

	<b>Carrying amount</b>	
	<b>31 March 2024</b>	<b>31 March 2023</b>
	<b>£000</b>	<b>£000</b>
<b>Financial liabilities (Measured at Amortised Cost)</b>		
Long Term Liabilities	(7,800)	(7,800)
Short Term Borrowings	(36)	(35)
Creditors	(3,829)	(5,396)
	<b>(11,665)</b>	<b>(13,231)</b>
<b>Financial Assets (Fair Value Through Profit &amp; loss)</b>		
Long Term Investments	3,251	3,450
<b>(Measured at Amortised Cost)</b>		
Debtors	6,811	8,429
Cash & Cash Equivalents	11,660	14,037
Investments	0	5,016
	<b>21,722</b>	<b>30,932</b>

### Income, expense, gains and losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments are made up as follows:

	<b>Financial Liabilities Amortised Cost</b>	<b>Financial Assets Amortised Cost</b>	<b>Financial Assets Fair Value Through Profit &amp; Loss</b>	<b>Total 31 March 2024</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Loss from change in fair value	0	0	200	<b>200</b>
Interest Income – soft loans	0	(12)	0	<b>(12)</b>
Interest and Investment Income	0	(1,034)	0	<b>(1,034)</b>
Distribution Income	0	0	(130)	<b>(130)</b>
Increase in allowance for expected credit losses	0	63	0	<b>63</b>
Interest payable and similar charges	498	0	0	<b>498</b>
Net Gain for year	<b>498</b>	<b>(983)</b>	<b>70</b>	<b>(415)</b>

	Financial Liabilities Amortised Cost	Financial Assets Amortised Cost	Fair Value Through Profit & Loss £000	Total 31 March 2023 £000
	£000	£000	£000	£000
Loss from change in fair value	0	0	616	<b>616</b>
Interest Income – soft loans	0	(11)	0	<b>(11)</b>
Interest and Investment Income	0	(597)	0	<b>(597)</b>
Distribution Income	0	0	(129)	<b>(129)</b>
Increase in allowance for expected credit losses	0	291	0	<b>291</b>
Interest payable and similar charges	498	0	0	<b>498</b>
Net loss for year	498	(317)	<b>487</b>	<b>668</b>

Realised and unrealised gains and losses, interest and other items of income and expense are accounted for in the financial year to which they relate and are shown at actual value paid or received.

The increase in the allowance for expected credit losses reflects the additional amount required in the year which is chargeable to the Comprehensive Income and Expenditure Statement.

## 18. FAIR VALUE OF ASSETS AND LIABILITIES

Units held within pooled investment funds are measured at fair value in the balance sheet on a recurring basis with reference to unadjusted quoted prices in active markets for identical units.

For financial liabilities and financial assets (loans and receivables) which are carried in the Balance Sheet at amortised cost. Their Fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (level 2 on the fair value hierarchy, see accounting policy note 1 viii), using the following assumptions:

- No early repayment or impairment is recognised
- Where an instrument will mature in the next 12 months, the carrying amount is assumed to approximate to the fair value
- The fair value of trade and other receivables is taken to be the invoiced or billed amount.
- For loans from the Public Works Loan Board (PWLb), new borrowing rates have been applied from the PWLB to provide fair value disclosures at the balance sheet date. As an alternative, the Debt Management Office provides a fair value valuation under PWLB debt redemption procedures calculated without undertaking a repayment or transfer.
- For other market debt, PWLB (new certainty) prevailing market rates have been applied to provide the fair value disclosures at the balance sheet date.

As at 31 March 2024 the Council held £18.471m financial assets and £11.665m liabilities for which level 3 valuations will not apply. All the financial assets, excluding investments in pooled funds, are classed as loans and receivables and held within Notice Accounts. The financial liabilities are held with PWLB and market lenders. All of these investments and borrowings were not quoted on an active market and a Level 1 valuation is not available. To provide a fair value which provides a comparison to the carrying amount, for all long-term liabilities we have used a financial model valuation provided by Link Asset Services. This valuation applies the net

present value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses new borrowing rates to discount the future cash flows.

In accordance with advice received from Link Asset Services the fair value of all financial instruments classified as being short-term in the balance sheet has been assumed to be the same as the book value.

	<b>Carrying Amount 31 March 2024</b>	<b>Fair Value 31 March 2024</b>	<b>Carrying Amount 31 March 2023</b>	<b>Fair Value 31 March 2023</b>
	£000	£000	£000	£000
<b>Financial liabilities</b>				
Long Term Liabilities	(7,800)	(8,187)	(7,800)	(8,658)
Short Term Borrowing	(36)	(36)	(35)	(35)
Creditors	(3,829)	(3,829)	(5,396)	(5,396)
	<b>(11,665)</b>	<b>(12,052)</b>	<b>(13,231)</b>	<b>(14,089)</b>
<b>Financial Assets</b>				
Long Term Investment	3,251	3,251	3,450	3,450
Total Debtors	6,811	6,811	8,429	8,429
Cash & Cash Equivalents	11,660	11,660	14,037	14,037
Investments	0	0	5,016	5,016
	<b>21,722</b>	<b>21,722</b>	<b>30,932</b>	<b>30,932</b>
<b>Total</b>	<b>10,057</b>	<b>9,670</b>	<b>17,701</b>	<b>16,843</b>

The fair value of long-term liabilities are greater than the carrying amount due to the Council's portfolio of loans consisting of a number of fixed rate loans, where the interest payable is higher than the rates available for similar loans at the Balance Sheet date. The fair value of creditors is taken to be the invoiced amount.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates. As a result of its PWLB commitments for fixed rate loans a comparison of the terms of these loans with the new borrowing rates available from the PWLB has been used to calculate the fair value. If a value is calculated on this basis, the carrying amount of £4.533m would be valued at £5.212m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption of £0.947m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £5.480m.

This redemption charge is a supplementary measure of the fair value of the PWLB loans of £5.480m. It measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB redemption interest rates. The difference between the carrying amount and the fair value, measures the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing market rates.

## 19. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

### **How the Council Manages These Risks**

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

### ***Credit Risk***

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers.

The risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poors Credit Ratings Services. In addition, the Investment strategy also limits maximum amounts and time limits to be deposited in respect of each financial institution. Additional selection criteria are also applied after this initial criteria is applied. Full details of the Investment Strategy can be found on the Council's website.

Deposits are not made with banks and financial institutions unless they meet the minimum criteria laid out within the creditworthiness service provided by Capita Asset Services (see Annual Investment Strategy). A maximum of £5m is allowed to be invested (£10m with the Council's approved bank) within any one approved institution for up to 5 years. Unlimited overnight investments levels are allowed with the Council's approved bank.

At 31 March 2024 there was a maximum of £5m with approved counterparties and a maximum of 2 times this limit may be invested in total with counterparties belonging to the same group.

In light of the above investment strategy, the Council considers that it has taken all reasonable steps to reduce to a minimum any exposure to credit risks in relation to investments at 31 March 2024 and that any residual risk cannot be quantified.

The following table shows the original sums of investments at 31 March analysed by the nature of financial institution and remaining period to maturity.

<b>Maturity Bands</b>				
<b>31 March 2024</b>	<b>Less than 3 Months</b>	<b>3 Months to 6 Months</b>	<b>6 Months to 1 year</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Banks	5,000	0	0	5,000
Building Societies	0	0	0	0
Local Authorities	6,000	0	0	6,000
	<b>11,000</b>	<b>0</b>	<b>0</b>	<b>11,000</b>

<b>Maturity Bands</b>				
<b>31 March 2023</b>	<b>Less than 3 Months</b>	<b>3 Months to 6 Months</b>	<b>6 Months to 1 year</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Banks	4,100	5,000	0	9,100
Building Societies	7,000	0	0	7,000
Local Authorities	3,000	0	0	3,000
	<b>14,100</b>	<b>5,000</b>	<b>0</b>	<b>19,100</b>

In addition to the above, the Council has investments in financial assets held at fair value through profit and loss, as detailed at note 18, which do not have a defined maturity date.

The simplified approach is used to determine the provision for expected credit losses for trade debtors. A matrix is used to determine the appropriate level of provision. The likelihood of a debtor not fulfilling their obligations is assessed based on the Council's experience of securing payment in previous financial years for debt where the credit period had been exceeded adjusted to reflect the Council's understanding of how economic trends expected to prevail over the medium-term may impact on the prospect of the Council securing the payments due.

For financial assets not classified as a trade debtor, the provision for expected credit losses is based upon an assessment of the extent to which credit risk associated with individual assets has increased since initial recognition. The following factors are taken into account:

- the Council normally only allows counterparties credit of 14 days. If this period has been exceeded without contact from the counterparty this is likely to be indicative of an increase in the credit risk associated with the financial asset;
- the Council permits some customers to pay off their outstanding balance in instalments. If two or more instalments have been missed this is likely to be indicative of an increase in the credit risk associated with the financial asset; and
- the Council regularly reviews outstanding balances to determine if circumstances have arisen which make the debt eligible for write-off in accordance with the Council's policy on write-offs. Write-offs are approved promptly and arrangements are in place to ensure outstanding proposals for write-off are actioned prior to each Balance Sheet date.

The changes in the loss allowance during the year analysed according to the method using to calculate the expected credit loss is shown in the table below:

	12-Month Expected Credit Losses £000	Lifetime Expected Credit Losses – Not Credit Impaired £000	Lifetime Expected Credit Losses – Simplified Approach £000	Total £000
<b>Opening Balance at 1 April 2023</b>	897	200	228	1,325
New Financial Assets Originated or Purchased	0	0	0	0
Amounts Written Off	0	0	(14)	(14)
Changes in Model/ Risk Parameters	0	0	122	122
<b>As at 31 March 2024</b>	<b>897</b>	<b>200</b>	<b>336</b>	<b>1,433</b>

	12-Month Expected Credit Losses £000	Lifetime Expected Credit Losses – Not Credit Impaired £000	Lifetime Expected Credit Losses – Simplified Approach £000	Total £000
<b>Opening Balance at 1 April 2022</b>	616	200	187	1,003
New Financial Assets Originated or Purchased	281	0	0	281
Amounts Written Off	0	0	(23)	(23)
Changes in Model/ Risk Parameters	0	0	64	64
<b>As at 31 March 2023</b>	<b>897</b>	<b>200</b>	<b>228</b>	<b>1,325</b>

The Council has the following exposure to credit risk:

<b>Basis for Calculation of Expected Credit Loss</b>	<b>Gross Carrying Amount 31 March 2024 £000</b>	<b>Gross Carrying Amount 31 March 2023 £000</b>
12-Month Expected Credit Losses	4,583	5,456
Lifetime Expected Credit Losses – Not Credit Impaired	200	200
Lifetime Expected Credit Losses – Simplified Approach	2,028	2,773

### **Liquidity Risk**

As the Council has ready access to borrowings from the PWLB, it does not face any significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

The Council recognises that if it were to sell the units it holds in property funds typically there would be a delay before the Council was able to receive the associated cash as it would usually be necessary to identify a purchaser on the secondary markets. This has not been assessed as

a significant risk as the Council considers its investment in property funds to be a long-term investment and, as explained above, the Council has ready access to PWLB to fund its immediate liquidity needs.

All financial liabilities are due within one year, apart from long term borrowings. The maturity analysis of long-term borrowing is as follows:

	31 March 2024	31 March 2023
	£000	£000
Between 0 and 5 years	2,000	0
Between 5 and 10 years	2,500	4,500
Between 29 and 30 years	3,300	0
Between 30 and 35 years	0	3,300
<b>Total</b>	<b>7,800</b>	<b>7,800</b>

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

### **Market Risk**

The Council has placed funds in two pooled property funds. The valuation of each property fund is updated at least quarterly in accordance with independent professional valuations of the property assets held by each fund. The valuation of property depends on market conditions and consequently the value of the Council's holding is subject to increase or decrease. The value of the fund does not necessarily impact on the returns the Council receives as returns are based on rents collected by managers of the property fund. Those rents reflect lease agreements and the terms on which rent reviews and/or early termination of leases are available to tenants will vary according to the detail set out in each lease agreement. The fund manager has responsibility for balancing the level of risk to which its investors are exposed taking account of a range of considerations including the degree of exposure to different sectors of the property market, types of tenants and the length of unexpired leases.

The Council intends to retain its investment in pooled property funds over the long-term. This reduces the risk that the Council might receive a smaller amount than it originally invested when the units held are sold as the Council has sufficient flexibility to determine when to exit the market based on forecast market conditions and advice from its external treasury advisors.

The Council is exposed to minimal risk in respect of adverse interest rate movements in its investments. This is because fixed rate investments are of less than one year in duration and the changes to fair value will be minimal. The Council does, however, utilise "call accounts" for short term deposits and the interest rate on these accounts move in line with the bank base rate. In general terms, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall.

The Council's treasury management officers play a pro-active role in assessing interest rate exposure that feeds into the Council's annual budget setting process and which is used to revise budget projections as necessary during the financial year. The assessment procedures indicate that if interest rates were one percentage point higher, with all other variables held constant, the effect in 2023/24 would have been interest foregone of £49,000 (£63,000 in 2022/23).

The impact of a one percentage point fall in interest rates would be the reverse of the net effect identified in the table above. The Code of Practice on Local Authority Accounting 2022/23 suggests a sensitivity analysis of one percentage point.



## 20. SHORT TERM DEBTORS

	31 March 2024 £000	31 March 2023 £000
Central Government bodies	841	793
Trade Receivables	2,359	2,972
Other	3,281	5,736
<b>Total</b>	<b>6,481</b>	<b>9,501</b>

Each line item is presented net of a provision for expected credit losses. Details of the Council's approach to determining the level of provision required is explained in note 19 to the financial statements.

## 21. SHORT TERM CREDITORS

	31 March 2024 £000	31 March 2023 £000
Central Government bodies	3,206	5,226
Trade	2,632	1,706
Other entities and individuals	2,829	4,262
<b>Total</b>	<b>8,667</b>	<b>11,194</b>

The Council has received a number of developer's contributions that have yet to be recognised as income as they have conditions attached to them that require the monies to be returned to the giver if not used as prescribed. This liability is included within the 'Other Entities and Individuals' category in the table above at a value of £1,042,630 (2022/23 £1,926,747).

## 22. RECEIPTS IN ADVANCE

	31 March 2024 £000	31 March 2023 £000
Central Government Bodies	0	823
Council Tax receipts in advance	230	263
Business Rates receipts in advance	537	431
Trade	97	42
Garden Waste receipts in advance	888	770
Other	0	0
<b>Total</b>	<b>1,752</b>	<b>2,329</b>

## 23. PROVISIONS

	31 March 2024 £000	31 March 2023 £000
Balance at 1 April	1,916	2,292
Additional Provision	0	62
Utilised in Year	(996)	(438)
<b>Balance at 31 March</b>	<b>920</b>	<b>1,916</b>

Included within Provisions are amounts set aside to meet potential future liabilities for Business Rates Appeals and amounts set aside in respect of exit packages associated with decisions taken by the Council prior to 31 March 2024.

## 24. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement and notes 7 and 8 of the financial statements.

## 25. UNUSABLE RESERVES

	31 March 2024 £000	31 March 2023 £000
Capital Adjustment Account	37,630	32,891
Revaluation Reserve	23,246	26,640
Financial Instruments Adjustment Account	(255)	(261)
Pensions Reserve LGPS	1,448	(8,265)
Collection Fund Adjustment Account	1,861	1,089
Pooled Funds Adjustment Account	(750)	(550)
Accumulated Absences Account	(338)	(359)
<b>Total</b>	<b>62,842</b>	<b>51,185</b>

### Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the Comprehensive Income and Expenditure Statement (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 of the financial statements provide details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
<b>Balance at 1 April</b>	<b>32,891</b>	<b>33,716</b>
Charges for depreciation of non-current assets	(1,677)	(1,796)
(Deficit)/Surplus arising from revaluation and impairment of Property, Plant and Equipment	(3,000)	(872)
Amortisation of intangible assets	(17)	(18)
Revenue expenditure funded from capital under statute	(1,795)	(6,483)
Adjusting amounts written out of the Revaluation Reserve	995	959
Use of the Capital Receipts Reserve to finance new capital expenditure	282	390
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	8,461	3,599
Application of grants to capital financing from the Capital Grants Unapplied Account	724	4,446
Transfer from Revaluation Reserve in respect of Non-Current assets transfers and assets sold or scrapped	(307)	(14)
Statutory provision for the financing of capital investment charged against the General Fund Balance	383	406
Capital expenditure charged against the General Fund Balance	637	50
Movements in the market value of Investment Properties credited to the Comprehensive Income and Expenditure Statement	52	(1,492)
<b>Balance at 31 March</b>	<b>37,630</b>	<b>32,891</b>

### Revaluation Reserve

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

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

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

	2023/24 £000	2022/23 £000
<b>Balance at 1 April</b>	<b>26,640</b>	<b>21,834</b>
Upward revaluation of assets	2,787	6,712
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(5,575)	(671)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Services	(2,788)	6,040
Difference between fair value depreciation and historical cost depreciation	(342)	(165)
Accumulated gains on assets transferred, sold or scrapped	(264)	(276)
Revaluation Reserve written off on transfer to Investment	0	(754)
Amount written off to the Capital Adjustment Account	(606)	(1,235)
<b>Balance at 31 March</b>	<b>23,246</b>	<b>26,640</b>

### Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions.

	2023/24 £000	2022/23 £000
<b>Balance at 1 April</b>	<b>(261)</b>	<b>(270)</b>
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	6	9
<b>Balance at 31 March</b>	<b>(255)</b>	<b>(261)</b>

### Pension Reserve – Local Government Pension Scheme

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 Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require a benefit earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial 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.

	2023/24 £000	2022/23 £000
<b>Balance at 1 April</b>	<b>(8,265)</b>	<b>(47,813)</b>
Re-measurements of the net defined benefit liability	9,554	42,622
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,577)	(5,698)
Employer's pensions contributions and direct payments to pensioners payable in the year	2,736	2,624
<b>Balance at 31 March</b>	<b>1,448</b>	<b>(8,265)</b>

### Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of Council Tax and non-domestic rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2023/24 £000	2022/23 £000
<b>Balance at 1 April</b>	<b>1,089</b>	<b>(271)</b>
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	772	1,360
<b>Balance at 31 March</b>	<b>1,861</b>	<b>1,089</b>

### Pooled Fund Adjustment Account

In accordance with accounting standards, movements in the fair value of the Council's interest in pooled investment funds are required to be recognised in the Council's Comprehensive Income and Expenditure Account. However, statutory requirements mean that any increase or decrease in the fair value cannot be recognised as part of the General Fund balance. Consequently, the Pooled Fund Adjustment Account balance reflects the difference between the cost to the Council of acquiring its interest in pooled investment funds and their fair value as reflected in the Council's Balance Sheet.

	2023/24 £000	2022/23 £000
<b>Balance at 1 April</b>	<b>(550)</b>	<b>65</b>
Increases/(decreases) in fair value recognised in the Comprehensive Income and Expenditure reversed to the Pooled Fund Adjustment Account in accordance with statutory requirements	(200)	(615)
<b>Balance at 31 March</b>	<b>(750)</b>	<b>(550)</b>

## Accumulated Absences Account

The Accumulated Absences 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 by transfers to or from the Account.

	2023/24 £000	£000	2022/23 £000	£000
<b>Balance at 1 April</b>	<b>(359)</b>		<b>(430)</b>	
Settlement or cancellation of accrual made at the end of the preceding year	359		430	
Amounts accrued at the end of the current year	(338)		(359)	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(338)			(359)
<b>Balance at 31 March</b>		<b>(338)</b>		<b>(359)</b>

## 26. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

a) Adjust net deficit on the provision of services for non-cash movements.

	2023/24 £000	2022/23 £000
Depreciation	1,677	1,796
Impairment & downward/upward revaluations	2,679	871
Amortisation	17	18
Increase/(decrease) in impairment for bad debts (operational debtors)	0	897
Increase/(decrease) in Creditors	(5,567)	(5,386)
(Increase)/decrease in Debtors	520	313
Decrease/(Increase) in inventories	(2)	16
Movement in pension liability	(159)	4,052
Contribution to/(from) provisions	(997)	375
Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	307	14
Movement in fair value of investment properties	(52)	1,492
Other non-cash transactions	2	(747)
	<b>(1,575)</b>	<b>3,709</b>

- b) Adjust for items included in the net deficit on the provision of services that are investing and financing activities.

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
Capital grants credited to the deficit on the provisions of services	(3,990)	(4,130)
Proceeds from the sale of property, plant and equipment and repayment of loans	(308)	(390)
	<b>(10,530)</b>	<b>(4,520)</b>

- c) Interest received and interest paid included in cash flow from operating activities

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
Interest received	1,067	676
Interest paid	(483)	(1,103)
	<b>584</b>	<b>(427)</b>

## 27. CASH FLOW STATEMENT – INVESTING ACTIVITIES

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
Purchase of property, plant and equipment, investment property and intangible assets	(11,910)	(4,529)
Purchase of short-term investments	0	0
Purchase of long-term investments	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets and repayment of grants and loans	255	376
Proceeds from short-term investments	0	5,000
Other payments for investing activities	0	0
Other receipts from investing activities	10,303	3,746
<b>Net cash (outflow)/inflows from investing activities</b>	<b>(1,352)</b>	<b>4,593</b>

## 28. CASH FLOW STATEMENT – FINANCING ACTIVITIES

	<b>2023/24 £000</b>	<b>2022/23 £000</b>
Cash payments for the reduction of the outstanding liabilities relating to finance leases	(23)	(83)
Other (payments)/receipts for financing activities	(670)	401
<b>Net cash (outflow)/inflows from investing activities</b>	<b>(693)</b>	<b>318</b>

## RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	1 April 2023 £000	Financing Cash Flows £000	31 March 2024 £000
Long Term Borrowing	7,800	0	7,800
Lease Liabilities	23	0	0
<b>Total Liabilities from financing activities</b>	<b>7,823</b>	<b>0</b>	<b>7,800</b>

## 29. CASH AND CASH EQUIVALENTS

The balance of Cash and Cash Equivalents is made up of the following elements:

	31 March 2024 £000	31 March 2023 £000
Cash held by the Council	11,119	14,180
Bank Current Accounts	541	(143)
<b>Total Cash and Cash Equivalents</b>	<b>11,660</b>	<b>14,037</b>



### 30. EMPLOYEES' REMUNERATION

The following table sets out the remuneration disclosures for senior officers who received more than £50,000 per year.

#### Senior Officers Remuneration

Name/Officer	Year	Gross Salary	Benefits in Kind (e.g. car allowance)	Total Remuneration (excl. Pension contributions)	Employers Pension Contributions	Total Remuneration (incl. pension contributions)
		£	£	£	£	£
Chief Executive	<b>2023/24</b>	<b>160,213</b>	<b>2,000</b>	<b>162,213</b>	<b>28,197</b>	<b>190,410</b>
	2022/23	154,594	2,000	156,594	26,836	183,430
Corporate Director and Chief Finance Officer	<b>2023/24</b>	<b>96,704</b>	<b>9,450</b>	<b>106,154</b>	<b>15,575</b>	<b>121,729</b>
	2022/23	93,433	9,450	102,883	14,811	117,694
Corporate Director and Monitoring Officer	<b>2023/24</b>	<b>96,704</b>	<b>9,450</b>	<b>106,154</b>	<b>17,020</b>	<b>123,174</b>
	2022/23	*55,768	9,450	65,218	16,275	81,493
Assistant Director (Communities)	<b>2023/24</b>	<b>75,493</b>	<b>6,729</b>	<b>82,222</b>	<b>13,287</b>	<b>95,509</b>
	2022/23	71,463	6,478	77,941	12,435	90,376
Assistant Director (Transformation)	<b>2023/24</b>	<b>75,493</b>	<b>6,729</b>	<b>82,222</b>	<b>13,287</b>	<b>95,509</b>
	2022/23	71,463	6,478	77,941	12,435	90,376
Assistant Director (Statutory)	<b>2023/24</b>	<b>75,493</b>	<b>6,729</b>	<b>82,222</b>	<b>13,287</b>	<b>95,509</b>
	2022/23	71,463	6,478	77,941	12,435	90,376

\*The Corporate Director and Monitoring Officer returned from maternity leave on 5<sup>th</sup> September 2022. Their annualised salary was £93,433.

The numbers of employees whose remuneration, excluding employer's pension contributions, was £50,000 or more in bands of £5,000 are shown in the table below.

Remuneration Band	Number of Employees	
	2023/24 Total	2022/23 Total
£50,000 - £54,999	5	4
£55,000 - £59,999	5	9
£60,000 - £64,999	9	6
£65,000 - £69,999	5	3
£70,000 - £74,999	5	3
£75,000 - £79,999	0	4
£80,000 - £84,999	3	0
£100,000 - £104,999	0	1

£105,000 - £109,999	2	0
£155,000 - £159,999	0	1
£160,000 - £164,999	1	0

The band changes from 2022/23 to 2023/24 are due to pay progression within individual's terms and conditions, and the nationally agreed cost of living increases.

The numbers of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below. The exit packages arose from a programme of service staffing reviews.

Exit package cost band (including special payments)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24 £000	2022/23 £000
£0 - £20,000	0	2	0	0	0	2	0	19
£20,001 - £40,000	0	0	0	0	0	0	0	0
£40,001 - £60,000	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>19</b>
Total cost included in Comprehensive Income and Expenditure							<b>0</b>	<b>19</b>

### 31. GRANT INCOME

The Council credited the following significant grants and contributions to the Comprehensive Income and Expenditure Statement in 2023/24:

	2023/24 £000	2022/23 £000
<b>Credited to Taxation and Non-Specific Grant Income</b>		
Net Share of Business Rate Income	4,431	4,356
New Homes Bonus Grant	369	824
Capital Grants and Contributions	8,642	887
Business Rate Reliefs Funded by Government	3184	2,888
Service Grant	150	256
Lower Tier Services Grant	0	169
Service & Funding Guarantee	601	0
<b>Total</b>	<b>17,551</b>	<b>9,380</b>
<b>Credited to Services</b>		
Housing Benefit Subsidy	19,914	19,606
Capital Grants and Contributions	1,448	1,751
Housing Benefits/Local Council Tax Support Admin	248	381
NNDR Cost of Collection	156	116
Homelessness Prevention	915	822
New Burdens Grant	224	365
Other	1,594	1,147
<b>Total</b>	<b>24,497</b>	<b>24,189</b>

### 32. RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council. No material related party transaction balances remain outstanding at year end.

#### Central Government

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

Grants received from Government departments are set out in note 6 Expenditure and Income Analysed by Nature, to the core financial statements.

### **Members**

A number of elected members are also members of Cambridgeshire County Council, Town and Parish Councils and have an interest in voluntary organisations that are grant aided by the Council.

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

The Anglia Revenue Partnership (ARP) Joint Committee was set up to deliver the Housing Benefit, Council Tax and Business Rates service for Breckland Council and Forest Heath District Council. East Cambridgeshire District Council joined the partnership on 1 April 2007 and formally joined the Joint Committee in October 2010. St Edmundsbury Council joined the new Joint Committee on 1 April 2011. Waveney District Council, Fenland District Council and Suffolk Coastal joined the partnership on 1 April 2014. With effect from 1<sup>st</sup> April 2019, following the mergers of Forest Heath and St Edmundsbury Councils (to form West Suffolk) and Waveney and Suffolk Coastal Councils (East Suffolk), ARP now consists of 5 partner authorities. The five authorities hold equal voting rights but shares in costs and surpluses arising from the arrangement are based on an agreed share which is reviewed annually.

This Council's share for 2023/24 was 13.46%. This Council's share of partnership transactions and balances are included within the relevant lines within the accounts.

The Council established a wholly owned subsidiary, trading as Fenland Future Limited, in June 2020. Arrangements exist whereby the Council provides services to Fenland Future Limited which enable Fenland Future Limited to undertake activities connected to its business plan and the Council's Commercial and Investment Strategy.

The Council did not owe any monies to Fenland Future Limited as at 31 March 2024. There is no expenditure recognised in the Council's accounts in respect of amounts paid to Fenland Future Limited.

### 33. CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

	2023/24 £000	2022/23 £000
<b>Opening Capital Financing Requirement</b>	<b>8,052</b>	<b>7,456</b>
<i>Capital investment (as reported in notes 14-16)</i>		
Property, Plant and Equipment and Intangibles	11,213	2,688
Infrastructure	1,523	289
<i>Capital expenditure charged to Comprehensive Income and Expenditure Statement</i>		
Revenue Expenditure Funded from Capital under Statute	1,795	6,483
Loans to Fenland Future Ltd	1,300	0
Other Loans	16	0
<b>Sources of finance</b>		
Capital receipts	(282)	(390)
Government grants and other contributions	(9,125)	(8,045)
Sums set aside from revenue:		
Direct revenue contributions	(637)	(50)
Minimum Revenue Provision (MRP)	(384)	(406)
<b>Closing Capital Financing Requirement</b>	<b>13,471</b>	<b>8,052</b>
<b>Explanation of movements in year</b>		
Capital Expenditure Funded from Internal Borrowing	5,803	1,002
MRP charge to Revenue	(384)	(406)
<b>Increase/(decrease) in Capital Financing Requirement</b>	<b>5,419</b>	<b>596</b>

### 34. LEASES

#### Council as Lessee

##### Finance Leases

The Council did have a number of vehicles under finance leases, but these have now finished.

The Council is committed to making minimum payments under these leases comprising settlement of the long-term liability for the interest in the assets acquired by the Council and finance costs that will be payable by the Council in future years while the liability remains outstanding.

The minimum lease payments are made up of the following amounts:

	2023/24 £000	2022/23 £000
Finance lease liabilities (net present value of minimum lease payments):		
• current	0	23
• non-current	0	0
Finance costs payable in future years	0	1
Minimum lease payments	<b>0</b>	<b>24</b>

The minimum lease payments will be payable over the following periods:

	Minimum Lease Payments		Finance Lease Liabilities	
	31 March 2024 £000	31 March 2023 £000	31 March 2024 £000	31 March 2023 £000
Not later than one year	0	23	0	23
Later than one year and not later than five years	0	0	0	0
Later Than 5 Years	0	0	0	0
	<b>0</b>	<b>23</b>	<b>0</b>	<b>23</b>

#### *Operating Leases - Land and Buildings*

The Council leases fifteen properties for homeless families.

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

	31 March 2024 £000	31 March 2023 £000
Not later than one year	110	61
Later than one year and not later than five years	415	328
	<b>525</b>	<b>389</b>

Lease payments for 2023/24 amounted to £77,499 (2022/23: £55,654).

#### **Council as Lessor**

##### *Operating Leases*

The Council leases out land and property under operating leases for the purposes of provision of community (sports facilities) and economic development services. Additionally, the Council entered into a long-term lease with a commercial tenant during the 2020/21 financial year.

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

	<b>31 March 2024 £000</b>	<b>31 March 2023 £000</b>
Not later than one year	363	332
Later than one year and not later than five years	1,267	1,199
Later than five years	4,827	4,543
	<b>6,457</b>	<b>6,074</b>

### 35. DEFINED BENEFIT PENSION SCHEMES

#### (i) The Local Government Pension Scheme

##### Participation in pension scheme

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the following pension scheme:

- The Local Government Pension Scheme for civilian employees, administered by Cambridgeshire County Council – this is a funded defined benefit scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

	<b>Local Government Pension Scheme</b>	
<b>Comprehensive Income and Expenditure Statement</b>	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
<i>Cost of Services:</i>		
• Current service cost	2,237	4,397
• Past Service Cost (including curtailments)	0	0
<i>Financing and Investment Income and Expenditure</i>		
• Interest income on scheme assets	(4,662)	(2,717)
• Interest cost on defined benefit obligation	5,002	4,018
<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	<b>2,577</b>	<b>5,698</b>
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding the amount included in the net interest expense)	(6,293)	5,204
• Actuarial gains and losses arising on changes in demographic assumptions	(570)	(842)
• Actuarial gains and losses arising on changes in financial assumptions	(6,169)	(55,486)
• Other	3,478	8,502
<i>Total Remeasurement (Gains)/Losses</i>	<b>(9,554)</b>	<b>(42,622)</b>
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	<b>(6,977)</b>	<b>(36,924)</b>
<i>Movement in Reserves Statement:</i>		
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	159	(3,074)
Actual amount charged against General Fund Balance for pensions in the year:		
• Employers' contributions payable to scheme	4,465	1,646



### Transactions Relating to Post-Employment Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions are charged across all service headings in the Net Cost of Services in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year.

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

	<b>Local Government Pension Scheme</b>	
	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Opening fair value of scheme assets	<b>97,774</b>	<b>101,157</b>
Effect of Settlements	0	0
Interest income	4,662	2,717
Remeasurement gain/(loss):		
• The return on plan assets, excluding the amount included in the net interest expense	6,293	(5,204)
• Other experience		
Contributions from employer	4,465	1,646
Contributions from employees into the scheme	664	624
Benefits paid	(4,367)	(3,166)
<b>Closing fair value of scheme assets</b>	<b>109,491</b>	<b>97,774</b>

### Reconciliation of Present Value of the Scheme Liabilities

	<b>Local Government Pension Scheme</b>	
	<b>2023/234</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Opening balance at 1 April	(106,039)	(147,992)
Current service cost	(2,237)	(4,397)
Past service cost (including curtailments)	0	0
Interest cost	(5,002)	(4,018)
Contributions from scheme participants	(664)	(624)
Re-measurement gains and (losses):		
• Actuarial gains/losses arising from changes in demographic assumptions	570	842
• Actuarial gains/losses arising from changes in financial assumptions	6,169	55,486
• Other experience	(3,478)	(8,502)
Benefits paid	4,367	3,166
<b>Closing balance at 31 March</b>	<b>(106,314)</b>	<b>(106,039)</b>

**Local Government Pension Scheme assets comprised:**

Asset Category	Fair Value of Scheme Assets							
	2023/24				2022/23			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets
<b>Equity Securities:</b>								
Consumer	1,248	0	1,248	1%	0	0	0	0%
Manufacturing	1,278	0	1,278	1%	0	0	0	0%
Energy/Utilities	132	0	132	0%	0	0	0	0%
Financial Instit.	1,218	0	1,218	1%	0	0	0	0%
Health & Care	1,026	0	1,026	1%	0	0	0	0%
ICT	2,404	0	2,404	2%	0	0	0	0%
Other	121	0	121	0%	0	0	0	0%
<b>Debt Securities:</b>								
UK Gov't	0	9,309	9,309	9%	0	3,309	3,309	3%
<b>Private Equity:</b>								
All	0	13,344	13,344	12%	0	12,133	12,133	12%
<b>Real Estate:</b>								
UK Property	0	8,845	8,845	8%	0	6,387	6,387	7%
<b>Investment Funds and Unit Trusts:</b>								
Equities	0	44,632	44,632	41%	0	54,021	54,021	55%
Bonds	0	15,714	15,714	14%	0	10,556	10,556	11%
Infrastructure	0	7,850	7,850	7%	0	8,596	8,596	9%
<b>Derivatives:</b>								
Foreign Exch.	0	1	1	0%	0	0	0	0%
Other	0	0	0	0%	0	410	410	0%
<b>Cash and Cash Equivalents:</b>								
All	2,377	0	2,377	2%	2,362	0	2,362	1%
<b>TOTALS</b>	<b>9,797</b>	<b>99,694</b>	<b>109,491</b>	<b>100%</b>	<b>2,362</b>	<b>95,412</b>	<b>97,774</b>	<b>100%</b>

## Pension Assets and Liabilities Recognised in the Balance Sheet

	<b>Local Government Pension Scheme</b>	
	<b>2023/24</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>
Present value of funded liabilities	<b>(105,496)</b>	(105,203)
Present value of unfunded liabilities	<b>(818)</b>	(836)
Fair value of plan assets	<b>109,491</b>	97,774
<b>Net asset/(liability) arising from defined benefit obligation</b>	<b>3,177</b>	<b>(8,265)</b>

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The County Council Fund's liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary have been:

	<b>Local Government Pension Scheme</b>	
	<b>2023/24</b>	<b>2022/23</b>
<i>Longevity at 65 for current pensioners</i>		
Men	<b>21.4 years</b>	21.5 years
Women	<b>24.2 years</b>	24.4 years
<i>Longevity at 65 for future pensioners</i>		
Men	<b>22.4 years</b>	22.6 years
Women	<b>25.6 years</b>	25.8 years
Rate of increase in pensions	<b>2.75%</b>	2.95%
Rate of increase in salaries	<b>3.25%</b>	3.45%
Rate for discounting scheme liabilities	<b>4.85%</b>	4.75%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2022/23.

<b>Change in assumptions at 31 March 2024</b>	<b>Approximate % increase to Employer Liability</b>	<b>Approximate Monetary Amount £000</b>
0.1% decrease in real discount rate	2%	1,981
1 year increase in member life expectancy	4%	4,253
0.1% increase in the salary increase rate	0%	75
0.1% increase in the pension increase rate	2%	1,943

### **Impact on the Council's Cash Flows**

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. The County Council has arranged a strategy with the scheme's actuary to achieve an appropriate funding level over the period until 31 March 2026.

The latest triennial valuation has been completed as at 31 March 2022.

The scheme has taken into account the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England may not provide benefits in relation to service after 31 March 2014. The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

Allowances for full Guaranteed Minimum Pensions (GMP) indexation and for the potential impact of the McCloud judgement were included by the actuary in the closing balance sheet position as at 31 March 2020 and these have been rolled forward and included in the liabilities as at 31 March 2023 and 31 March 2024.

As at 31 March 2024, the value of the scheme assets exceeded the liabilities by £3.177m compared with a net liability of £8.265m at 31 March 2023. The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net asset/liability has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the scheme mean that the financial position of the Council remains healthy. The surplus/deficit on the local government scheme will determine the value of the Council's future contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The Council anticipates paying £2.144m contributions to the scheme in 2024/25. In addition, an up-front payment of £2.651m was paid in April 2023 in respect of lump sums due for the 3-year period 2023/24 - 2025/26. This will be reflected in the pension liability in the Balance Sheet in those years to take account of the up-front payment. The weighted average duration of the defined benefit obligation for scheme members is 18 years.

Further information relating to the Cambridgeshire County Council Pension Fund can be found in Cambridgeshire County Council's Pensions Fund Annual Report, which is available from the Chief Finance Officer, Local Government Shared Services, 1 Angel Square, Angel Street, Northampton, NN1 1ED.

### **36. CONTINGENT LIABILITIES**

Material contingent liabilities are not recognised within the accounts as an item of expenditure or income but are required to be disclosed in a note to the financial statements.

#### **Stock Transfer**

As part of the stock transfer agreement completed on 5 November 2007, the Council gave Roddons HA (now Clarion) certain warranties in relation to transferring staff, property and environmental pollution. This is to ensure that there are no matters in connection with the land or property transferring that could cause the housing association financial or other loss. The Council has given warranties both to the association and separately to the association's funders. This is standard practice for all stock transfers. The duration of the various warranties in the contract are up to 30 years from completion.

The potential amounts the Council could be liable for under these warranties are unquantifiable. However, the risks associated with the warranties are considered low and therefore are not expected to have a material impact on the Council's accounts.

#### **Pilots' National Pension Fund (PNPF)**

In February 2018, the Council paid to the PNPF the amount due as a result of the Council triggering a Section 75 (of the Pensions Act 1995) debt whereby the Council ceased to employ any active members of the PNPF. Provision for this payment was made in the 2016/17 accounts. Following payment of this liability, the Council is not required to make any further annual deficit payments to the PNPF and the Council no longer needs to recognise any liability to the PNPF in its Balance Sheet (the deficit was written out of the balance sheet in the 2016/17 accounts).

Although the Council has repaid its S75 debt liability, it will not be released as a Participating Body under PNPF rules. The PNPF has confirmed, however, that they have no present intention of making any additional contribution demands on the Council under PNPF rules.

The potential amounts the Council could be liable for in the future are unquantifiable and the risks associated with this obligation are considered low and therefore are not expected to have a material impact on the Council's accounts.

#### **Pension Contingent Liabilities**

##### **Leisure Centres Management Contract**

The Council has entered into a 15-year management contract for its leisure centres with Freedom Leisure Ltd. The contract began on 4 December 2018 and all staff involved in the operation of the centres have been TUPE transferred to Freedom Leisure. The Council has given certain guarantees in relation to the pension rights of the transferred staff for the duration of the contract.

The potential amounts the Council could be liable for under these guarantees are unquantifiable. However, the risks associated with the guarantees are considered low and therefore are not expected to have a material impact on the Council's accounts.

### **37. GOING CONCERN**

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate for the going concern period to 31 October 2025, management of the Council has undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting. Our most recent year-end balances, as reported in these statements are as follows:

<b>Date</b>	<b>General Fund</b>	<b>Earmarked reserves</b>
31 March 2024	£2.000m	£10.270m

The 2023/24 Statements reported that the General Fund and Earmarked Reserve position has a balance of £2.000 million and £10.270 million respectively as at 31 March 2024. Our expected General Fund and Earmarked Reserve position as at 31st March 2025, are a predicted balance of £2.000 million in the General Fund and £11.731 million in other Earmarked Reserves. [Figures from the 2024/25 budget approved by Full Council on the 26 February 2024.] The General Fund balance is forecast to remain at our target balance of £2 million. In addition, the Council has significant earmarked reserves as set out above. These reserves could be utilised if there was a short-term deterioration in the Council's financial health. Reserve balances are subject to regular review and where no longer required for their original purpose Cabinet can re-designate reserves as necessary. If the General Fund balance did fall below the minimum level set, that balance would be directly increased from Earmarked Reserves from the 1 April 2025.

Our cash flow forecasting and assessment of the adequacy of our liquidity position demonstrates positive cash balances throughout the going concern period, and no expectation of external borrowing other than to support the capital programme which is consistent with our plans and normal practice.

The key assumptions within this forecast include ongoing savings as part of the corporate-wide transformation programme, a full years' worth of Management Fee being received from the Leisure Management contractor in 2024/25 following two years of pandemic related support from the Council and additional provision to recognise the continuing high demand for the homelessness and rough sleeper's service. The Council also provided support for the Leisure Management contractor to mitigate the impact of significant energy cost increases during 2022/23 and 2023/24. The transformation work programme is ongoing and expanding to cover all services provided by the Council. It is Management's judgment that significant additional savings can be realised before the end of March 2025. We have, however, developed an alternative scenario whereby the savings are not achieved and/or additional costs relating to Leisure and homelessness are incurred. If these scenarios were to transpire, management's view is that the above projections would not be materially affected although some re-designation of uncommitted earmarked reserves might be required. Detailed cash-flow forecasting indicates that liquidity would be maintained in all conceivable scenarios.

The Council has in previous years underspent its budget at year-end but the Council's provisional General Fund position is a net deficit of £212,425 for the financial year 2023/24. This is however, an improvement of £335,927 compared to the projected deficit of £548,352 as reported to Council in February 2024.

The deficit of £212,425 will be funded from the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end be transferred to this reserve. As at 31 March 2024, this reserve has a balance of £1,654,142.

In addition, the Council at its' meeting on 17 July 2023 agreed to re-position the MTFS by keeping the amount of Council Tax raised at the 2023/24 level rather than the previously adopted 0% increase, while recognising that the Council continues to face significant financial challenges and uncertainties that may not allow this ambition to be met.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period up to 31 October 2024, maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

### **38. EVENTS AFTER THE BALANCE SHEET DATE**

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 31 October 2024. This is the date up to which events after the balance sheet have been considered. Management has assessed whether any events have occurred after the Balance Sheet date which might need to be disclosed as non-adjusting events within the notes to the financial statements. No such events have been identified.

**THE COLLECTION FUND**

<b>Total 2022/23 £000</b>		<b>Note</b>	<b>Council Tax 2023/24 £000</b>	<b>NNDR 2023/24 £000</b>	<b>Total 2023/24 £000</b>
<b>INCOME</b>					
<b>65,727</b>	Council Tax Receivable	2	70,098	0	<b>70,098</b>
<b>0</b>	S13A1C transfer from General Fund		0	0	<b>0</b>
<b>24,590</b>	Business Rates Receivable	3	0	29,947	<b>29,947</b>
<b>90,317</b>	<b>Total Income</b>		<b>70,098</b>	<b>29,947</b>	<b>100,045</b>
<b>EXPENDITURE</b>					
<b>Precepts, Demands and Shares:</b>					
<b>11,650</b>	Central Government		0	13,197	<b>13,197</b>
<b>18,793</b>	Fenland District Council		9,517	10,558	<b>20,075</b>
<b>47,161</b>	Cambridgeshire County Council		47,920	2,376	<b>50,296</b>
<b>7,899</b>	Cambs. Police & Crime Commissioner		8,464	0	<b>8,464</b>
<b>2,532</b>	Cambridgeshire Fire Authority		2,482	264	<b>2,746</b>
<b>0</b>	Cambs & P'boro Combined Authority		373	0	<b>373</b>
<b>88,035</b>			<b>68,756</b>	<b>26,395</b>	<b>95,151</b>
<b>Distribution of Previous Year Surplus /(Deficit):</b>					
<b>(2,294)</b>	Central Government		0	(264)	<b>(264)</b>
<b>(1,792)</b>	Fenland District Council		87	(211)	<b>(124)</b>
<b>(208)</b>	Cambridgeshire County Council		431	(47)	<b>384</b>
<b>37</b>	Cambs. Police & Crime Commissioner		76	0	<b>76</b>
<b>(35)</b>	Cambridgeshire Fire Authority		22	(5)	<b>17</b>
<b>(4,292)</b>			<b>616</b>	<b>(527)</b>	<b>89</b>
<b>Charges to Collection Fund:</b>					
<b>119</b>	Cost of Collection Allowance		0	121	<b>121</b>
<b>0</b>	Interest Charges to the Collection Fund		0	19	<b>19</b>
<b>136</b>	Increase in Bad Debts Provision	4	1,009	436	<b>1,445</b>
<b>156</b>	Increase/(Reduction) in Provision for Appeals	5	0	(1,584)	<b>(1,584)</b>
<b>1,440</b>	Renewable Energy Retention		0	1,430	<b>1,430</b>
<b>1,851</b>			<b>1,009</b>	<b>422</b>	<b>1,431</b>
<b>85,594</b>	<b>Total Expenditure</b>		<b>70,381</b>	<b>26,290</b>	<b>97,121</b>
<b>(4,723)</b>	<b>(Surplus)/Deficit for the Year</b>		<b>283</b>	<b>(3,657)</b>	<b>(3,374)</b>
<b>COLLECTION FUND BALANCE</b>					
<b>3,656</b>	(Surplus)/Deficit b/fwd at 1 April		(695)	(372)	<b>(1,067)</b>
<b>(4,723)</b>	(Surplus)/Deficit for the year (as above)		283	(3,657)	<b>(3,374)</b>
<b>(1,067)</b>	<b>(Surplus)/Deficit c/fwd at 31 March</b>	6	<b>(412)</b>	<b>(4,029)</b>	<b>(4,441)</b>



## NOTES TO THE COLLECTION FUND ACCOUNTS

### 1. GENERAL

The Collection Fund is an agent's statement that reflects the statutory obligation of billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers of Council Tax and National Non-Domestic Rates (NNDR) and its distribution to local government bodies and the Government.

### 2. COUNCIL TAXPAYERS

Council Tax income is derived from charges raised according to the value of residential properties, which have been classified into 8 valuation bands using estimated valuations as at 1 April 1991. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Cambridgeshire County Council, Cambridgeshire Police Authority, Cambridgeshire Fire Authority, Cambridgeshire and Peterborough Combined Authority and the Council for the forthcoming year and dividing this figure by the Council Tax base of 31,059 in 2023/24 (2022/23: 30,664). The increase in Council Tax base in 2023/24 is a result of a combination of new builds and lower numbers of Council Tax Support claimants.

The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent adjusted for discounts etc. This basic amount of tax for a Band D property (average of £2,214 for 2023/24 compared to £2,111 for 2022/23) is then multiplied by the proportion specified for the particular Band (after adjusting for individual Parish Council precepts) to give an individual amount due.

Council Tax bills were based on the following proportions for Bands A to H:

	Total Dwellings No.	Equivalent Dwellings after Discounts, Reliefs, Exemptions & LCTS No.	Ratio to Band D	Band D Equivalent Dwellings
Band A	17,257	11,948	6/9	7,965
Band B	12,723	10,333	7/9	8,037
Band C	8,813	7,661	8/9	6,810
Band D	4,760	4,342	1	4,342
Band E	2,410	2,214	11/9	2,706
Band F	669	627	13/9	906
Band G	179	159	15/9	265
Band H	26	14	18/9	28
	46,837	37,298		31,059

Income receivable from Council Taxpayers in 2023/24 was £70.098m (£65.727m in 2022/23).

### 3. NATIONAL NON-DOMESTIC RATES (NNDR)

The Council collects NNDR for its area based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate set nationally by Central Government. In 2013/14, the administration of NNDR changed following the introduction of a business rates retention scheme, which aims to give Councils a greater incentive to grow businesses but also increases the financial risk due to volatility and non-collection of rates. Instead of paying NNDR to the central pool, local authorities retain a proportion of the total collectable rates due. In the case of Fenland, the local share is 40%. The remainder is distributed to Central Government (50%), Cambridgeshire County Council (9%) and Cambridgeshire Fire Authority (1%).

The business rates share payable for 2023/24 were estimated before the start of the financial year as £13.197m to Central Government, £2.376m to Cambridgeshire County Council, £0.264m to Cambridgeshire Fire Authority and £10.558m to Fenland District Council. These sums have been paid in 2023/24 and charged to the collection fund in year.

When the scheme was introduced, Central Government set a baseline level for each authority, identifying the expected level of retained business rates and a top-up or tariff amount to ensure that all authorities receive their baseline amount. Tariffs due from authorities and payable to Central Government are used to finance the top-ups to those authorities who do not achieve their targeted baseline funding. In this respect, Fenland paid a tariff to the government of £7.244m in 2023/24 (£6.027m in 2022/23) which is charged to the General Fund.

In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA and hence business rates appeals outstanding as at 31 March 2024. As such, authorities are required to make a provision for these amounts. The total calculated provision resulted in the charge to the Collection Fund for 2023/24 reducing by £1.584m.

As part of the government's response to assist businesses during the coronavirus pandemic, business rate relief has been available for retail, leisure and hospitality properties, nursery education properties and to those businesses affected by the pandemic but not able to access other government business rates support. Total relief given in 2021/22 as a result of these specific measures was £2.769m which reduced the total NNDR income due by the same amount. In 2022/23 further reliefs were provided for these properties (except nursery properties) but at a reduced level and totalled 2.407m. Further reliefs were provided for certain retail properties in 2023/24 amounting to £1.414m.

The government reimburses local authorities for their share of the additional relief given through S31 Grant to ensure they are no worse off as a result of government's decisions.

#### **Business Rates Pooling Arrangement 2023/24**

The Council joined with the County Council, Peterborough City Council, Fire Authority, East Cambridgeshire and South Cambridgeshire District Councils became part of a pooling arrangement for business rates for the first time in 2020/21 and this has continued for each year since, including 2023/24.

The benefit of being in a pool is that authorities will not be liable for levy payments to the government on their business rates growth. (The levy is set at 50% of the growth above the baseline level set by government). Instead, the combined levy payments of the pool are shared amongst the pooled authorities by a mutually agreed method. This is based on where the growth has originated from with an appropriate share allocated to the County Council and Fire Authority. The pool is administered by South Cambridgeshire District Council on behalf of the pooled authorities.

For 2023/24, the combined levy payments amounted to £8.305m (Fenland's levy was £1.285m) and this Council's pool share was £0.506m. The levy and pool share are charged to the revenue account and are not part of the Collection Fund.

#### 4. PROVISION FOR NON-PAYMENT OF COUNCIL TAX AND NNDR

The Collection Fund account provides for bad debts on arrears on the basis of prior years' experience and current years collection rates.

##### Council Tax Bad Debts Provision

2022/23 £000		2023/24 £000
<b>3,561</b>	<b>Balance at 1 April</b>	<b>3,795</b>
(391)	Write-offs during year for previous years	(521)
625	Increase in provision during year	1,009
<b>3,795</b>	<b>Balance at 31 March</b>	<b>4,283</b>

The Council's proportion of this provision at 31 March 2024 is £565,152 (£528,199 at 31 March 2023).

##### Non- Domestic Rates Bad Debts Provision

2022/23 £000		2023/24 £000
<b>2,727</b>	<b>Balance at 1 April</b>	<b>2,133</b>
(105)	Write-offs during year for previous years	(130)
(489)	Increase in provision during year	436
<b>2,133</b>	<b>Balance at 31 March</b>	<b>2,439</b>

The Council's proportion of this provision at 31 March 2024 is £975,343 (£853,100 at 31 March 2023).

#### 5. PROVISION FOR APPEALS – NON-DOMESTIC RATES

The Collection Fund account also provides for provision for appeals against rateable values set by the Valuation Office Agency (VOA) which has not been settled as at 31 March 2023.

2022/23 £000		2023/24 £000
<b>5,684</b>	<b>Balance at 1 April</b>	<b>4,775</b>
(1,065)	Write-offs during year for previous years	(892)
156	Increase/(Reduction) in provision during year	(1,584)
<b>4,775</b>	<b>Balance at 31 March</b>	<b>2,299</b>

The Council's proportion of this provision at 31 March 2024 is £919,816 (£1,910,030 at 31 March 2023).

## 6. DEFICIT/ (SURPLUS) ON COLLECTION FUND

### Council Tax Collection Fund

The surplus of £412,578 at 31 March 2024 (£695,350 surplus at 31 March 2023), which related to Council Tax, will be reimbursed in subsequent financial years to Cambridgeshire County Council, Cambridgeshire Police and Fire Authorities, Cambridgeshire & Peterborough Combined Authority and the Council in proportion to their shares of the total Council Tax raised.

This Council's share of the surplus, £57,143 is reported within the Collection Fund Adjustment Account.

The total Council Tax Collection Fund (surplus) is therefore shared as follows:

	31 March 2023	31 March 2024
	£000	£000
Fenland District Council	(98)	(57)
Cambridgeshire County Council	(487)	(288)
Cambridgeshire Police & Crime Commissioner	(86)	(51)
Cambridgeshire Fire Authority	(24)	(15)
Cambs & Peterborough Combined Authority	0	(2)
<b>Total (Surplus)</b>	<b>(695)</b>	<b>(413)</b>

### Non-Domestic Rates Collection Fund

The surplus of £4,029,493 at 31 March 2024 (371,737 surplus at 31 March 2023), which related to Business Rates, will be reimbursed in subsequent financial years by Cambridgeshire County Council, Cambridgeshire Fire Authority, Central Government and the Council in proportion to their shares of business rates income.

This Council's share of the surplus £1,611,797 is reported within the Collection Fund Adjustment Account.

The total Non-Domestic Rates Collection Fund (surplus) is therefore shared as follows:

	31 March 2023	31 March 2024
	£000	£000
Fenland District Council	(149)	(1,612)
Cambridgeshire County Council	(33)	(362)
Cambridgeshire Fire Authority	(4)	(40)
Central Government	(186)	(2,015)
<b>Total Deficit/(Surplus)</b>	<b>(372)</b>	<b>(4,029)</b>

### Collection Fund Adjustment Account

The proportion of the Fund owed to Fenland DC and represented by the Collection Fund Adjustment Account is as follows:

	<b>31 March 2023 £000</b>	<b>Movement in Year £000</b>	<b>31 March 2024 £000</b>
Council Tax	(98)	41	(57)
NNDR - Renewable Energy	(842)	650	(192)
NNDR - Core	(149)	(1,463)	(1,612)
<b>TOTAL COLLECTION FUND ADJUSTMENT ACCOUNT</b>	<b>(1,089)</b>	<b>(772)</b>	<b>(1,861)</b>

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FENLAND DISTRICT COUNCIL**



## **GLOSSARY OF TERMS**

### **ACCOUNTING PERIOD**

The period of time covered by the accounts, normally 12 months commencing on 1 April for local authorities.

### **ACCOUNTING POLICIES**

Define the process whereby transactions and other events are reflected in financial statements.

### **ACCRUALS**

Sums included in the final accounts to cover income or expenditure attributable to the accounting period but for which payment has not been made/received at the Balance Sheet date.

### **AMORTISATION**

A measure of the consumption of the value of intangible assets, based on the remaining economic life.

### **BAD DEBT**

Debts whose repayment is known to be impossible or unlikely.

### **BUDGET**

A statement defining the Council's policies over a specified period of time in terms of finance.

### **BILLING AUTHORITY**

A local authority responsible for collecting the Council Tax and non-domestic rates i.e. District Councils, Metropolitan Districts, London Boroughs, the City of London and Unitary Councils.

### **CAPITAL CHARGES**

Charges made to service revenue accounts based on the value of the assets they use and comprises depreciation over the useful life of the asset.

### **CAPITAL EXPENDITURE**

Expenditure on new assets such as land and buildings, or on enhancements to existing assets which significantly prolong their useful life or increase their value.

### **CAPITAL FINANCING COSTS**

The annual cost of borrowing (principal repayments and interest charges), leasing charges and other costs of funding capital expenditure.

### **CAPITAL RECEIPTS**

The proceeds from the disposal of land or other assets.

### **COLLECTION FUND**

Accounts required to be kept by the Council to record all income collected from local taxpayers, showing how this is passed on to other local authorities and Government organisations.

### **COMMUNITY ASSETS**

Assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples are parks and historic buildings.

### **CONTINGENT LIABILITIES**

Potential liabilities which are either dependant on a future event or cannot be readily estimated.

### **CREDITORS**

Amounts owed by the Council at 31 March for goods received or services rendered but not yet paid for.



**CURRENT ASSETS**

Assets which can be expected to be consumed or realised during the next accounting period.

**CURRENT LIABILITIES**

Amounts which will become due or could be called upon during the next accounting period.

**DEBT MANAGEMENT OFFICE**

An Executive Agency of Her Majesty's Treasury responsible for debt and cash management for the UK Government including lending to local authorities.

**DEBTORS**

Amounts owed by the Council which are collectable or outstanding at 31 March.

**DEPRECIATION**

A notional charge representing the extent to which an asset has been worn out or used up during the year.

**DERECOGNITION**

The term used for the removal of an asset or liability from the Balance Sheet.

**EFFECTIVE RATE OF INTEREST**

The rate of interest that will discount the estimated cash flows over the life of a financial instrument to the amount in the Balance Sheet at initial measurement.

**FAIR VALUE**

The amount for which an asset could be exchanged or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

**FINANCE LEASE**

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee.

**FINANCIAL ASSET**

A right to future economic benefits controlled by the Council. Examples include bank deposits, investments, trade debtors and loans receivable.

**FINANCIAL LIABILITY**

An obligation to transfer economic benefits controlled by the Council. Examples include borrowings, financial guarantees and amounts owed to trade creditors.

**FINANCIAL INSTRUMENT**

Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

**GENERAL FUND**

The main revenue fund of the Council. Day to day spending on services is met from the fund.

**HERITAGE ASSETS**

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities which are held and maintained principally for their contribution to knowledge and culture.

**GOVERNMENT GRANTS**

Payments by central Government towards Council expenditure. They may be specific, for example Housing Benefit subsidy, or general such as Revenue Support Grant.

**IMPAIRMENT**

The term used where the estimated recoverable amount from an asset is less than the amortised cost at which the asset is being carried on the Balance Sheet.

**INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)**

A reference to the accounting treatments that companies globally would generally be expected to apply in the preparation of their financial statements.

**MINIMUM REVENUE PROVISION**

The minimum amount which must be charged to the Council's revenue account each year and set aside for debt repayment as required by the Local Government and Housing Act 1989.

**NON-CURRENT ASSETS**

Assets which can be expected to be of use or benefit the Council in providing service for more than one accounting period.

**OPERATING LEASES**

A lease under which the ownership of the asset remains with the lessor; for practical purposes it is equivalent to contract hiring.

**OUTTURN**

Refers to actual income and expenditure or balances as opposed to budget amounts.

**PRECEPT**

The levy made on a billing authority by a Precepting Authority, requiring collection of income from Council's Taxpayers on their behalf.

**PRECEPTING AUTHORITIES**

Those authorities which are not Billing Authorities i.e. do not collect Council Tax and non-domestic rate. County Council are "major precepting authorities" and parish, community and Town Councils are "local precepting authorities".

**PROVISIONS AND RESERVES**

Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses which are likely or certain to be incurred but the amounts or the dates on which they arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or "balances") which every authority must maintain as a matter of prudence.

**PUBLIC WORKS LOAN BOARD**

A central Government agency which provides long and short term loans to local authorities at interest rates only slightly higher than those at which the Government itself can borrow.

**REVENUE EXPENDITURE**

Spending on day to day items including employees' pay, premises costs and supplies and services.

**REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE**

Expenditure which legislation allows to be classified as capital for funding purposes when it does not result in the expenditure being carried on the Balance Sheet as a fixed asset. The purpose of this is to enable it to be funded from capital resources rather than be charged to the General Fund and impact on that year's Council Tax.

**REVENUE SUPPORT GRANT**

A grant paid by central Government in aid of Council's services.

**THE CODE**

The Code of Practice on Local Authority Accounting in the United Kingdom. This specifies the principals and practices of accounting required to give a 'true and fair' view of the financial position and transactions of a local authority.

## ABBREVIATIONS USED IN THE ACCOUNTS

ARP	Anglia Revenue Partnerships
CFR	Capital Financing Requirement
CIPFA	Chartered Institute of Public Finance and Accountancy
CSE	Customer Service Excellence
DWP	Department for Work and Pensions
FDC-CSR	Fenland District Council Comprehensive Spending Review
HMOs	Houses in Multiple Occupations
IFRS	International Financial Reporting Standard
IMD	Index of Multiple Deprivations
LEP	Local Enterprise Partnership
MRP	Minimum Revenue Provision
MTFF	Medium Term Financial Forecast
NNDR	National Non-domestic Rates
PNPF	Pilots' National Pension Fund
PWLB	Public Works Loan Board
LGA	Local Government Association
LGPS	Local Government Pension Scheme
IAS	International Accounting Standards