

Cambridge City Council

**Draft Unaudited Statement of
Accounts for the year ended 31
March 2024**

Introduction

This Statement of Accounts gives an overview of the Council's finances for the year ended 31 March 2024. It has been written to help residents and others to:

- understand the overall financial performance and position of the Council;
- have confidence that public money has been used and accounted for in an appropriate manner; and
- be assured that the financial position of the Council is sound and secure.

The document is split into the following key sections:

- The **Narrative Report** explains how the Council is organised, managed and governed. It sets out the Council's vision and priorities, and the main risks faced in the achievement of these. It also contains commentary on the Council's financial and non-financial performance for the year.
- The **Council Financial Statements** set out in more detail the financial cost to the Council of the services it has provided during the year, and its financial position at the year-end. It consists of a number of main statements and notes, as set out in the Contents table opposite. It is prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24, and the Council's accounting policies which are explained in more detail at note 2.
- The **Group Financial Statements** explain the impact on the Council's finances of its involvement with Cambridge City Housing Company Ltd (a wholly owned subsidiary) and the Cambridge Investment Partnership (a joint venture partnership).
- The **Glossary** contains a definition of any complex accounting terms used throughout this Statement of Accounts.

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Introduction

The past twelve months has been a period of further change in Cambridge, with both the legacy of the global pandemic and the continuing war in Ukraine causing instability and continued economic uncertainty. The past year also saw significant inflation making it even harder for many Cambridge residents facing the challenge of making ends meet in the continuing cost-of-living crisis. Cambridge City Council has continued to meet these challenges and adapt itself to the new demands, working together with partners to address pressures in the city, including housing, climate change and the cost-of-living crisis, as well as the continuing growth of the city.

This report sets out some of the main highlights and issues from the past year.

The Council has an ambitious savings target, with the latest Medium Term Financial Strategy identifying a need to deliver annual savings of around £11.5 million over a five-year period. Whilst the 'Our Cambridge' programme will contribute significantly to the achievement of these targets; the Council has had to take difficult decisions to respond to the financial challenges impacting the Council. These challenges include reduced income from some of the Council's commercial services, including its crematorium which has faced increasing competition, and its market and car parks which are still seeing some weekday reductions in demand as customer behaviour has changed following the pandemic.

In 2023/24, the Council recorded a surplus on the General Fund of £12.857 million, compared to a budgeted surplus of £4.962 million. After accounting for project slippage of £3.113 million where budgets have been carried forward to the following year, this represents a net underspend of £4.782 million. The underspend was, in part, driven by significant investment income as the Council benefited from continuing high interest rates. However, this income is likely to decrease over time as interest rates come down, and the Council uses its cash reserves to fund significant capital projects.

Careful management of service budgets successfully addressed the impact of inflation although in general many services spent less on salaries and wages than had been expected due to continuing difficulties recruiting to vacant and specialist positions.

The Council collected £51.632 million of rent and other income through the Housing Revenue Account. This is used solely to provide services to the Council's housing tenants and leaseholders, and to support the construction of new council housing and improvements to existing properties.

Local authorities remain subject to considerable uncertainty following repeated delays in the implementation of local government funding reform and associated changes relating to business rates, and recent announcements connected to local government reorganisation. This creates numerous challenges as the authority seeks to plan for the long-term and deliver against its vision for the City.

Organisational Overview and External Environment

About Cambridge

Cambridge covers a relatively small urban area (measuring 3 miles by 5 miles). The city had the fastest growing population of any city in England and Wales between 2011 and 2021. The population has increased further from 145,800 in 2021 (Census 2021) to 150,000 in 2023 (ONS mid-year population estimate 2023).

In the 2021 Census, an estimated 71,600 residents – 31% of the population – across the Cambridge City & Fringe were born outside the UK, up from 23% in 2011, and a rate ahead of national (17%) and national city (22%) benchmarks.

50 languages are spoken in the city. People from around the world are attracted to study and work in Cambridge, with international students making up just over a third of all higher education places in the city.

Analysis by the Centre for Cities also shows that Cambridge's city centre footfall and spending has recovered to pre-pandemic levels, and at a faster rate than benchmarks. Annual city centre footfall increased from 52 million in 2022 to 55 million in 2023.

The proportion of the working age population in Cambridge (City & Fringe) in work or actively looking for work in 2023 was 81.5%, which exceeds relevant benchmarks.

International research indicates resident's perception of their quality of life continues to improve with Cambridge scoring higher than any other UK city beside Edinburgh.

The delivery of new homes in Cambridge has continued to outpace benchmarks with one of the highest housebuilding rates in the country. In the 2 years from 2021 to 2023 a total of 1,452 new homes were built. The rate of delivery of new homes increased from 7.8 per 1,000 dwellings in 2021 to 14.7 in 2023.

The proportion of homes in Cambridge that are owned outright or with a mortgage increased to 50.4% in 2021, up from 48.3% six years ago. This rate lags behind national (63.5%) and national city (58.9%) benchmarks, though these gaps are slowly closing. Only Oxford and Hull had a lower home ownership rate than Cambridge in 2021.

In 2022, 618 households in Cambridge were assessed as homeless or threatened with homelessness, a 3% increase on the 599 assessed in 2021. This is equivalent to 14.1 cases per 1,000 households in the city, which exceeds national (11.7) and national city (13.5) benchmarks, with Cambridge having the 21st highest number of cases per 1,000 households out of 55 cities nationwide.

Relative to local pay, Cambridge has remained one of the least affordable places outside London for buying or renting a home in the country. In 2023 the median house price was 12.5 times median earnings, while the median rental price was 39% of median pay.

When adjusted for population, Cambridge recorded 103.2 criminal offences per 1,000 residents in 2021/22, which was higher than the national average, but lower than the national city average.

The life expectancy gap between the most and least deprived neighbourhoods in Cambridge in 2020 stood at 12.0 years for males and 11.8 years for females, a significantly larger gap than the national average of 9.7 years for males and 7.9 years for females. Cambridge recorded the 6th largest life expectancy inequality out of 55 cities in England.

Council Vision and Priorities

Cambridge City Council has a vision:

'One Cambridge Fair for All'

- Residents enjoy a high quality of life and exemplar public services
- Decarbonisation and sustainability are central to prosperity
- Innovation benefits people and planet
- Development is sustainable and inclusive
- Arts, sport, and culture are thriving
- Democratic accountability is genuine and accessible

It's a vision we share and develop, working with our citizens and partner organisations.

To achieve this vision, our Corporate Plan priorities are:

Leading Cambridge's response to the climate and biodiversity emergencies and creating a net zero council by 2030

Tackling poverty and inequality and helping people in the greatest need

Building a new generation of council and affordable homes and reducing homelessness

Modernising the council to lead a greener city that is fair for all

The [Corporate Plan 2022-27](https://www.cambridge.gov.uk/corporate-plan-2022-27)¹ can be found on the Council's website.

Our Services

Our services have been reported to management and committees in the following portfolios during 2023/24:

Portfolio	Examples of services included
Climate Action and Environment	Environmental Health, Licensing, Waste & Recycling
Community Wealth Building and Community Safety	Community Safety, Voluntary Sector, Tourism
Communities	Children & Youth, Culture, Community Safety
Housing (GF)	Environmental Health, Homelessness
Open Spaces and City Services	Open Space Management, Bereavement Services
Planning, Building Control and Infrastructure	Planning, Development
Finance and Resources	Finance, Human Resources, Property Services, Legal, ICT
The Leader	Chief Executive, Corporate Strategy, Democratic Services

Our Companies

The council owns 100% of the shares of Cambridge City Housing Company Ltd, which provides housing for sub-market rents and other housing services in the city.

The council also participates as a 50% joint venture partner with a property developer in the Cambridge Investment Partnership, consisting of four limited liability partnerships (LLPs) which are engaged in housing development in the Cambridge area.

Further information can be found in the Group Financial Statements.

¹ <https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>

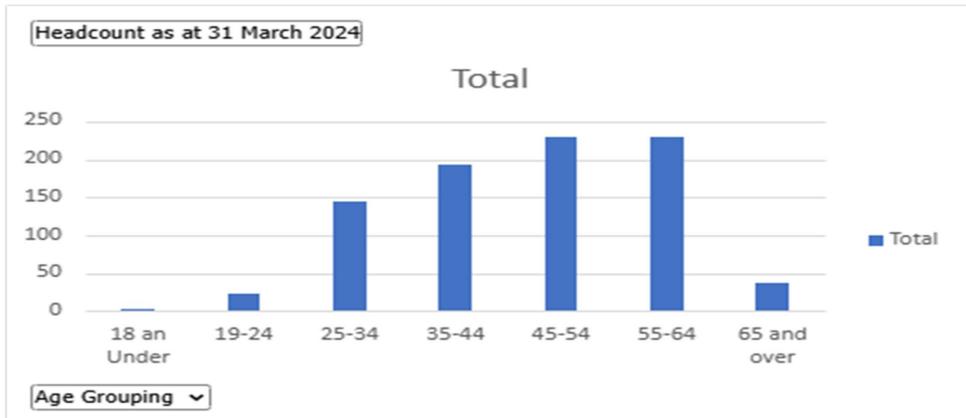
Our People

The City Council employs 859 staff directly as well as delivering services through others who are based in our shared services and arm's length partnership arrangements. We are committed to developing and supporting our staff through effective leadership and continuous improvement that supports the Council's vision.

We have 623 full time and 236 part time employees

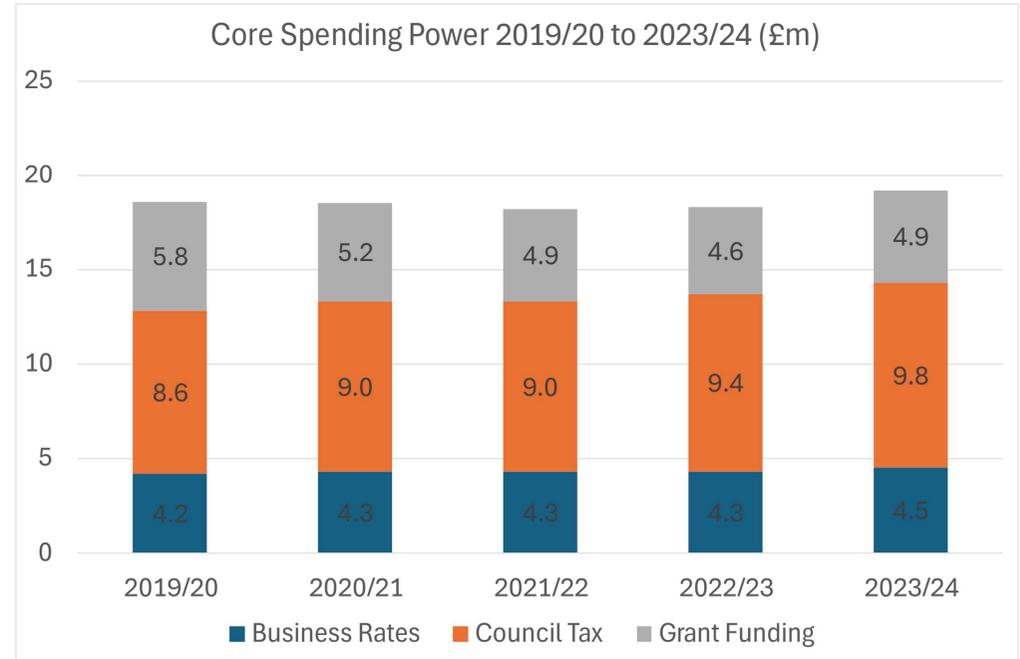
49% of our workforce are female and 51% male

40% of staff have been with the Council over 10years



Our Funding

The Settlement Funding Assessment is the core government funding for the Council. The following chart shows how the proportion of the council's core spending power funded through government grants fell from 31% in 2019/20 to 25% in 2022/23, before increasing slightly in 2023/24.



Our External Economic Outlook

Our local economy has shown considerable resilience. Despite the widespread cost of living issues, the Council has seen an increase in its underlying business rates base, and income from commercial services, including rental income from the Council's property portfolio, has generally held up well.

Soaring inflation, including the significant spike in energy prices, has impacted service delivery. Forward purchasing of energy, together with investment in energy-saving technologies, reduced the Council's degree of exposure in 2023/24, but with prices not expected to return to levels seen prior to the pandemic the long-term impact of increased energy costs will impact the Council. The cost-of-living crisis has impacted our residents, and many will continue to need the Council's support going forward. So far, however, collection rates for business rates and council tax have remained high and above the targets set at the start of the year.

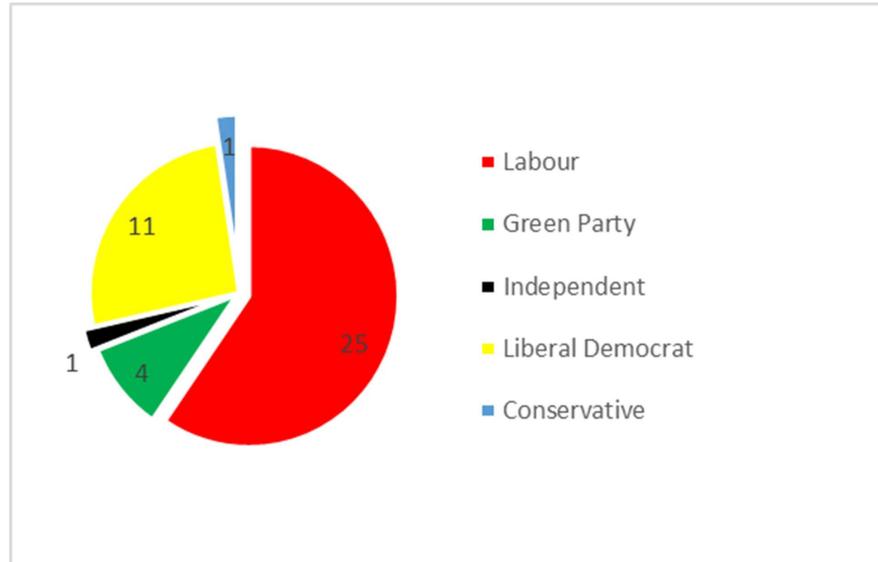
The combination of high inflation and high interest rates has had a pronounced impact on the affordability and viability of capital projects, particularly those relating to housing because increases in social housing rents are subject to regulation by central government.

Funding for the 2023/24 pay settlement was agreed part-way through the year as the settlement agreed nationally exceeded the amount built into the original 2023/24 budget. Negotiations regarding the 2024/25 uplift concluded during the year and had a significant impact on the Council's cost base. Like many local authorities the Council uses temporary staff to provide interim support and expertise

for fixed periods. The cost of staff engaged on such arrangements continues to increase owing to tight labour market conditions and high demand for experienced and technically competent officers. This will continue to impact on service budgets.

How the Council is Governed

Cambridge City Council has 14 wards represented by 42 elected members (councillors). Prior to elections which took place in May 2024, Councillors were combined into political groups as follows during the 2023/24 financial year.



The Council's constitution sets out the governance arrangements of the Council, comprising a hybrid Leader and Executive system with pre-scrutiny committees. This provides assurance to our citizens that decisions made in their name have been taken correctly. The [Constitution](#)² can be found on the Council's website.

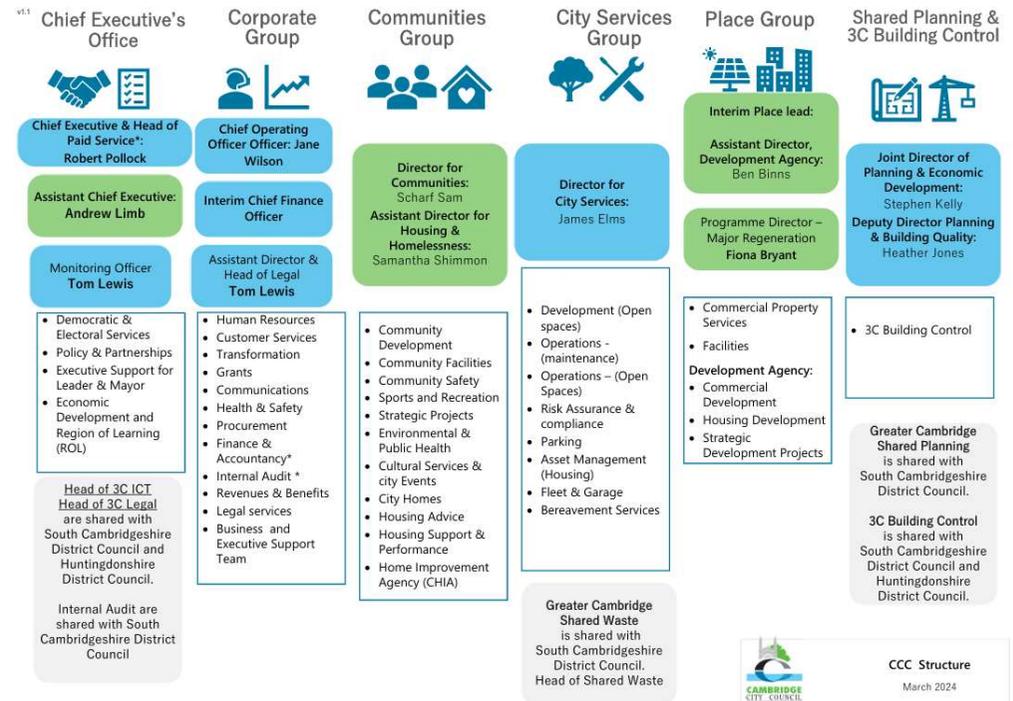
The [Annual Governance Statement 2023/24](#)³ is also available on the Council's website. This is published alongside the Statement of Accounts and provides details of the annual review of the effectiveness of the Council's governance framework, including the system of internal control. It also includes the annual opinion of the Head of Internal Audit

It is the opinion of the Head of Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment during the financial year 2023/24, and this remains at a similar level to the previous year.

² <https://www.cambridge.gov.uk/constitution>

How the Council Operates

The Council operates to achieve its objectives through utilising its resources (inputs) to achieve value for money (effective, efficient and economical outputs). The Leadership Team under the leadership of the Chief Executive, Robert Pollock, is responsible for the management of the organisation, initiatives and projects to support delivery of the Corporate Plan. The chart below shows the structure which was in place during the 2023/24 financial year.



Performance Highlights

The Annual Report on the Corporate Plan shows what was achieved in 2023/24 under the four priority themes during that year. The highlights are:

Leading Cambridge's response to the climate change and biodiversity emergencies

Building on our Asset Management Plan, we have started work to develop an Asset Management Strategy & Decarbonisation Plan to reduce the carbon emissions for all council buildings.

We have continued to work with our partners at South Cambridgeshire District Council on the Waterbeach Renewable Energy Network (WREN) Solar Project. The WREN project team is working closely with the Food Waste project team to ensure changes to our depot meet the needs of both projects.

Our External Wall Insulation Programme for council homes continued with 58 homes with poor energy efficiency getting external wall insulation installed alongside improved ventilation and when necessary, replacement external doors and loft insulation top ups. This programme will run for two years and install energy efficiency improvements in 260 homes.

We also completed the development of 21 Passivhaus certified homes. This included two wheelchair adapted homes, with lifts already included.

We continued to support energy efficiency improvements to privately-owned homes through our Action on Energy scheme. We have taken forward a number of projects to help reduce carbon emissions from transport in Cambridge, with a particular focus on providing new charge points for electric vehicles (EVs).

Greater Cambridge Shared Waste service (GCSWS) continued the expansion of its Waste Electrical and Electronic Equipment (WEEE) collection service.

GCSWS also transitioned to a four-day collection service (part of an ongoing trial) without any reduction in the levels of service and very few complaints during the switchover. The new working arrangements are expected to result in increased staff wellbeing, and improved recruitment and retention of operational crews, amongst other benefits.

We continue to support the Cambridge Food Poverty Alliance and its campaign to achieve food justice for residents in the city. In March, Cambridge Sustainable Food Partnership was awarded a prestigious Gold Award from Sustainable Food Places.

We delivered multiple biodiversity themed Environmental Improvement Plan (EIP) projects on our open spaces, including new tree planting, meadows, birds, and bat boxes. We have worked closely with the Wildlife Trust to deliver habitat enhancement projects on Coldham's, Stourbridge and

Midsummer commons and supported the Cambridge Nature Network, including the successful Cambridge Nature Festival.

Tackling poverty and inequality and helping people in the greatest need

Over the past year we developed and approved a Community Wealth Building Strategy that sets out how we will help address poverty and inequality in the city.

We started using community grants and the UK Shared Prosperity Fund allocation from Government to support Allia to deliver a programme for social enterprises, charities and social impact businesses. These new businesses will help assist those in the greatest need in the city.

Through our Single Equality Scheme, we have continued to work towards enabling all residents to have equal access to public activities and spaces in Cambridge and enable full participation in the community and in making decisions about the places where they live.

We used some of our community grants budget in the year to fund 31 voluntary and community sector organisations explicitly organising activities for protected characteristic groups that reduce social and/or economic inequality.

During the year we expanded the Asylum Seeking and Refugee service to support those with newly granted refugee status from the Bar Hill hotel following positive asylum decisions. The service also commissioned employment support for refugees from various refugee cohorts. 381 people were supported and settled in total at the end of the year.

We have carried out a range of activities to tackle and highlight domestic abuse, including the marking of White Ribbon Day and the United Nations International Day for the Elimination of Violence Against Women, in partnership with local services such as Cambridge Women's Aid. Through our five community centres, we also provided warm and welcoming spaces where local people came together and participated in activities or simply chatted. Nearly 118,000 people from "priority groups", including low-income households, attended our community centres in the year.

We continue to offer tailored advice on the take-up of benefits to help maximise incomes and assist with budgeting to help reduce debt and prevent eviction. This work also prevented or relieved homelessness for 410 households in the year.

We provided Council Tax reductions for 7,247 households in the year and provided £28 million of housing support to 4,000 plus households from the Housing Support Fund.

We provided a Holiday Lunch programme during school holidays for low-income families and several 'community days' and 'skip days' to save residents money by disposing of bulky waste and to develop a sense of pride among residents in their neighbourhood.

We continued to fund Cambridge Council for Voluntary Service (CCVS) in the year to promote volunteering and to build the capacity of local organisations to work with volunteers.

To support physical activity, we have continued to provide 50% reductions on entry prices at our leisure centres for people receiving means-tested benefits, leading to just over 58,000 discounted entries during 2023/24.

Building a new generation of council and affordable homes and reducing homelessness

Our council tenancy audit programme continued with just under 10% of tenancies audited during the year.

We have provided 27 victims of domestic abuse with support and given advice and support to 195 households on moving to more suitable accommodation.

We received 608 reports of damp and mould in the year – a significant increase – and a team has been put together to inspect these properties and ensure any issues identified are resolved.

We have received and investigated 312 complaints around private sector housing safety, suitability, and management during 2023/24.

332 Houses in Multiple Occupation (HMOs), both licensable and non-licensable, have been brought up to required safety and suitability standards. Some 212 HMOs were licensed with the council – 158 of these were licence renewals and 54 were new licensed properties that were added to the licence register in 2023/24.

Our work to incentivise private landlords and lettings to accept referrals of low-income households has had a positive impact as we successfully met our target of 120 cases for homelessness prevention and relief into the private rented sector.

With government funding, we continue to put measures in place to tackle the issue of rough sleeping. More targeted support for people with multiple and complex needs through the Team Around the Person approach is being extended to try and reduce evictions from supported housing.

Our work to support the significant numbers of Ukrainian households accommodated by Cambridge-based hosts with rehousing continues. Although demand has decreased this year, we have given advice to more than 100 Ukrainian refugee households on their housing options in and around Cambridge.

We completed 248 new council homes during 2023/24, primarily through the Cambridge Investment Partnership (CIP). This makes up the majority of all new affordable homes completed in the city in the year. Additionally, 21 existing properties were bought into council stock to serve Afghan and Ukrainian refugees, part funded through the Local Authority Housing Fund (LAHF).

We have started building work on a further 84 new council homes, including 43 which will be let at 80% of market rents to help people who are a low priority for social housing but for whom renting or buying on the open market is a challenge.

Modernising the council to lead a greener city that is fair for all

Our Cambridge is a multi-year transformation programme, with three main strands: how we work with our communities and partners, how we are organised internally, and how we deliver our services. Across the year, major strategic changes to how we operate were launched, including our target operating model.

In 2023/24 we also carried out work on a new design for our website and the process of changing our governance structures began.

We have kickstarted the process of digitisation and becoming a truly digital council, so that those who want to access services virtually are able to.

Following the success of our Green Business Grant Fund last year, we launched our Green Business Impact programme with South Cambridgeshire and Huntingdonshire District Councils.

In January 2024, we announced plans to bring the Market Square project into a wider Civic Quarter project. This is a once-in-a century opportunity to make improvements to the Market Square, the Guildhall (our historic headquarters), the Corn Exchange, and the public areas in between, to secure the continuing success of the market and to make the ageing buildings fit for the future.

The visitor economy has been a key focus of our partnership work this year. We began work with the Cambridge Business Improvement District (BID) and our Visit Cambridge partners, King's College and Curating Cambridge, on a Destination Management Plan.

Our Abbey ward community wealth project – 'Focus On Abbey' – began this year and has brought together people from the community, voluntary, charitable, public and private sectors to support community-led projects aimed at empowering local people to improve quality of life in the area. By working collaboratively, investment has been secured to provide additional support to the residents of Abbey who have been unable to work due to long term health conditions.

Linked to the Our Cambridge transformation programme and the community wealth building approach, we have provided seed funding to establish an independent Social Impact Investment Fund to help tackle systemic inequalities that lead to unacceptable differences in life chances in our communities.

We launched a 24-month pilot aiming to support 35 refugees to secure employment. The pilot aims to harness the skills and knowledge the individuals already hold by providing the opportunities and resources to access employment. One-to-one casework is combined with financial support, which comes from public donations.

Financial Performance

General Fund

The General Fund represents the resources of the Council which are available to fund revenue services or capital expenditure without restriction (except that they may not be spent on Housing Revenue Account services or assets).

The final outturn on the net cost of General Fund services for 2023/24 was an underspend of £6.007 million. This represents 22.5% of the final net budget. The main reasons for the variance were as follows:

- Finance General: £3.744 million underspend – this is mainly due to a substantial increase in interest earned as a result of sustained higher interest rates and higher than anticipated cash balances to invest.
- Salary budgets: £659,000 underspend – this is due to vacancies held during the year, primarily arising from recruitment difficulties.
- Other Industrial Properties: £464,000 underspend – this is due to the receipt of backdated rental income.
- Central Provisions to be allocated: £457,000 underspend – this is largely due to budget adjustments held centrally where unfavourable variances may exist elsewhere, and for support services costs which have not been fully allocated.

The table on the next page sets out in detail the General Fund revenue outturn for the year for each service portfolio. The accounting adjustments column reflects differences between the way in which the Council's resources are managed internally, and the way in which income and expenditure must be reported in the Statement of Accounts in line with accounting requirements. The most significant adjustments relate to the classification of income and expenditure relating to investments and the allocation of depreciation charges across service lines. The 'total chargeable to the General Fund' column represents the movements on the General Fund as presented in the Council's Expenditure and Funding Analysis (see note 1 to the Council Financial Statements).

Earmarked Reserves

The Council holds earmarked reserves for a variety of purposes, including:

- to fund future anticipated revenue costs;
- to fund future capital expenditure (both on the construction of new assets and the repairs and renewal of existing assets); and
- to hold funds which are ringfenced to a particular purpose, for example restricted grants, or surpluses generated through partnership working.

The movements on earmarked reserves during 2023/24 were as follows:

	General Fund earmarked reserves £'000	Housing Revenue Account earmarked reserves £'000	Total earmarked reserves £'000
Balance at 1 April 2023	(28,788)	(17,328)	(46,116)
Contributions to earmarked reserves	(11,558)	(291)	(11,849)
Use of earmarked reserves to fund expenditure	11,302	14,815	26,117
Balance at 31 March 2024	(29,044)	(2,804)	(31,848)

The most significant movements were as follows:

- The use of a £14.705 million HRA reserve which had been earmarked for debt redemption and/or reinvestment, to fund HRA capital expenditure in year.
- A contribution of £6.082 million to a General Fund reserve earmarked for future capital development, including £6 million in respect of development surpluses delivered by the Cambridge Investment Partnership.
- The use of the £5.266 million Greater Cambridge Partnership reserve to fund the work of the Partnership as intended.
- A drawdown of £1.412 million from the Transformation Reserve to fund the Our Cambridge transformation programme.

	Original budget	Final budget	Overspend / (underspend)	Outturn	Accounting adjustments	Total chargeable to General Fund
	£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment	4,880	7,796	495	8,291	(722)	7,569
Community Wealth Building and Community Safety	964	1,413	(363)	1,050	(32)	1,018
Communities	7,407	7,507	(24)	7,483	(2,666)	4,817
General Fund Housing	3,793	3,432	(169)	3,263	(216)	3,047
Open Spaces and City Services	4,394	405	445	850	(1,207)	(357)
Planning, Building Control and Infrastructure	2,323	2,626	(385)	2,241	134	2,375
Finance and Resources	(5,689)	(5,197)	(5,120)	(10,317)	18,644	8,327
The Leader	7,716	8,680	(886)	7,794	1,400	9,194
Total cost of services	25,788	26,662	(6,007)	20,655	15,335	35,990
Other income and expenditure	0	0	0	0	(19,651)	(19,651)
Capital expenditure financed from General Fund	1,570	2,874	(2,673)	201	972	1,173
Other capital adjustments	(6,336)	(5,722)	(71)	(5,793)	5,714	(79)
Contributions to / from reserves	8,332	4,962	8,792	13,754	(897)	12,857
Contribution to / (from) earmarked reserves	995	8,543	82	8,625	2,933	11,558
Collection Fund surplus	(3,840)	(4,893)	(673)	(5,566)	1,705	(3,861)
Net spending requirement	26,509	32,426	(550)	31,876	6,111	37,987
Financed by:						
Council tax	(9,831)	(9,831)	(2)	(9,833)	20	(9,813)
Settlement Funding Assessment	(4,591)	(4,568)	0	(4,568)	0	(4,568)
Locally retained business rates	(7,400)	(6,347)	(184)	(6,531)	(1,725)	(8,256)
New Homes Bonus	(53)	(53)	0	(53)	0	(53)
Other core government grants	(4,634)	(4,656)	736	(3,920)	(75)	(3,995)
Use of earmarked reserves	0	(6,971)	0	(6,971)	(4,331)	(11,302)
Total financing	(26,509)	(32,426)	550	(31,876)	(6,111)	(37,987)

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) reflects the statutory requirement for the Council to maintain a separate revenue account for council housing provision. It contains the balance of income and expenditure in connection with the Council's landlord function (for example rental income), which can only be used to fund expenditure on HRA services in the future. The final position for the HRA for 2023/24 is a reported net overspend of £859,000 before interest and appropriations. This position incorporates a significant overspend on repairs activity, which is partially offset by an over-achievement of income in the year and underspending in general management expenditure.

It should be noted that industry maintenance costs have increased significantly over the past two years, alongside the need for a greater level of investment in the housing stock to ensure compliance with current regulations.

The budgetary performance across our repairs and maintenance function should therefore be viewed in a national context, with the sector facing significant challenges over the past year, and Cambridge is no exception. This trend is likely to continue for the foreseeable future. A recent report shows that the 204 largest housing providers have seen a 35% increase in repair spending compared to pre-pandemic levels, translating to roughly £2.6 billion.

Several factors have contributed to the Council's overspend, including high inflation, the ongoing pressure of tackling Covid-related backlogs, and the urgent unbudgeted need to address significant housing stock compliance issues. Our proactive approach to tenant engagement, including a dedicated team and a revamped reporting system, has led to a significant 77% increase in reported damp and mould (DCM) cases. These factors have combined to rapidly drive-up demand for goods and services and therefore cost.

Our commitment to improving tenant living conditions and reducing unacceptable wait times for tenants has required significant investments in repairs and maintenance. By strategically overspending, we've not only addressed essential needs but also improved the overall lived experience for our tenants:

- Percentage of repairs completed within target timescale has improved from 73.9% to 89.2%.
- Percentage of repairs completed at first visit has improved from 66.8% to 72.1%.
- Average time in days to repair a void (General Needs & Sheltered) has improved from 50.1 days to 27.6 days.

Following identification of two historic rent regulation issues, it was necessary to account for the estimated rent refunds due for 2023/24 within the financial year (£542,000), and to reduce the opening balance for the HRA by the estimated value of historic refunds (£3.826 million). To ensure that the HRA could maintain the target level of general HRA reserves as at 31 March 2024 following this adjustment, a revised capital financing strategy was adopted in 2023/24. The use of Direct Revenue Financing (DRF) was reduced by £3.814 million, and instead capital expenditure was financed from the attributable debt set-aside capital reserve.

Following these changes, the final position for the HRA, after capital financing, interest and appropriations, was a net underspend of £3.500 million. The following table sets out the HRA outturn for the year compared to budget:

	Original budget £'000	Final budget £'000	Final outturn £'000	Overspend / (underspend) £'000
Dwelling rents and other income	(50,947)	(51,024)	(51,632)	(608)
Expenditure	34,172	35,432	36,899	1,467
Net cost of Housing Revenue Account services	(16,775)	(15,592)	(14,733)	859
Interest receivable	(670)	(2,231)	(2,291)	(60)
Interest payable	8,889	7,941	7,566	(375)
Capital expenditure financed from Housing Revenue Account	29,446	26,925	23,111	(3,814)
Transfer to / (from) earmarked reserves	(14,705)	(14,414)	(14,524)	(110)
(Surplus) / deficit for the year	6,185	2,629	(871)	(3,500)

Assets

The most significant assets on the Council's Balance Sheet are its property, plant and equipment (£1.061 Billion) and investment properties (£165 million). These are revalued on a regular basis in line with accounting requirements and are therefore subject to large fluctuations in value. However, under statutory provisions these movements do not impact on the usable resources of the Council.

At 31 March 2024 the Council held investments totalling £94 million (including loans of £27 million to its subsidiary and joint ventures). These are mostly held at amortised cost – further detail is given in note 18 to the Council Financial Statements. Cash and cash equivalents held on 31 March 2024 totalled £22 million.

In the year there was significant expenditure on the construction of new council dwellings, many of which were completed during the year contributing to an increase in the total value of dwellings of £36 million. Council dwellings are revalued annually. The impact of the valuations is accounted for within the HRA and revaluation reserve. Since council dwellings are valued with reference to their use as social housing it is common for a downward valuation to be recognised when they are first brought into use. This reflects the difference between the cost of construction, which includes funding from capital grants, and the valuation which is based on the rents the Council is able to charge.

Pension Fund Asset

There is a net asset on the Balance Sheet of £18 million in relation to the Local Government Pension Scheme (LGPS). The Council's pension assets and liabilities are revalued by an external actuary on an annual basis and are subject to large valuation movements because of changes to assumptions, such as rates of inflation and longevity assumptions. However, gains and losses of this nature do not impact on the Council's usable resources under statutory provisions. A funding strategy is agreed with the actuary every three years to ensure that the Council is making sufficient contributions (and charging enough to the General Fund and HRA) to ensure that all liabilities can be paid by the pension fund as they fall due. It is unusual for the Council to find itself in a position where the underlying position is a net asset. This position has arisen from a sharp decline in the actuarial valuation of the Council's pension liability in respect of pension scheme members, which has arisen from a change in the discount rate used to reflect current economic conditions in a high-interest rate environment where corporate bond yield rates have increased significantly. If changing economic conditions result in a change in the applicable discount rate this will have an impact on the net pension fund asset or liability when this is revalued in future years.

Liabilities

The Council has external borrowing of £214 million with the Public Works Loan Board (PWLb). This was taken out to fund the HRA self-financing payment to central government in March 2012, and no further external borrowing has been required since. After the year-end, the Council drew down further external borrowing of £30 million in April 2024 and anticipates a further £55 million in 2025/26 in order to fund its future capital programme, in particular the redevelopment of the Park Street car park. All borrowing is in accordance with the [Treasury Management Strategy](#)⁴ which is available on the Council's website. Prudent provision is made within the Council's budgets for the repayment of debt in accordance with statutory guidance.

Collection Fund

The Council is required to operate a separate Collection Fund in respect of council tax and business rates it collects on behalf of itself, local preceptors and central government. The Collection Fund had a surplus of £1.514 million on 31 March 2024, of which the Council's share is £155,000. The Council will distribute the surplus, including that due to this Council, from 2024/25 onwards. The surplus on the Collection Fund mainly reflects strong underlying performance in respect of Council Tax, including an increase in the tax base and collection rates which, so far, have not been significantly impacted by the cost-of-living crisis.

Group Performance

The Council is required to produce Group Financial Statements incorporating the performance of its subsidiary company (Cambridge City Housing Company Ltd), and its share of the profits of

Cambridge Investment Partnership (CIP). The Council's share of the net assets of group reduced by £1.866 million during the year.

Risks and Opportunities

The Council manages all risks in line with its [Risk Management Strategy and Framework](#)⁵, which is approved by the Civic Affairs Committee. As part of the process, comprehensive strategic, service and project risk registers are maintained, and processes are in place for risk identification, evaluation and prioritisation. Resources can then be allocated to manage risks in the most efficient way possible.

Financial risks are specifically identified and considered within the General Fund and Housing Revenue Account [Medium Term Financial Strategies](#)⁶ (MTFS), and as part of the budget setting process. These risks are then monitored throughout the year, with quarterly financial monitoring reports reviewed by the Leadership Team and members.

The key strategic risks for the council are:

- The Council is not financially sustainable
- The Council's resilience to change is inadequate
- Insufficient officer capacity to deliver safe and effective services
- Failure to establish and adhere to effective governance arrangements
- Failure to achieve corporate objectives including those relating to climate change

Future Outlook

The Council's [Corporate Plan 2022 - 2027](#)⁷ sets out the current strategic priorities. The General Fund and Housing Revenue Account [Budget Setting Reports](#)⁸ set out how these will be funded. These are all available on the Council's website.

The government has recently consulted on significant reform of local government financing, and a review of the business rates retention scheme. The latest General Fund budget assumes that there will be a significant impact on our funding levels, with a net reduction in finance settlement income of £5 million per year from 2026/27. However, the Council has plans in place, including the use of existing reserves, to ensure that savings targets can be met in a sustainable manner.

The prudent minimum balance for the General Fund has been set at £6.541 million based on our current understanding of financial risk. The balance of this reserve at 31 March 2024 was £40.919 million, although it is planned to use £33.146 million of this over the following five years, including £20 million to fund the Civic Quarter project, and £9.521 million to smooth future savings requirements. Nevertheless, the strategy set out in the Budget Setting Report will ensure that reserve levels remain above the prudent minimum balance in the medium term.

⁴ <https://democracy.cambridge.gov.uk/mgAi.aspx?ID=34008#mgDocuments>

⁵ <https://democracy.cambridge.gov.uk/documents/s65091/Risk%20Management%20Strategy%20Framework%20-%20January%202024.pdf>

⁶ <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=4446>

⁷ <https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>

⁸ <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=4457>

The Council has approved the following capital programme for the period 1 April 2024 to 31 March 2028:

	2024/25	2025/26	2026/27	2027/28
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
General Fund capital expenditure	111,539	22,747	3,025	2,225
Housing Revenue Account capital expenditure	107,748	81,980	120,189	137,235
Total capital expenditure	219,287	104,727	123,214	139,460
Financed by:				
Capital receipts	(19,446)	(5,458)	(2,694)	(1,563)
Other contributions and balances (including capital grants)	(56,961)	(38,452)	(74,573)	(100,034)
Total capital financing to be applied	(76,407)	(43,910)	(77,267)	(101,597)
Total to be financed from internal and external borrowing	(142,880)	(60,817)	(45,947)	(37,883)

Statement of Responsibilities

The Council's Responsibilities

The Council is required to:

- make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Chief Finance Officer;
- manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- 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; and
- complied with the Code.

The Chief Finance Officer has also:

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

Certification

I certify that this Statement of Accounts gives a true and fair view of the financial position of Cambridge City Council as at 31 March 2024, and of its expenditure and income for the year then ended.

Jody Etherington
Chief Finance Officer and Section 151 Officer
28 February 2025

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Comprehensive Income and Expenditure Statement (CIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. The Council raises taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The amounts chargeable to taxation and rents for the year are set out in the Movement in Reserves Statement, whilst the Expenditure and Funding Analysis (note 1) shows how these amounts have been applied to fund services.

	Note	2023/24			2022/23 (restated)		
		Gross expenditure	Gross income	Net expenditure	Gross expenditure	Gross income	Net expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment		11,788	(3,367)	8,421	15,254	(3,129)	12,125
Community Wealth Building and Community Safety		1,555	(338)	1,217	1,532	(569)	963
Communities		14,119	(7,166)	6,953	14,975	(8,123)	6,852
General Fund Housing		12,324	(5,674)	6,650	9,032	(3,072)	5,960
Open Spaces and City Services		14,377	(11,913)	2,464	15,472	(12,388)	3,084
Planning, Building Control and Infrastructure		4,837	(2,202)	2,635	5,955	(2,244)	3,711
Finance and Resources		39,267	(29,784)	9,483	32,174	(28,169)	4,005
The Leader		7,712	(879)	6,833	7,228	(505)	6,723
Housing Revenue Account		77,758	(50,928)	26,830	50,823	(45,423)	5,400
Cost of services		183,737	(112,251)	71,486	152,445	(103,622)	48,823
Other operating income and expenditure	10	0	(480)	(480)	178	(1,980)	(1,802)
Financing and investment income and expenditure	11	11,241	(32,466)	(21,225)	16,780	(23,035)	(6,255)
Taxation and non-specific grant income	12	0	(39,010)	(39,010)	0	(39,347)	(39,347)
Deficit on the provision of services	1	194,978	(184,207)	10,771	169,403	(167,984)	1,419
Surplus on revaluation of non-current assets	16			(3,952)			(31,519)
Remeasurement of the net defined benefit asset / liability	23			(9,368)			(118,510)
Other comprehensive income				(13,320)			(150,029)
Total comprehensive income				(2,549)			(148,610)

Prior year cost of services figures have been reclassified to reflect changes in the Council's internal reporting structure.

Prior year HRA income has been restated (reduced by £517,000) to reflect a prior period adjustment in respect of rent refunds (see note 6).

Movement in Reserves Statement (MIRS)

This statement shows the movement 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 'unusable reserves'. The Movement in Reserves Statement shows how the movements in the Council's reserves are broken down between comprehensive income and expenditure incurred in accordance with generally accepted accounting practices (as shown in the Comprehensive Income and Expenditure Statement) and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The increase / decrease line shows the reserve movements for the year following those adjustments.

	Note	General Fund £'000	Collection Fund deficit earmarked reserve £'000	Other earmarked General Fund reserves £'000	Housing Revenue Account (HRA) £'000	Earmarked HRA reserves £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied Reserve £'000	Total usable reserves £'000	Unusable reserves £'000	Total Council reserves £'000
Balance at 1 April 2022 (restated)		(25,533)	(6,377)	(23,389)	(16,281)	(17,351)	(43,139)	(11,541)	(41,534)	(185,145)	(770,535)	(955,680)
Movement in reserves during 2022/23 (restated):												
Total comprehensive income and expenditure (restated)	CIES	4,415	0	0	(2,996)	0	0	0	0	1,419	(150,029)	(148,610)
Adjustments between accounting basis and funding basis under statutory provisions	13	(5,965)	0	0	12,605	0	7,410	3,857	20,331	38,238	(38,238)	0
Transfers to / from earmarked reserves	14	(978)	6,253	(5,275)	(23)	23	0	0	0	0	0	0
(Increase) / decrease in year		(2,528)	6,253	(5,275)	9,586	23	7,410	3,857	20,331	39,657	(188,267)	(148,610)
Balance at 31 March 2023 (restated)		(28,061)	(124)	(28,664)	(6,695)	(17,328)	(35,729)	(7,684)	(21,203)	(145,488)	(958,802)	(1,104,290)
Movement in reserves during 2023/24:												
Total comprehensive income and expenditure	CIES	(7,629)	0	0	18,400	0	0	0	0	10,771	(13,320)	(2,549)
Adjustments between accounting basis and funding basis under statutory provisions	13	(5,485)	0	0	(4,747)	0	10,731	7,684	8,887	17,070	(17,070)	0
Transfers to / from earmarked reserves	14	256	0	(256)	(14,524)	14,524	0	0	0	0	0	0
(Increase) / decrease in year		(12,858)	0	(256)	(871)	14,524	10,731	7,684	8,887	27,841	(30,390)	(2,549)
Balance at 31 March 2024		(40,919)	(124)	(28,920)	(7,566)	(2,804)	(24,998)	0	(12,316)	(117,647)	(989,192)	(1,106,839)

The Housing Revenue Account (HRA) balance as at 1 April 2022 has been restated (reduced by £3.309 million), and the total comprehensive income on the HRA during 2022/23 has been restated (reduced by £517,000), both to reflect a prior period adjustment in respect of rent refunds (see note 6).

Balance Sheet

	Note	31 March 2024		31 March 2023 (restated)	
		£'000	£'000	£'000	£'000
Property, plant and equipment	16	1,060,721		1,027,960	
Heritage assets		669		669	
Investment property	17	164,587		161,708	
Intangible assets		417		512	
Loans to joint ventures	18	19,228		12,875	
Loan to subsidiary	18	7,500		7,500	
Other long-term investments	18	16,815		23,382	
Long-term debtors	19	3,912		1,729	
Net defined benefit pension asset	23	18,073		6,865	
Long-term assets		1,291,922		1,243,200	
Investment property held for sale	17	1,250		825	
Short-term investments	18	50,038		105,709	
Short-term debtors	20	25,914		10,815	
Inventories		172		200	
Cash and cash equivalents	CFS	21,872		31,790	
Current assets		99,246		149,339	
Short-term borrowing	18	(82)		(82)	
Short-term creditors	21	(66,862)		(70,640)	
Provisions	22	(3,757)		(3,891)	
Current liabilities		(70,701)		(74,613)	
Long-term borrowing	18	(213,572)		(213,572)	
Long-term receipts in advance		(56)		(64)	
Long-term liabilities		(213,628)		(213,636)	
Net assets		1,106,839		1,104,290	
Usable reserves	MIRS	(117,647)		(145,488)	
Unusable reserves	15	(989,192)		(958,802)	
Total reserves		(1,106,839)		(1,104,290)	

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 may only be used to fund capital expenditure or repay debt). The second category of reserves are 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. It also includes reserves which reflect timing differences between the recognition of income and expenditure under generally accepted accounting practices, and the point at which it must be credited or charged to usable reserves under statutory provisions.

Prior year short-term creditors have been restated (increased by £3.826 million) to reflect a prior period adjustment in respect of rent refunds (see note 6).

Jody Etherington
Chief Finance Officer
28 February 2025

Cash Flow Statement (CFS)

The Cash Flow Statement shows the changes in cash and cash equivalents of the Council during the year. 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 from operating activities is a key indicator of the extent to which the operations of the Council are funded by way of taxation, grant income and from the recipients of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities reflect movements in the cash collected by the Council on behalf of others in respect of council tax and business rates.

	Note	2023/24		2022/23 (restated)	
		£'000	£'000	£'000	£'000
Net deficit on the provision of services	CIES	(10,771)		(1,419)	
Adjust net deficit on the provision of services for non-cash movements	24	44,636		33,780	
Adjust for items included in the net deficit on the provision of services that are investing and financing activities	24	(18,951)		(21,106)	
Net cash flows from operating activities			14,914		11,255
Investing activities:					
Purchase of property, plant and equipment, investment property and intangible assets		(91,601)		(84,481)	
Purchase of short-term and long-term investments		(154,081)		(263,250)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets		5,562		7,117	
Proceeds from short-term and long-term investments		210,569		297,310	
Capital grants received		13,144		13,352	
Other receipts from investing activities		24		12	
Net cash flows from investing activities			(16,383)		(29,940)
Financing activities	25		(8,449)		20,267
Net increase / (decrease) in cash and cash equivalents			(9,918)		1,582
Cash and cash equivalents at the beginning of the year:					
Overnight money market funds		30,000		29,500	
Bank accounts		1,780		692	
Cash held by the Council		10		16	
Total cash and cash equivalents at the beginning of the year			31,790		30,208
Cash and cash equivalents at the end of the year:					
Overnight money market funds		15,000		30,000	
Bank accounts		6,866		1,780	
Cash held by the Council		6		10	
Total cash and cash equivalents at the end of the year			21,872		31,790

The prior year net deficit on the provision of services has been restated (increased by £517,000) to reflect a prior period adjustment in respect of rent refunds, with a corresponding increase in the adjustment for non-cash movements (see note 6).

Note 1 – Expenditure and Funding Analysis

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

Note	2023/24					2022/23 (restated)				
	Net expenditure chargeable to the General Fund and HRA balances	Adjustments for capital purposes	Pensions adjustments	Other statutory adjustments	Net expenditure in the Comprehensive Income and Expenditure Statement	Net expenditure chargeable to the General Fund and HRA balances	Adjustments for capital purposes	Pensions adjustments	Other statutory adjustments	Net expenditure in the Comprehensive Income and Expenditure Statement
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment	7,569	751	101	0	8,421	6,738	4,696	691	0	12,125
Community Wealth Building and Community Safety	1,018	150	49	0	1,217	601	150	212	0	963
Communities	4,817	1,890	246	0	6,953	3,355	2,391	1,106	0	6,852
General Fund Housing	3,047	3,354	249	0	6,650	4,251	837	872	0	5,960
Open Spaces and City Services	(357)	2,409	412	0	2,464	(966)	2,112	1,938	0	3,084
Planning, Building Control and Infrastructure	2,375	155	105	0	2,635	2,368	863	480	0	3,711
Finance and Resources	8,327	1,051	105	0	9,483	2,521	1,079	405	0	4,005
The Leader	9,194	9	(2,370)	0	6,833	8,281	9	(1,567)	0	6,723
Housing Revenue Account	8,932	18,164	(266)	0	26,830	4,184	502	714	0	5,400
Net cost of services	44,922	27,933	(1,369)	0	71,486	31,333	12,639	4,851	0	48,823
Other income and expenditure	(44,383)	(20,791)	(471)	4,930	(60,715)	(23,274)	(18,147)	2,832	(8,815)	(47,404)
(Surplus) / deficit	539	7,142	(1,840)	4,930	10,771	8,059	(5,508)	7,683	(8,815)	1,419
Opening General Fund and HRA balance	MIRS (80,872)					(88,931)				
Closing General Fund and HRA balance	MIRS (80,333)					(80,872)				

Prior year figures have been restated to reflect changes in the Council's internal reporting structure, together with a prior period adjustment in respect of rent refunds (see note 6).

Further information about the adjustments for capital purposes, pensions adjustments and other statutory adjustments are set out at note 13.

Note 2 – Accounting Policies

1 General Principles

This Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its financial 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 Regulations 2015, which must 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 ('the Code'), supported by International Financial Reporting Standards (IFRS).

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

2 Going Concern

These accounts have been prepared on a going concern basis, in accordance with the requirements of the Code.

In making its assessment that this basis is appropriate, for the going concern period to 28 February 2026, the Council has carried out forecasting of income and expenditure, the impact on reserve balances, and cash flows.

The Council's assessment of going concern can be found at note 32.

3 Changes in Accounting Policies and Estimates

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

There have been no significant changes in accounting policies during 2023/24.

Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years, and do not give rise to a prior year adjustment.

4 Fair Value Measurement

The Council measures some of its financial and non-financial assets at fair value at each Balance Sheet date, as set out in these accounting policies. For other financial assets and liabilities measured at amortised cost, the Council is required to disclose the fair value in this Statement of Accounts (see note 18).

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell the asset takes place either in the principal market for the asset, or, in the absence of a principal market, in the most advantageous market.

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

The fair value of the Council's financial assets is measured based upon quoted market prices where available, or if not, using discounted cash flow analysis.

The fair value of the Council's non-financial assets (such as investment properties) assumes that a market participant would look to use the asset in its highest and best use, which may differ from its current use.

For all assets, the Council uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs.

Inputs to the valuation techniques are categorised within the following fair value hierarchy:

Input Level	Description
Level 1	Quoted prices (unadjusted) in active markets for identical assets that the Council can access at the measurement date
Level 2	Inputs, other than quoted prices included within level 1, that are observable for the asset, either directly or indirectly
Level 3	Unobservable inputs for the asset

5 Income and Expenditure Accruals

Income and expenditure are accounted for in the Comprehensive Income and Expenditure Statement (CIES) in the year in which the activity takes place, not simply when cash is received or paid. In particular:

- Revenue from contracts for goods or services is recognised when (or as) the goods or services are transferred in accordance with the performance obligations in the contract.
- Expenditure on goods and services is recognised when (or as) the goods or services are received.
- Interest payable on borrowings is accounted for based on the effective interest rate for the relevant financial instrument.

Where there is a timing difference between the recognition of income or expenditure as above and the receipt or payment of cash, a debtor or creditor for the relevant amount is recorded in the Balance Sheet.

Where the Council is acting as an agent for a third party, income and expenditure are recognised only to the extent that commission is receivable by the Council, or the Council incurs expenses directly on its own behalf.

6 Council Tax and Business Rates

The Council, as a billing authority, collects council tax and business rates both for itself, and on behalf of local preceptors (and central government for business rates). Billing authorities are required to maintain a separate Collection Fund for the collection and distribution of council tax and business rates. Under the legislative framework, billing authorities, major preceptors, and central government (for business rates) share proportionately the risks and rewards that the amount of council tax and business rates collected could be more or less than predicted.

The council tax and business rates income included in the CIES is the Council's share of accrued income for the year. However, regulations determine the amount that must be included in the Council's General Fund, which is based upon amounts forecast in the preceding January, adjusted for the distribution or repayment of historic Collection Fund surpluses or deficits. The difference between the income included in the CIES and the amount required to be credited to the General Fund is transferred to the Collection Fund Adjustment Account through the Movement in Reserves Statement (MIRS).

The Balance Sheet includes the Council's share of the year-end balances in respect of council tax and business rates arrears, impairment allowances for doubtful debts, overpayments and prepayments, and business rates appeal provisions.

7 Grants and Contributions

Grants and contributions are recognised as income in the CIES when there is reasonable assurance that the grants or contributions will be received, and that the Council will comply with any conditions attached. Revenue grants and contributions for specific services are credited to the relevant service line, whilst non-ringfenced revenue grants and all capital grants are credited to taxation and non-specific grant income.

Conditions are stipulations that the grant or contribution is to be used by the Council as specified, or that it must be returned to the donor. Where there is not yet sufficient assurance that conditions will be met, any cash received is held on the Balance Sheet as a creditor.

Under statutory provisions, capital grants credited to the CIES are reversed out of the General Fund or Housing Revenue Account (HRA) to the Capital Grants Unapplied Reserve through the MIRS. When the amount is applied to fund capital expenditure, it is transferred through the MIRS to the Capital Adjustment Account.

8 Employee Benefits

Short-term Employee Benefits

Short-term employee benefits, such as wages and salaries and paid leave, are recognised as expenditure on the relevant service line in the CIES, in the year in which employees render service to the Council.

Termination Benefits

Termination benefits are amounts payable as a result of a decision to terminate an officer's employment before the normal retirement date, or an officer's decision to accept voluntary redundancy. They are recognised as expenditure on the relevant service line in the CIES, at the earlier of the point that the Council can no longer withdraw the offer of termination, or the point at which the Council recognises restructuring costs. Where termination benefits reflect the outcome of a restructure which impacts multiple services the termination benefits associated with that restructure are apportioned on an appropriate basis reflective of the services impacted by the change.

Local Government Pension Scheme

Employees of the Council are members of the Local Government Pension Scheme (LGPS), unless they opt out. The LGPS is a defined benefit scheme.

The Council's share of pension fund liabilities is included on 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 upon assumptions about mortality rates, employee turnover rates, projected earnings for current employees, etc.

Liabilities are discounted to their value at current prices, using a discount rate of 4.85% (based upon constituents of the iBoxx AA corporate bond index).

The Council's share of the assets of the pension fund is included in the Balance Sheet at their fair value, using bid prices where quoted, or professional estimates for unquoted securities and property assets.

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

Component	Description	Accounting Treatment
Service costs		
Current service cost	Increase in liabilities as a result of years of service earned this year	Service costs are charged to the services for which the employees worked in the CIES, whilst net interest costs are charged to financing and investment expenditure.
Past service cost	Change in liabilities as a result of scheme amendment or curtailment affecting years of service earned in earlier years	
Net interest cost	Increase in net liability arising from the passage of time, calculated by applying the liability discount rate at the start of the year to the net liability at the start of the year	

Component	Description	Accounting Treatment
Remeasurements		
Return on plan assets	The Council's share of the return on pension fund assets for the year, excluding amounts included within the net interest cost	Remeasurements are included in the CIES as other comprehensive income and expenditure and credited or charged to the Pensions Reserve.
Actuarial gains and losses	Changes to the net pension liability because events have not occurred in line with assumptions made at the last actuarial valuation, or because the actuaries have updated their assumptions	
Other		
Employer contributions	Cash contributions paid by the Council to fund future benefit payments in accordance with scheme rules.	Employer contributions will reduce the net pension liability, but do not give rise to expenditure in the CIES.

Statutory provisions require the General Fund and HRA to be charged with the amount of employer contributions payable by the Council in the year, not the amount calculated according to accounting standards. This means that the MIRS includes transfers to and from the Pensions Reserve to remove the notional expenditure set out under 'service costs' in the table above and replace it with the employer contributions payable for the year.

The balance on the Pensions Reserve therefore measures the impact on the General Fund and HRA of being required to account for retirement benefits on the basis of cash flows, rather than as benefits are earned by employees.

Additionally, the Council has applied the asset ceiling principle set out in IAS 19 which limits the extent to which an entity can recognise a pension asset where an actuarial valuation indicates that the value of pension assets exceeds the value of pension liabilities. The net defined benefit pension asset on the Balance Sheet is based on the actuary's assessment of the difference between the net present value of future service costs and the net present value of future contributions by the employer.

9 Overheads and Support Services

The cost of overheads and support services is apportioned to individual service lines within the CIES. This is based upon a best estimate of the proportions in which each support service is utilised.

10 VAT

VAT payable is included within expenditure only to the extent that it is not recoverable from HM Revenue & Customs (HMRC). VAT receivable is excluded from income.

11 Investment Property

Investment properties are those that are used solely to earn rental income and / or for capital appreciation. Rental income receivable in relation to investment properties is credited to financing and investment income in the CIES.

Recognition and Measurement

Investment properties are measured initially at cost, and subsequently at fair value.

Investment properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are credited or charged to financing and investment income in the CIES.

Under statutory arrangements, gains and losses on revaluation are not permitted to have an impact on the General Fund or HRA balance. Any gains or losses are therefore transferred through the MIRS to the Capital Adjustment Account.

Investment Properties Held for Sale and Disposals

When it becomes probable that the carrying amount of an investment property will be recovered principally through sale, rather than through its continuing use, it is reclassified as an investment property held for sale. The property is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

When an investment property is sold, the carrying amount of the asset in the Balance Sheet (whether investment property or investment property held for sale) is written off to other operating income or expenditure in the CIES as part of the gain or loss on disposal. Receipts from disposals are credited to the same place.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and transferred to the Capital Receipts Reserve through the MIRS. These amounts are restricted for use to fund new capital investment, or to reduce the Council's underlying need to borrow.

Under statutory arrangements, any gain or loss on disposal is transferred through the MIRS to the Capital Adjustment Account, in order that it does not impact the General Fund or Housing Revenue Account balance. This is because the cost of investment properties is fully provided for under separate arrangements for capital financing.

12 Property, Plant and Equipment

Property, plant and equipment comprises physical assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and that are expected to be used for more than one year.

Recognition and Measurement

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 reliably measured.

Expenditure on repairs and maintenance that does not add to an asset's potential to deliver future economic benefits or service potential (e.g. by enhancing its performance or extending its life) is charged as an expense to the relevant service line in the CIES.

Assets are initially measured at cost, comprising the purchase price plus any costs attributable to bringing the asset to the location and condition necessary for its operation.

Assets are subsequently carried on the Balance Sheet using the following measurement bases:

Class of asset	Measurement basis
Council dwellings	Current value, determined using the basis of existing use value for social housing (EUV-SH)
Other land and buildings	Current value, determined as the amount that would be paid for the asset in its existing use (EUV), except for highly specialised assets where there is no market-based evidence of current value, for which depreciated replacement cost (DRC) is used
Vehicles, plant, furniture and equipment	Current value, determined using depreciated historic cost as a proxy (due to assets having short lives and/or low values)
Infrastructure assets	Depreciated historic cost
Community assets	Historic cost
Surplus assets	Fair value
Assets under construction	Historic cost

Assets measured 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, and as a minimum every five years.

In addition, an assessment is made at each year-end as to whether there is any indication that any property, plant and equipment assets may be impaired. Where such indications exist, and any possible impairment is estimated to be material, an impairment loss is recognised for the difference between the recoverable amount of the asset and its carrying amount.

Revaluation gains are recognised in other comprehensive income within the CIES and credited to the Revaluation Reserve. The exception is for gains that reverse a previous revaluation or impairment loss which was charged to the CIES – in this case the gain will be credited back to same service line originally charged to the extent that it reverses the original loss (adjusted for additional depreciation which would have been charged in the meantime had the loss not been recognised).

Revaluation and impairment losses are accounted for as follows:

- Where there is a balance of previous revaluation gains for the asset in the Revaluation Reserve, the loss will be charged to other comprehensive income within the CIES, and the Revaluation Reserve reduced accordingly.

- Where there is no balance for the asset in the Revaluation Reserve, or the balance is insufficient to cover the full amount of the loss, any excess amount will be charged to the relevant service line in the CIES.

Under statutory arrangements, gains and losses on revaluation and impairment are not permitted to have an impact on the General Fund or HRA balance. Any gains or losses charged to the CIES are therefore transferred through the MIRS to the Capital Adjustment Account.

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

Depreciation

Depreciation is charged on property, plant and equipment assets on the following bases:

Asset Class	Depreciation Method	Useful Economic Lives
Council dwellings	Land: Not depreciated as indefinite useful economic life	As advised by external valuer: Houses / Bungalows: 55 years
	Buildings: Straight line using a weighted average life for all significant components	Flats / Maisonettes: 53 years
Other land and buildings	Land: Not depreciated as indefinite useful economic life	Buildings: 5 – 90 years (as advised by external valuer), with shorter lives applied to individual components where the impact is material
	Buildings: Straight line	
Vehicles, plant, furniture and equipment	Straight line	3 – 25 years
Infrastructure assets	Straight line	10 – 40 years
Community assets	Not depreciated	Not applicable
Surplus assets	Not depreciated	Not applicable
Assets under construction	Not depreciated	Not applicable

Revaluation gains are also depreciated. An amount equal to the difference between the depreciation charged on assets and the depreciation that would have been charged based on their historic cost is transferred each year from the Revaluation Reserve to the Capital Adjustment Account.

Under statutory arrangements, the Council is not required to raise council tax to fund depreciation. However, it is required to make an annual contribution from revenue resources towards the reduction in its overall General Fund borrowing requirement, known as the Minimum Revenue Provision (MRP). MRP must be calculated on a prudent basis determined in accordance with statutory guidance.

Depreciation charges on General Fund assets are therefore reversed out of the General Fund to the Capital Adjustment Account by way of a transfer in the MIRS and replaced by a transfer in the opposite direction representing the annual MRP charge.

Different arrangements apply to the HRA whereby depreciation charged is not reversed, but an equivalent amount is transferred from the Capital Adjustment Account to the Major Repairs Reserve through the MIRS to ensure that the Council maintains a prudent level of capital resources ringfenced for maintaining the standard of council dwellings.

Disposals

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet is written off to other operating income or expenditure in the CIES as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same place. Any accumulated revaluation gains for the asset held in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts and transferred to the Capital Receipts Reserve through the MIRS. These amounts are restricted for use to fund new capital investment, or to reduce the Council's underlying need to borrow.

Under statutory arrangements, any gain or loss on disposal is transferred through the MIRS to the Capital Adjustment Account, in order that it does not impact the General Fund or HRA balance. This is because the cost of property, plant and equipment is fully provided for under separate arrangements for capital financing.

Donations

When the Council receives an asset by way of a donation, the asset is recognised at fair value at the date when the Council takes possession of the asset. The fair value of the asset is credited to the Comprehensive Income and Expenditure Account. Donated assets are subject to revaluation in accordance with the principles set out above reflecting the type of asset which has donated.

13 Leases

Leases are classified as finance leases where substantially all the risks and rewards incidental to ownership of the asset are transferred from the lessor to the lessee. All other leases are classified as operating leases. Where a lease covers both land and buildings, each element is considered separately for classification.

Council as Lessee – Finance Leases

Property held under finance leases is recognised on the Balance Sheet at the start of the lease, at the lower of its fair value and the present value of minimum lease payments. The asset is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the asset, applied to write down the lease liability; and
- a finance charge, debited to financing and investment expenditure in the CIES.

Property held under finance leases is accounted for using the policies applied generally to the relevant class of asset, subject to depreciation being charged over the lease term if this is shorter than the asset's useful economic life.

Council as Lessor – Operating Leases

Where the Council grants an operating lease over a property, the asset is retained on the Balance Sheet. Rental income is credited to financing and investment income in the CIES, on a straight-line basis over the life of the lease.

14 Investments in Other Entities

The Council has material interests in a number of subsidiaries and joint ventures, which requires the preparation of group accounts. The basis of consolidation is set out at note 1 to the Group Financial Statements.

Within the Council Financial Statements (the single-entity accounts), these interests are recorded as financial assets at cost.

15 Financial Instruments

Financial Assets

Financial assets are classified and measured using an approach that reflects the business model for holding the assets and their cash flow characteristics. The Council holds financial assets measured at:

- Amortised cost
- Fair value through profit or loss

The Council's business model is to hold investments to collect contractual cash flows. Financial assets are therefore classified as amortised cost, except those whose contractual payments do not take the form of a basic debt instrument (i.e. are not solely payments of principal and interest).

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the asset and are initially measured at fair value. They are subsequently measured at amortised cost, i.e. the outstanding principal receivable plus any accrued interest not yet received. Interest receivable is credited to financing and investment income in the CIES, based upon the amount due for the year as set out in the loan agreement.

Expected Credit Loss Model

The Council recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12 month or lifetime basis.

Impairment losses are calculated to reflect the expectation that 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 asset was recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12-month expected losses.

Trade receivables (debtors) held by the authority are only assessed on a lifetime basis.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets measured at fair value through profit or loss are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the asset and are initially measured and subsequently carried at fair value. Fair value gains and losses are recognised as they arise within financing and investment income in the CIES.

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of the liability and are initially measured at fair value. They are subsequently carried at amortised cost, i.e. the outstanding principal repayable (plus any accrued interest not yet paid). Interest payable is charged to financing and investment expenditure in the CIES, based upon the amount due for the year as set out in the loan agreement.

16 Cash and Cash Equivalents

Cash comprises 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.

17 Provisions and Contingencies

Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement (e.g. a payment to be made), and the amount of the obligation can be reliably estimated. For instance, the Council may be involved in a court case that could eventually result in the payment of compensation.

Provisions are charged to the appropriate service line in the CIES when the Council has an obligation and are measured at the best estimate at the Balance Sheet date, considering relevant risks and uncertainties.

When payments are 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 less than probable that

payment will now be required (or a lower settlement is anticipated), the provision is reversed in full or in part and credited back to the relevant service line in the CIES.

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 outcome of future uncertain events not entirely within the Council's control.

Contingent assets are not recognised in the Balance Sheet but disclosed in the Statement of Accounts where it is probable that the asset will be received.

18 Earmarked Reserves

The Council sets aside specific amounts as earmarked reserves for future policy purposes or to cover contingencies. Earmarked reserves are created by transferring amounts out of the General Fund or HRA through the MIRS. When expenditure to be financed from an earmarked reserve is incurred, it is charged to the appropriate service line in the CIES, then an equivalent amount transferred back to the General Fund or HRA through the MIRS.

Note 3 – Accounting Standards Issued but not yet Adopted

The following accounting standards are adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2023/24 and therefore apply to the Council with effect from 1 April 2024. None are anticipated to have a material impact on the Statement of Accounts 2024/25:

- IFRS 16 Leases issued in January 2016 and last amended in September 2022.
- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

Note 4 – Critical Judgement in Applying Accounting Policies

In applying the accounting policies set out in note 2, the Council has had to make the following critical judgement involving uncertainty about future events:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not sufficient to indicate that its assets might be impaired, for example as a result of a need to close facilities or reduce levels of service provision.

Note 5 – Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

The preparation of these accounts requires estimates to be made that are based upon the Council's assumptions about the future or that are otherwise uncertain. Estimates are made which incorporate historical experience, current trends and other relevant factors – nevertheless some balances cannot be determined with certainty and actual results could be materially different from the estimates made.

The items in the Balance Sheet as at 31 March 2024 at significant risk of material adjustment in the following year are set out below. These are the estimates which require the most difficult, subjective or complex judgements. More detailed information about each estimate is set out within the relevant disclosure note.

Balance Sheet Item	Source of Estimation Uncertainty	31 March 2024 £'000	31 March 2023 £'000	Note
Property, plant and equipment	Assets are depreciated over useful lives dependent on assumptions made about the level of repairs and maintenance that will be carried out. Should the Council not sustain an appropriate level of spending on repairs and maintenance, asset lives may be reduced leading to a higher annual depreciation charge. Operational property assets are revalued by the Council's external valuers, using valuation techniques which are based upon observable data wherever possible. Where such data is not available, professional judgements must be made taking into account considerations such as uncertainty and risk. Changes in the assumptions used could affect the valuation amount.	1,060,721	1,027,960	16
Investment property	Investment property assets are held at fair value as determined by the Council's external valuers, using valuation techniques which are based upon observable data wherever possible. Where such data is not available, professional judgements must be made that reflect considerations such as uncertainty and risk. Changes in the assumptions used could affect the valuation amount.	164,587	161,708	17
Provisions – business rates appeals provision	The Council is liable for its share (40%) of current and previous years' business rates income lost due to successful rating appeals. An external expert has been engaged to assist with calculating a best estimate of the provision required, but inherent uncertainties remain around the quantity, value and success rates of appeals, both already submitted and still to come.	(2,378)	(2,984)	22

Balance Sheet Item	Source of Estimation Uncertainty	31 March 2024 £'000	31 March 2023 £'000	Note
Net defined benefit pension asset	The net pension asset depends on a number of complex judgements, e.g. the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. The assumptions used are themselves highly sensitive to external economic factors, for example increasing interest rates could have a detrimental impact on asset returns. The Council engages a professional actuary to carry out the valuation of the net pension liability. See note 23 for more information on sensitivity analysis and the quantification of some of these uncertainties.	18,073	6,865	23

Note 6 – Prior Period Adjustment

In late 2023, the Council identified potential historical errors in the way in which rent and service charges had been set for a number of its housing tenants.

Following further investigation, it was confirmed that two breaches of the Rent Standard have occurred in relation to policies introduced in 2004 and 2016. The first error related to a failure to correctly apply a 1% per annum rent reduction under the Welfare Reform and Work Act 2016 to affordable rented homes. The second error related to the incorrect separation of certain service charges which should have been included in the total rent figure, leading to a breach of the formula rent cap in a number of cases.

The Council self-referred these issues to the Regulator of Social Housing in December 2023, and a Regulatory Judgement was issued in June 2024.

Correct rents have been in place for all tenants since April 2024, but there is a need for the Council to refund tenants who have been historically overcharged. The estimated total to be refunded is £517,000 in respect of 2022/23, and £3.309 million in respect of earlier years.

The information within this Statement of Accounts relating to 2022/23 has therefore been restated to take account of these errors, as follows:

- The opening balance on the HRA as at 1 April 2022 has been reduced by £3.309 million (from £19.590 million to £16.281 million).
- HRA income from dwelling rents in 2022/23 has been reduced by £517,000 (from £40.795 million to £40.278 million).

These adjustments have been reflected throughout this Statement of Accounts as required.

Note 7 – Events After the Reporting Period

This draft unaudited Statement of Accounts was authorised for issue by the Chief Finance Officer on 28 February 2025. Events taking place after this date are not reflected in the accounts or notes. Where events taking place before this date provided information about conditions existing at 31 March 2024, the figures in the accounts and notes have been adjusted to reflect the impact of this information

Note 8 – Income and Expenditure Analysed by Nature

	Note	2023/24 £'000	2022/23 (restated) £'000
Income			
Fees, charges and other service income	9	(77,573)	(70,339)
Interest and investment income	11	(24,880)	(14,857)
Share of profits from connected entities	11	(6,000)	(6,500)
Income from council tax and business rates	12	(15,286)	(14,503)
Government grants and contributions	29	(59,988)	(59,805)
Gain on disposal of non-current assets	10	(480)	(1,980)
Total income		(184,207)	(167,984)
Expenditure			
Employee benefits expenses		44,096	44,515
Other service expenses		82,910	74,900
Depreciation, amortisation and impairment		58,465	34,625
Interest payments and investment expenses	11	9,507	15,185
Payments to the housing capital receipts pool	10	0	178
Total expenditure		194,978	169,403
Deficit on the provision of services		10,771	1,419

Prior year figures have been restated to reflect changes in the Council's internal reporting structure, together with a prior period adjustment in respect of rent refunds (see note 6).

Included within other service expenses is expenditure associated with housing benefits of £28.6 million (2022/23: £27.6 million). Within the CIES, this is included in Finance and Resources expenditure.

Note 9 – Segmental Fees, Charges and Other Service Income

	2023/24 £'000	2022/23 (restated) £'000
Climate Action and Environment	(3,358)	(3,109)
Community Wealth Building and Community Safety	(34)	1
Communities	(5,926)	(4,946)
General Fund Housing	(1,695)	(1,471)
Open Spaces and City Services	(11,702)	(11,986)
Planning, Building Control and Infrastructure	(2,003)	(2,122)
Finance and Resources	(874)	(647)
The Leader	(91)	(89)
Housing Revenue Account	(50,304)	(44,291)
Financing and investment income	(1,586)	(1,679)
Total fees, charges and other service income	(77,573)	(70,339)

Prior year figures have been restated to reflect changes in the Council's internal reporting structure, together with a prior period adjustment in respect of rent refunds (see note 6).

Note 10 – Other Operating Income and Expenditure

	2023/24		2022/23	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Gains on the disposal of non-current assets	(480)	0	(1,980)	0
Payments to government housing capital receipts pool	0	0	0	178
Total other operating income and expenditure	(480)	0	(1,980)	178

Note 11 – Financing and Investment Income and Expenditure

	2023/24		2022/23	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Interest payable and similar charges	0	7,494	0	7,494
Interest on net defined benefit pension (asset) / liability	(471)	0	0	2,832
Interest receivable and similar income	(7,849)	0	(4,813)	0
Investment property income and expenditure	(10,547)	1,726	(10,043)	1,910
Changes in fair value of investment property	(6,013)	0	0	21
Losses on financial instruments classified as fair value through profit or loss	0	287	0	2,927
Share of profits from connected entities	(6,000)	0	(6,500)	0
Trading account income and expenditure	(1,586)	1,734	(1,679)	1,596
Total financing and investment income and expenditure	(32,466)	11,241	(23,035)	16,780

Note 12 – Taxation and Non-Specific Grant Income

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
Council tax		(9,919)		(9,539)
Business rates:				
Council share of business rates income collected	(45,512)		(42,226)	
Less tariff payable to central government	40,145		37,262	
Net retained business rates income		(5,367)		(4,964)
Non-ringfenced government grants		(10,580)		(11,020)
Capital grants and contributions		(13,144)		(13,824)
Total taxation and non-specific grant income		(39,010)		(39,347)

Note 13 – Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

This note details the adjustments made to the total comprehensive income and expenditure recognised in accordance with proper accounting practice, in order to arrive at the resources that are specified by statutory provisions as being available to meet future capital and revenue expenditure. The adjustments are made against the following usable reserves:

General Fund – 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 provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund, which is not necessarily in accordance with generally accepted accounting practices. The General Fund balance therefore summarises the resources that the Council is empowered to spend on its services or on capital investment at the end of the financial year. The balance is not available to be applied to funding HRA services.

Housing Revenue Account (HRA) – reflects the statutory obligation to maintain a separate revenue account for council housing provision under Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure in connection with the council's landlord function (for example rental income), which can only be used to fund expenditure on HRA services in the future.

Major Repairs Reserve – contains an element of the Council's capital resources which is limited to being used to finance future or historic capital expenditure on HRA assets (such as council houses).

Capital Receipts Reserve – holds the proceeds from the disposal of property and other assets, which can only be used to finance future or historic capital expenditure.

Capital Grants Unapplied Reserve – holds grants and contributions received towards capital projects which have not yet been applied to meet expenditure. The balance is restricted by the grant terms as to the capital expenditure against which it can be applied and / or the financial years in which this can place.

	2023/24						2022/23						Unusable Reserve Affected
	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Adjustments for capital purposes													
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:													
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(5,761)	(41,125)	0	(11,380)	0	58,266	(6,016)	(17,822)	0	(10,451)	0	34,289	Capital Adjustment Account
Amortisation of intangible assets	(95)	0	0	(104)	0	199	(160)	0	0	(177)	0	337	Capital Adjustment Account
Movements in the fair value of investment properties	6,348	(335)	0	0	0	(6,013)	(338)	317	0	0	0	21	Capital Adjustment Account
Capital grants and contributions	203	12,941	0	0	(13,144)	0	2,147	11,205	0	0	(13,352)	0	
Revenue expenditure funded from capital under statute	(4,083)	0	0	0	0	4,083	(6,000)	(19)	0	0	0	6,019	Capital Adjustment Account
Costs of disposal funded from capital receipts	0	(150)	150	0	0	0	0	(142)	142	0	0	0	
Carrying value of non-current assets and non-current assets held for sale written off on disposal	(825)	(4,119)	0	0	0	4,944	(1,002)	(4,300)	0	0	0	5,302	Capital Adjustment Account
Proceeds from the disposal of non-current assets and non-current assets held for sale (greater than £10,000)	819	4,592	(5,411)	0	0	0	650	6,615	(7,265)	0	0	0	
Amount payable into the housing capital receipts pool	0	0	0	0	0	0	(178)	0	178	0	0	0	
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:													
Minimum revenue provision for repayment of debt	314	0	0	0	0	(314)	1,509	0	0	0	0	(1,509)	Capital Adjustment Account
Financing of capital expenditure from usable reserves	1,030	23,111	23,585	19,168	22,031	(88,925)	1,100	17,480	45,965	14,485	33,683	(112,713)	Capital Adjustment Account
Other capital adjustments	0	0	0	0	0	0	472	0	0	0	0	(472)	Capital Adjustment Account
Transfers on repayment of loans	(7)	0	(7,593)	0	0	7,600	(10)	0	(31,610)	0	0	31,620	Capital Adjustment Account
Total adjustments for capital purposes	(2,057)	(5,085)	10,731	7,684	8,887	(20,160)	(7,826)	13,334	7,410	3,857	20,331	(37,106)	
Pensions adjustments													
Reversal of pension costs charged to the Comprehensive Income and Expenditure Statement in accordance with IAS 19	(5,684)	(1,482)	0	0	0	7,166	(12,943)	(2,488)	0	0	0	15,431	Pensions Reserve
Insertion of contributions due under the pension scheme regulations	7,258	1,748	0	0	0	(9,006)	5,974	1,774	0	0	0	(7,748)	Pensions Reserve
Total pensions adjustments	1,574	266	0	0	0	(1,840)	(6,969)	(714)	0	0	0	7,683	
Total adjustments for capital purposes and pensions adjustments	(483)	(4,819)	10,731	7,684	8,887	(22,000)	(14,795)	12,620	7,410	3,857	20,331	(29,423)	

	2023/24						2022/23						Unusable Reserve Affected
	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Total adjustments for capital purposes and pensions adjustments	(483)	(4,819)	10,731	7,684	8,887	(22,000)	(14,795)	12,620	7,410	3,857	20,331	(29,423)	
<u>Other statutory adjustments</u>													
Transfers between the General Fund and Housing Revenue Account under statutory provisions	(72)	72	0	0	0	0	5	(5)	0	0	0	0	
Adjustments for differences between the income and expenditure included in the Comprehensive Income and Expenditure Statement and the amounts charged to the General Fund and HRA under statutory provisions, in respect of:													
Finance income and expenditure	(9)	0	0	0	0	9	(69)	0	0	0	0	69	Financial Instruments Adjustment Account
Council tax and business rates income	(4,680)	0	0	0	0	4,680	11,674	0	0	0	0	(11,674)	Collection Fund Adjustment Account
Fair value gains and losses on pooled investment funds	(241)	0	0	0	0	241	(2,843)	0	0	0	0	2,843	Pooled Investment Adjustment Account
Movements in the accumulated absences accrual	0	0	0	0	0	0	63	(10)	0	0	0	(53)	Accumulated Absences Account
Total other statutory adjustments	(5,002)	72	0	0	0	4,930	8,830	(15)	0	0	0	(8,815)	
Total adjustments between accounting basis and funding basis under statutory provisions	(5,485)	(4,747)	10,731	7,684	8,887	(17,070)	(5,965)	12,605	7,410	3,857	20,331	(38,238)	

Note 14 – Earmarked Reserves

	1 April 2022 £'000	Transfers In £'000	Transfers Out £'000	31 March 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000
General Fund							
Collection Fund deficit reserve	(6,377)	0	6,253	(124)	0	0	(124)
Earmarked for capital use	(5,136)	(7,250)	1,554	(10,832)	(6,530)	1,471	(15,891)
Greater Cambridge Partnership	(5,214)	(242)	196	(5,260)	(6)	5,266	0
Other shared / partnership working	(2,034)	(435)	154	(2,315)	(277)	469	(2,123)
Insurance Fund	(1,319)	0	25	(1,294)	537	0	(757)
Service specific reserves	(5,510)	(2,387)	1,969	(5,928)	(3,981)	1,605	(8,304)
Transformation	(4,143)	0	1,141	(3,002)	0	1,412	(1,590)
Other	(33)	0	0	(33)	(600)	378	(255)
Total General Fund earmarked reserves	(29,766)	(10,314)	11,292	(28,788)	(10,857)	10,601	(29,044)
Housing Revenue Account (HRA)							
Asset repair and renewal reserves	(2,612)	(271)	296	(2,587)	(283)	99	(2,771)
Earmarked for HRA debt redemption / reinvestment	(14,705)	0	0	(14,705)	0	14,705	0
Other	(34)	(27)	25	(36)	(8)	11	(33)
Total HRA earmarked reserves	(17,351)	(298)	321	(17,328)	(291)	14,815	(2,804)

The **Collection Fund deficit reserve** holds money set aside to cover the Council's share of forecast future collection fund deficits caused mainly by the Covid-19 pandemic and the government's response (for example the expansion of mandatory and discretionary rates relief). The impact of this has largely been funded by compensatory grants from central government. The balance on this reserve has been substantially utilised as at 31 March 2024 as the deficits linked to Covid-19 have been largely recovered.

Note 15 – Unusable Reserves

The Council's principal unusable reserves are as follows:

Capital Adjustment Account – absorbs timing differences arising from the different arrangements for accounting for the consumption of non-current assets, and for financing the capital expenditure on these assets under statutory provisions. The account is debited as depreciation, revaluation and impairment losses and losses on disposal of non-current assets are charged to the Comprehensive Income and Expenditure Statement, and credited as amounts are set aside from capital resources to finance capital expenditure. It contains accumulated gains and losses on investment properties, together with revaluation gains accumulated on property, plant and equipment prior to 1 April 2007.

Revaluation Reserve – holds unrealised gains on property, plant and equipment accumulated since the reserve's implementation on 1 April 2007. Gains accumulated before this date are held in the Capital Adjustment Account.

Pensions Reserve – absorbs timing differences arising from the different arrangements for accounting for the Local Government Pension Scheme, and for funding the scheme in accordance with statutory provisions. The Council accounts for scheme costs in the Comprehensive Income and Expenditure Statement as benefits are earned by employees, updating the future liability each year to reflect changing assumptions and investment returns. However, statutory arrangements require the General Fund and Housing Revenue Account to be charged only with the employer contributions payable for the year. The balance on the reserve therefore reflects the current difference between the benefits earned by employees and the resources set aside to meet them.

Collection Fund Adjustment Account – absorbs timing differences arising from the recognition of council tax and business rates income in the Comprehensive Income and Expenditure Statement as it falls due from council tax and business rates payers, and the statutory arrangements for paying across amounts to the General Fund. The balance here will be transferred to the General Fund in future years in line with statutory requirements.

	Note	Capital Adjustment Account	Revaluation Reserve	Pensions Reserve	Collection Fund Adjustment Account	Pooled Investment Adjustment Account	Accumulated Absences Account	Financial Instruments Adjustment Account	Deferred Capital Receipts Reserve	Total unusable reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022		(620,741)	(258,609)	103,961	6,839	(2,351)	341	97	(72)	(770,535)
Other comprehensive income and expenditure:										
Surplus on revaluation of non-current assets	CIES	0	(31,519)	0	0	0	0	0	0	(31,519)
Remeasurement of the net defined benefit liability	CIES	0	0	(118,510)	0	0	0	0	0	(118,510)
Adjustments between accounting basis and funding basis under statutory provisions:										
Adjustments for capital purposes	13	(37,105)	0	0	0	0	0	0	0	(37,105)
Pensions adjustments	13	0	0	7,683	0	0	0	0	0	7,683
Other statutory adjustments	13	0	0	0	(11,674)	2,843	(54)	69	0	(8,816)
Transfers between unusable reserves:										
Difference between fair value depreciation and historic cost depreciation		(4,365)	4,365	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(618)	618	0	0	0	0	0	0	0
Balance at 31 March 2023		(662,829)	(285,145)	(6,866)	(4,835)	492	287	166	(72)	(958,802)
Other comprehensive income and expenditure:										
Surplus on revaluation of non-current assets	CIES	0	(3,952)	0	0	0	0	0	0	(3,952)
Remeasurement of the net defined benefit liability	CIES	0	0	(9,368)	0	0	0	0	0	(9,368)
Adjustments between accounting basis and funding basis under statutory provisions:										
Adjustments for capital purposes	13	(20,160)	0	0	0	0	0	0	0	(20,160)
Pensions adjustments	13	0	0	(1,840)	0	0	0	0	0	(1,840)
Other statutory adjustments	13	0	0	0	4,680	241	0	9	0	4,930
Transfers between unusable reserves:										
Difference between fair value depreciation and historic cost depreciation		(4,499)	4,499	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(845)	845	0	0	0	0	0	0	0
Balance at 31 March 2024		(688,333)	(283,753)	(18,074)	(155)	733	287	175	(72)	(989,192)

Note 16 – Property, Plant and Equipment

Movements on Balances

	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Total property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022:								
Gross carrying amount	726,429	145,652	21,595	7,295	1,331	79	64,193	966,574
Accumulated depreciation and impairment	0	(1,302)	(13,456)	(1,506)	0	0	0	(16,264)
Net book value	726,429	144,350	8,139	5,789	1,331	79	64,193	950,310
Additions	36,789	2,794	433	1,175	0	0	43,911	85,102
Disposals	(4,299)	0	(308)	(75)	0	0	0	(4,682)
Derecognition	0	0	0	0	0	0	0	0
Revaluation increases / (decreases) recognised in the revaluation reserve	23,719	7,812	0	0	0	(12)	0	31,519
Revaluation increases / (decreases) recognised in the surplus / deficit on the provision of services	(17,015)	(1,210)	0	0	0	(17)	0	(18,242)
Assets reclassified (to) / from other categories of property, plant and equipment	28,742	366	200	17	15	0	(29,340)	0
Depreciation charge	(10,067)	(3,718)	(2,075)	(187)	0	0	0	(16,047)
Balance at 1 April 2023:								
Gross carrying amount	784,298	151,982	20,671	8,238	1,346	50	78,764	1,045,349
Accumulated depreciation and impairment	0	(1,588)	(14,282)	(1,519)	0	0	0	(17,389)
Net book value	784,298	150,394	6,389	6,719	1,346	50	78,764	1,027,960
Additions	16,862	1,201	1,759	866	0	0	68,530	89,218
Disposals	(4,119)	0	0	0	0	0	0	(4,119)
Revaluation increases / (decreases) recognised in the revaluation reserve	674	3,278	0	0	0	0	0	3,952
Revaluation increases / (decreases) recognised in the surplus / deficit on the provision of services	(41,125)	0	0	0	0	0	0	(41,125)
Assets reclassified (to) / from investment properties or intangible assets	0	2,267	0	0	0	0	(92)	2,175
Assets reclassified (to) / from other categories of property, plant and equipment	74,465	782	46	0	0	0	(75,293)	0
Other movement	0	(121)	(40)	0	0	0	(38)	(199)
Depreciation charge	(11,114)	(3,817)	(2,000)	(210)	0	0	0	(17,141)
Balance at 31 March 2024:								
Gross carrying amount	819,941	155,715	22,152	9,099	1,346	50	71,871	1,080,174
Accumulated depreciation and impairment	0	(1,731)	(15,998)	(1,724)	0	0	0	(19,453)
Net book value	819,941	153,984	6,154	7,375	1,346	50	71,871	1,060,721

Valuation

Council dwellings are revalued at 31 March each year, using a beacon approach. The housing stock is divided into a number of 'archetypes' containing dwellings with similar characteristics (e.g. location, property type, number of bedrooms). Within each archetype, one representative 'beacon' property is selected for revaluation, with the resulting valuation applied to all similar dwellings.

Valuations are undertaken by an external valuer who inspects beacon properties on a rolling 5-yearly cycle. Valuations are carried out in accordance with 'Stock Valuation for Resource Accounting – Guidance for Valuers' published by the Ministry of Housing, Communities and Local Government (MHCLG), and the RICS Valuation – Professional Standards ('Red Book') except where varied to reflect MHCLG requirements.

In addition, the external valuer carries out an annual desktop revaluation exercise on all properties not subject to inspection in any given year. This exercise is carried out with reference to UK House Price Index data.

Other land and buildings are subject to revaluation on at least a 5-yearly rolling basis, with additional valuations carried out where there is a risk that values have moved significantly in the intervening period. Valuations are undertaken by an external valuer in accordance with the RICS Valuation – Professional Standards ('Red Book'), with one departure in respect of the physical inspection of properties. The valuer undertakes physical inspection of only a sample of properties, relying upon information provided by the Council in respect of the remaining properties. The Council has chosen to depart from the Red Book in this way to secure best value for money in relation to property valuation work.

The following table shows the current carrying value of property, plant and equipment (excluding those classes of asset held at historic cost) by date of most recent valuation:

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
Valued at current value as at:				
31 March 2024	819,941	122,346	0	942,287
31 March 2023	0	1,072	50	1,122
31 March 2022	0	19,475	0	19,475
31 March 2021	0	3,537	0	3,537
31 March 2020	0	595	0	595
Prior to 2020	0	6,959	0	6,959
Total	819,941	153,984	50	973,975

Finance Leases

Included under other land and buildings are three car parks held by the Council under finance leases. The net carrying value as at 31 March 2024 is £35,777,000 (31 March 2023: £36,685,000). Since the leases are at peppercorn rent, there is no associated lease liability.

Capital Commitments

The Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in future years, with the following values:-

	31 March 2024	31 March 2023
	£'000	£'000
Park Street car park redevelopment	64,262	76,376
New build dwellings	27,826	41,431
Capital works on existing dwellings	10,525	7,150
Depot relocation	8,884	157
Meadows Community Centre and Buchan Street shops	0	516
Other property, plant and equipment	2,276	615
Total contractual commitments for property, plant and equipment	113,773	126,245

Note 17 – Investment Property

Movements on Balances

	Central Cambridge shopping centres	Other retail	Offices	Industrial	Land	Leisure	Other	Total investment properties	Investment properties held for sale	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022	15,610	29,293	12,365	30,790	41,572	3,562	27,490	160,682	620	161,302
Acquisitions	0	0	0	0	0	0	1,477	1,477	0	1,477
Additions – subsequent expenditure	0	71	26	101	0	0	197	395	0	395
Unrealised revaluation gains / (losses)	(4,230)	841	(255)	1,359	1,420	7	837	(21)	0	(21)
Disposals	0	0	0	0	0	0	0	0	(620)	(620)
Transfers (to) / from held for sale	0	(825)	0	0	0	0	0	(825)	825	0
Balance at 31 March 2023	11,380	29,380	12,136	32,250	42,992	3,569	30,001	161,708	825	162,533
Adjustment to opening balance	0	0	9	0	0	0	0	9	0	9
Additions – subsequent expenditure	0	0	36	21	0	0	115	172	0	172
Unrealised revaluation gains / (losses)	(460)	214	(781)	2,866	1,836	(35)	1,528	5,168	845	6,013
Disposals	0	0	0	0	0	0	0	0	(825)	(825)
Transfers (to) / from held for sale	0	(405)	0	0	0	0	0	(405)	405	0
Transfers (to) / from property, plant and equipment	0	0	748	0	(3,015)	0	0	(2,267)	0	(2,267)
Other movements	0	0	202	0	0	0	0	202	0	202
Balance at 31 March 2024	10,920	29,189	12,350	35,137	41,813	3,534	31,644	164,587	1,250	165,837

Fair Value Measurement

Investment property is held at fair value as determined by an external valuer. Valuations are carried out in accordance with the RICS Valuation – Professional Standards ('Red Book'), with one departure in respect of physical inspection of properties. The valuer undertakes physical inspection of only a sample of properties, relying upon information provided by the Council in respect of the remaining properties. The Council has chosen to depart from the Red Book in this way to secure best value for money in relation to property valuation work.

The valuation techniques and key inputs used for each class of investment property are as follows:-

Investment property class	Predominant valuation technique	Key unobservable inputs	Range of inputs
Central Cambridge shopping centres	Investment	Net initial yield	7.00% - 7.04%
Other retail	Investment	Yield	4.42% - 9.02%
Offices	Investment	Yield	6.54% - 10.16%
Industrial	Investment	Yield	5.99% - 8.26%
Land	Investment / Comparable	Net initial yield	2.46% - 5.47%
		Equivalent yield	4.25% - 7.05%
Leisure	Investment / Comparable	Equivalent yield	7.51% - 8.04%
Other	Investment / Comparable	Yield	4.00% - 11.00%

The **investment method** involves estimating the rental value of each property and capitalising at an appropriate yield. This approach factors in future assumptions such as rent growth, occupancy levels and future maintenance costs, and also adjusts for redevelopment potential where applicable.

The **comparable method** involves reviewing recent similar transactions on the open market and using these as a benchmark, with appropriate adjustments to reflect differences between observed transactions and the Council's individual investment properties.

Both of these methods rely upon significant unobservable inputs to determine fair value, and therefore all investment property valuations are classified as level 3 in the fair value hierarchy. There is no reasonably available information that indicates that market participants would use different assumptions.

Significant increases in market rents or land values would result in a significantly higher fair value measurement, and vice versa.

Significant increases in yields would result in a significantly lower fair value measurement, and vice versa.

Income and Expenditure

The following is included within financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement:

	2023/24 £'000	2022/23 £'000
Rental income from investment property	(10,547)	(10,043)
Direct operating expenses arising from investment property	866	1,910
Net gain	(9,681)	(8,133)

Highest and Best Use

All of the Council's investment properties are currently operating at their highest and best use, with the exception of property in the Cambridge Northern Fringe East development area which is let out on a short-term basis (with the Council able to exercise break clauses) pending redevelopment.

Operating Leases

Investment properties are let to a variety of tenants under operating leases. The future minimum lease payments due under non-cancellable leases are as follows:-

	31 March 2024 £'000	31 March 2023 £'000
Not later than one year	6,574	6,603
Between one and five years	19,454	18,829
Later than five years	113,095	87,290
Total future minimum lease payments due under non-cancellable leases	139,123	112,722

The future minimum lease payments above do not include contingent rents. In 2023/24, contingent rents of £1,600,000 (2022/23: £1,297,000) were receivable.

Note 18 – Financial Instruments

Categories of Financial Instruments

Financial Assets

	Long-term								Short-term						Total	
	Loans to joint ventures		Loan to subsidiary		Other long-term investments		Debtors		Investments		Cash and cash equivalents		Debtors		31 March 2024	31 March 2023 (restated)
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fair value through profit or loss	0	0	0	0	13,965	14,532	646	677	10,302	9,973	0	0	0	0	24,913	25,182
Amortised cost	19,228	12,875	7,500	7,500	2,850	8,850	819	819	39,736	95,736	21,872	31,790	7,487	6,436	99,492	164,006
Total financial assets	19,228	12,875	7,500	7,500	16,815	23,382	1,465	1,496	50,038	105,709	21,872	31,790	7,487	6,436	124,405	189,188
Assets not defined as financial instruments	0	0	0	0	0	0	2,447	233	0	0	0	0	18,427	4,379	20,874	4,612
Total	19,228	12,875	7,500	7,500	16,815	23,382	3,912	1,729	50,038	105,709	21,872	31,790	25,914	10,815	145,279	193,800

Financial Liabilities

	Long-term Borrowing		Short-term				Total	
	Borrowing		Borrowing		Creditors		31 March 2024	31 March 2023 (restated)
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023 (restated)		
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Amortised cost	(213,572)	(213,572)	(82)	(82)	(21,739)	(26,075)	(235,393)	(239,729)
Total financial liabilities	(213,572)	(213,572)	(82)	(82)	(21,739)	(26,075)	(235,393)	(239,729)
Liabilities not defined as financial instruments	0	0	0	0	(45,123)	(44,565)	(45,123)	(44,565)
Total	(213,572)	(213,572)	(82)	(82)	(66,862)	(70,640)	(280,516)	(284,294)

Prior year short-term creditors have been restated to reflect a prior period adjustment in respect of rent refunds (see note 6).

Prior year short-term debtors held at amortised cost have been decreased by £3.497 million, and short-term debtors not defined as financial instruments increased by a corresponding amount, to correct a misclassification of credit loss allowance.

Income, Expense, Gains and Losses

The following income and expenditure relating to financial instruments is reflected in the surplus or deficit on the provision of services:

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
Net losses on:				
Financial assets measured at fair value through profit or loss	287		2,927	
Total net losses		287		2,927
Interest revenue:				
Financial assets measured at fair value through profit or loss	(742)		(628)	
Financial assets measured at amortised cost	(7,107)		(4,163)	
Total interest revenue		(7,849)		(4,791)
Interest expense on financial liabilities measured at amortised cost	7,494		7,494	
Net (income) / expenditure recognised in surplus or deficit on the provision of services		(68)		5,630

Fair Value

Financial Assets Measured at Fair Value

The following financial assets are measured at fair value on a recurring basis:

	Fair value hierarchy input level	Valuation technique	31 March 2024	31 March 2023
			£'000	£'000
Investments in pooled investment vehicles	Level 1	Unadjusted quoted prices in active markets for identical units	23,017	24,529
Soft loans	Level 3	Present value of likely future cash flows	646	677
Contingent proceeds from disposal of assets	Level 3	Present value of likely estimated sales proceeds	1,250	825
Total financial assets held at fair value			24,913	26,031

Financial Assets Not Measured at Fair Value

The fair value of financial assets and liabilities measured at amortised cost can be assessed by calculating the present value of future cash flows, using the following assumptions:-

- For instruments which will mature in the next 12 months, carrying value is taken as an approximation of fair value.
- No early repayments are assumed.
- The fair value of long-term borrowing from the Public Works Loan Board (PWLB) is calculated using the average new loans rate for the year of 5.17% (2022/23: 4.67%).

	31 March 2024		31 March 2023	
	Carrying amount	Fair value	Carrying amount (restated)	Fair value (restated)
	£'000	£'000	£'000	£'000
Financial assets				
Loans to joint ventures	19,228	18,548	12,875	12,953
Loan to subsidiary	7,500	7,041	7,500	7,050
Other long-term investments	2,850	2,662	8,850	8,619
Long-term debtors	819	819	819	819
Short-term investments	39,736	39,736	95,736	95,736
Cash and cash equivalents	21,872	21,872	31,790	31,790
Short-term debtors	7,487	7,487	6,436	6,436
Total financial assets held at amortised cost	99,492	98,165	164,006	163,403
Financial liabilities				
Long-term borrowing	(213,572)	(190,669)	(213,572)	(178,319)
Short-term borrowing	(82)	(82)	(82)	(82)
Short-term creditors	(21,739)	(21,739)	(26,075)	(26,075)
Total financial liabilities held at amortised cost	(235,393)	(212,490)	(239,729)	(204,476)

Prior year short-term creditors have been restated to reflect a prior period adjustment in respect of rent refunds (see note 6).

Prior year short-term debtors have been restated to correct a misclassification of credit loss allowances.

Note 19 – Long-term Debtors

	31 March 2024	31 March 2023
	£'000	£'000
Prepayments	2,291	71
Other receivables	1,621	1,658
Total long-term debtors	3,912	1,729

Note 20 – Short-term Debtors

	31 March 2024	31 March 2023
	£'000	£'000
Trade receivables	4,605	3,944
Prepayments	3,605	616
Other receivables	17,704	6,255
Total short-term debtors	25,914	10,815

Note 21 – Short-term Creditors

	31 March 2024	31 March 2023 (restated)
	£'000	£'000
Trade creditors	(6,191)	(2,797)
Receipts in advance	(7,879)	(8,522)
Other creditors	(52,792)	(59,321)
Total short-term creditors	(66,862)	(70,640)

Prior year other creditors have been restated to reflect a prior period adjustment in respect of rent refunds (see note 6).

Note 22 – Provisions and Contingencies

Provisions

	Business rates appeals £'000	Other £'000	Total £'000
Balance at 1 April 2022	(3,863)	(188)	(4,051)
Additional provisions made	(2,984)	(719)	(3,703)
Amounts used	3,863	0	3,863
Balance at 31 March 2023	(2,984)	(907)	(3,891)
Additional provisions made	(2,378)	(703)	(3,081)
Amounts used	2,984	66	3,050
Unused amounts reversed	0	165	165
Balance at 31 March 2024	(2,378)	(1,379)	(3,757)

The **business rates appeals provision** represents the best estimate of the Council's share of the amount repayable to ratepayers, for years up to 31 March 2024, following successful rating valuation appeals. The estimate is calculated with the assistance of an external expert, using data from the Valuation Office Agency (VOA) on outstanding appeals and the outcomes of historic appeals. The timing and amount of payments remains uncertain, as the settlement of appeals is outside of the Council's control.

Other provisions reflect amounts provided for in respect of redundancy costs linked to restructuring approved prior to 31 March 2024 and the Council's estimate of costs it will incur to settle insurance claims accepted by the Council's insurers as at 31 March 2024.

Contingent Assets

The Council has disposed of land in North East Cambridge for a consideration which is contingent on a number of events. The potential proceeds are so uncertain both in timing and amount that no asset has been recognised in respect of this.

Note 23 – Defined Benefit Pension Scheme

The Council participates in the Local Government Pension Scheme (LGPS) administered by Cambridgeshire County Council. The scheme provides defined benefits (lump sums and pensions) to members on retirement. It is funded through contributions from the Council and employees, calculated at a level intended to balance future pension liabilities with investment assets.

The scheme is operated under the regulatory framework for the LGPS, and its governance is the responsibility of the Pensions Committee and Investment Sub Committee of Cambridgeshire County Council, along with the Local Pension Board. Policy is determined in accordance with the Pensions Fund Regulations.

The principal risks to the Council arising from the scheme are statutory or structural changes to the scheme (e.g. large scale withdrawals), changes to actuarial assumptions (e.g. longevity, discount rates and inflation rates), and the performance of investments held by the scheme. These are mitigated to some extent by the statutory requirement to charge the General Fund and Housing Revenue Account only with the employer contributions payable for the year (see note 2 – accounting policy 8).

Transactions relating to the Defined Benefit Pension Scheme

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
<u>Comprehensive Income and Expenditure Statement</u>				
Cost of services:				
Current service cost	6,596		12,557	
Past service costs (including settlements and curtailments)	1,041		42	
Financing and investment expenditure:				
Net interest (income)/expense	(471)		2,832	
Total charged to deficit on the provision of services	7,166		15,431	
Remeasurement of the net defined benefit asset:				
Return on plan assets (excluding amount included in net interest expense)	(19,367)		613	
Changes in demographic assumptions	(1,560)		(9,145)	
Changes in financial assumptions	(16,856)		(147,670)	
Other experience	9,360		36,098	
Changes in the effect of the asset ceiling	19,055		1,594	
Total charged to other comprehensive income and expenditure	(9,368)		(118,510)	
Total charged to Comprehensive Income and Expenditure Statement	(2,202)		(103,079)	
<u>Movement in Reserves Statement – General Fund and Housing Revenue Account</u>				
Net charges included in deficit on the provision of services as above	7,166		15,431	
Reversal of net charges included in deficit on the provision of services	(7,166)		(15,431)	
Insertion of employer contributions due under the pension scheme regulations	9,006		7,499	
Total charged to General Fund and Housing Revenue Account	9,006		7,499	

Reconciliation of Plan Assets and Liabilities

	Plan assets		Plan liabilities		Net defined benefit liability	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Balance at 1 April	298,488	292,693	(291,623)	(396,654)	6,865	(103,961)
Current service cost	0	0	(6,596)	(12,557)	(6,596)	(12,557)
Past service costs (including settlements and curtailments)	0	0	(1,041)	(42)	(1,041)	(42)
Interest income and expense	14,279	7,936	(13,808)	(10,768)	471	(2,832)
Remeasurement of the net defined benefit asset:						
Return on plan assets (excluding amount included in net interest expense)	19,367	(613)	0	0	19,367	(613)
Changes in demographic assumptions	0	0	1,560	9,145	1,560	9,145
Changes in financial assumptions	0	0	16,856	147,670	16,856	147,670
Other experience	0	0	(9,360)	(36,098)	(9,360)	(36,098)
Contributions from employer	9,006	7,499	0	0	9,006	7,499
Contributions from employees	1,960	1,850	(1,960)	(1,850)	0	0
Benefits paid	(11,490)	(9,283)	11,490	9,531	0	248
Changes in the effect of the asset ceiling	(19,055)	(1,594)	0	0	(19,055)	(1,594)
Balance at 31 March	312,555	298,488	(294,482)	(291,623)	18,073	6,865

Fair Value of Plan Assets

	31 March 2024			31 March 2023		
	Quoted prices in active markets	Quoted prices not in active markets	Total	Quoted prices in active markets	Quoted prices not in active markets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity securities	21,182	0	21,182			
Debt securities – UK government	0	26,572	26,572	0	10,103	10,103
Private equity	0	38,093	38,093	0	37,041	37,041
Real estate – UK property	0	25,248	25,248	0	19,497	19,497
Derivatives	0	2	2	0	1,253	1,253
Cash and cash equivalents	6,785	0	6,785	7,211	0	7,211
Investment funds and unit trusts:						
Equities	0	127,407	127,407	0	164,918	164,918
Bonds	0	44,859	44,859	0	32,224	32,224
Infrastructure	0	22,407	22,407	0	26,241	26,241
Total plan assets	27,967	284,588	312,555	7,211	291,277	298,488

Actuarial Assumptions

Plan liabilities have been assessed by an independent actuary, Hymans Robertson, based upon the latest full valuation of the scheme as at 31 March 2022, and the following significant assumptions:

	31 March 2024	31 March 2023
Pension increase rate (CPI)	2.75%	2.95%
Salary increase rate	3.25%	3.45%
Discount rate (for plan liabilities)	4.85%	4.75%
Longevity at 65:		
Current pensioners – men	21.5 years	21.6 years
Current pensioners – women	24.3 years	24.5 years
Future pensioners (aged 45 at last valuation date) – men	22.5 years	22.7 years
Future pensioners (aged 45 at last valuation date) – women	25.9 years	26.2 years

The estimation of the plan liabilities is sensitive to the actuarial assumptions in the table above. The sensitivity analysis below is based upon reasonably possible changes to the assumptions used at the Balance Sheet date. It assumes in each case that the assumption analysed changes whilst all other

assumptions remain constant. In practice, this is unlikely to occur, as changes in some of the assumptions may be interrelated. The estimations used in the sensitivity analysis have followed the accounting policies for the scheme.

Change in assumption as at 31 March 2024	Approximate increase in plan liabilities	
	%	£'000
0.1% decrease in real discount rate	2	5,430
1 year increase in member life expectancy	4	11,779
0.1% increase in salary increase rate	0	238
0.1% increase in pension increase rate (CPI)	2	5,292

Funding Policy

The objective of the scheme is to keep employer contributions at as constant a rate as possible. A strategy has been agreed with the scheme actuary to achieve an appropriate funding level during the period to 31 March 2026.

Employer contributions in 2024/25 are projected to be £5.321 million.

Note 24 – Cash Flows from Operating Activities

Cash flows from operating activities include the following amounts relating to interest and dividends:

	2023/24 £'000	2022/23 £'000
Interest received	7,387	3,582
Interest paid	(7,494)	(7,494)
Dividends received	677	614

Within the Cash Flow Statement, the surplus/deficit on the provision of services has been adjusted for the following items:

	2023/24 £'000	2022/23 (restated) £'000
Non-cash movements		
Depreciation	17,141	16,047
Amortisation	199	337
Increase / (decrease) in impairment for bad debts	335	(721)
Increase / (decrease) in creditors	6,875	(16,080)

(Increase) / decrease in debtors	(18,085)	964
Decrease / (increase) in inventories	28	(6)
Movement in pension liability	(1,840)	7,683
Carrying amount of non-current assets and assets held for sale disposed of	4,944	5,302
Other non-cash items credited to surplus on the provision of services	35,039	20,254
Total adjustments to net surplus on the provision of services for non-cash movements	44,636	33,780
Items that are investing and financing activities		
Proceeds from sale of property, plant and equipment, investment property and intangible assets	(5,807)	(7,282)
Capital grants receivable	(13,144)	(13,824)
Total adjustments from items included in the net surplus on the provision of services that are investing or financing activities	(18,951)	(21,106)

Prior year decrease in creditors has been restated to reflect a prior period adjustment in respect of rent refunds (see note 6).

Note 25 – Reconciliation of Assets and Liabilities Arising from Financing Activities

	1 April 2022	Financing Cash Flows	31 March 2023	Financing Cash Flows	31 March 2024
	£'000	£'000	£'000	£'000	£'000
Long-term borrowings	(213,572)	0	(213,572)	0	(213,572)
Short-term borrowings	(82)	0	(82)	0	(82)
Short-term creditors: business rates and council tax collected as an agent for others	(1,731)	(17,448)	(19,179)	8,449	(10,730)
Total liabilities from financing activities	(215,385)	(17,448)	(232,833)	8,449	(224,384)
Short-term debtors: business rates and council tax collected as an agent for others	2,819	(2,819)	0	0	0
Total assets from financing activities	2,819	(2,819)	0	0	0

Note 26 – Members' Allowances

The total of members' allowances and expenses paid in the year was £484,000 (2022/23: £426,000).

Note 27 – Officers' Remuneration

Senior Employees

	2023/24			2022/23		
	Salary, fees, allowances £	Pension contribution £	Total £	Salary, fees, allowances £	Pension contribution £	Total £
Chief Executive	121,819	23,222	145,041	127,280	22,147	149,427
Programme Director Major Regeneration ¹	109,368	19,249	128,617	105,670	18,387	124,057
Chief Operating Officer ²	107,787	18,971	126,758	94,684	16,475	111,159
Chief Finance Officer ³	90,079	14,801	104,880	81,251	14,138	95,389
Assistant Chief Executive ⁴	88,473	15,571	104,044	81,251	14,138	95,389
Director of City Services ⁵	87,014	15,314	102,328	0	0	0
Director of Communities ⁶	43,990	7,742	51,732	0	0	0

1. Previously Director of Enterprise and Sustainable Development until 29 November 2023
2. Previously Director of Communities & Neighbourhoods until 23 May 2023; also includes remuneration in respect of a period of acting up to Chief Executive from 16 November 2023 to 29 January 2024
3. Previously Head of Finance until 23 May 2023
4. Previously Assistant Chief Executive and Head of Corporate Strategy until 23 May 2023
5. Appointed 24 May 2023
6. Appointed 1 November 2023

Other Employees

The Council's other employees (excluding the senior employees disclosed separately above) receiving more than £50,000 remuneration for the year (excluding employer pension contributions) were paid as follows:

Remuneration band	2023/24	2022/23
	No. of employees	No. of employees
£50,000 - £54,999	42	35
£55,000 - £59,999	16	18
£60,000 - £64,999	11	5
£65,000 - £69,999	4	3
£70,000 - £74,999	3	0
£75,000 - £79,999	1	2
£85,000 - £89,999	3	0

Exit Packages

Exit package cost band (including special payments)	Total number of exit packages		Total cost of exit packages	
	2023/24 No.	2022/23 No.	2023/24 £'000	2022/23 £'000
Compulsory redundancies				
£0 - £20,000	2	3	30	10
£20,001 - £40,000	2	1	58	21
£40,001 - £60,000	0	1	0	48
£100,000 and above	5	0	756	0
Total compulsory redundancies	9	5	844	79
Other departures				
£0 - £20,000	2	0	12	0
Total other departures	2	0	12	0
Total exit packages	11	5	856	79

Note 28 – Related Party Transactions

Central Government and Other Public Bodies

The UK government has significant influence over the operations of the Council. It is responsible for setting the statutory framework in which the Council operates, provides a significant level of funding, and prescribes the terms of many of the Council's transactions with others (e.g. relating to council tax and housing benefits).

The Council has a number of transactions and balances with central government and other public bodies (under its common control). Most of those which are material are disclosed elsewhere in this Statement of Accounts as follows:

Transaction / Balance	Note
Government grant income and material year-end balances	29
Council tax and business rates collected on behalf of central government and local preceptors and related year-end balances	25, Collection Fund Statement
Transactions and balances with Local Government Pension Scheme administered by Cambridgeshire County Council	23

The Council shares a number of key services with Huntingdonshire District Council and South Cambridgeshire District Council under the banner of 3C Shared Services, including ICT, Building Control and Legal. The Council also shares waste, planning, internal audit and payroll services with South Cambridgeshire District Council. In each case, the Council accounts for its share of income and expenditure, and any year-end debtor or creditor balances, in accordance with Code requirements.

Members

Members of the Council have direct control over its financial and operating policies. The total of members' allowances and expenses paid in 2023/24 is set out at note 26.

Members are required to make declarations of interest concerning third parties. Details are recorded in the Council's [Register of Interests](#)⁹ which is open to public inspection and available on the Council's website. The following table sets out transactions and balances (material to either party) between the Council and other organisations in which members have declared a controlling interest:

Organisation	Relationship	Income from services provided		Grants paid to organisation		Year-end debtor / (creditor)	
		2023/24	2022/23	2023/24	2022/23	31 March 2024	31 March 2023
		£'000	£'000	£'000	£'000	£'000	£'000
Cambridge BID Ltd	One member is a director	(114)	(107)	191	59	(23)	0
Cambridge Sustainable Food CIC	Two members sit on Partnership Board	(20)	(8)	106	56	(1)	(8)
Cherry Hinton Residents' Association	Three members sit on the Committee (including the Committee Chair)	0	0	0	2	0	0

In addition to the amounts in the table above, the Council acts as agent for Cambridge BID Ltd in collecting levy payments from local businesses. During 2023/24, the Council collected £1.193 million (2022/23: £1.013 million) and paid £1.192 million (2022/23: £1.175 million) to Cambridge BID Ltd. On

31 March 2024, the outstanding creditor balance in respect of levies due was £21,000 (31 March 2023: £19,000).

Subsidiaries and Joint Ventures

The transactions and balances arising with the Council's subsidiaries and joint ventures are as follows:

	Cambridge Investment Partnership		Cambridge City Housing Company		Storey's Field Community Trust	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Income						
Management fees and recharged costs	(381)	(312)	(83)	(59)	(176)	(159)
Rent and service charges	0	0	0	0	0	0
Section 106 capital contributions	(168)	0	0	0	0	0
Interest receivable on loans	0	(776)	(152)	(152)	0	0
Expenditure						
Capital expenditure – new development	8,300	14,379	0	0	0	0
Grants paid	0	0	5	0	0	0
Services provided	0	78	0	0	4	5
Payments for loss of rental income due to property voids	0	0	0	29	0	0
Balance Sheet						
Loans	19,228	12,875	7,500	7,500	0	0
Short-term debtors	12	0	0	0	116	0
Short-term creditors	0	0	0	874	(1)	(1)

The **Cambridge Investment Partnership (CIP)** consists of the following four limited liability partnerships (LLPs) in which the Council holds a 50% interest and exercises joint control:

- Cambridge Investment Partnership LLP
- CIP (Mill Road Development) LLP
- CIP (Cromwell Road) LLP
- CIP Orchard Park L2 LLP

⁹ <https://www.cambridge.gov.uk/councillors-duties-conduct-and-allowances>

Cambridge City Housing Company Ltd (CCHC) is a wholly owned subsidiary of the Council.

Storey's Field Community Trust is a company limited by guarantee in which the Council exercises joint control.

In addition, the Council has significant influence over the following entities:

Entity	Relationship
Cambridge Live	Full control
Cambridge Live (Trading) Limited	Full control
Iron Works (Cambridge) Management Company Limited	Joint control (75%)
Cambridge 4 LLP	Joint control (50%)
Romsey Works Cambridge Management Company Limited	Joint control (50%)
Virido Management Company Limited	Joint control (50%)

Income amounts received from Virido Management Company Limited during 2023/24 totalled £24,000 (2022/23: £25,000). The 31 March 2024 year-end debtor balance was £24,000 (31 March 2023: £25,000). Amounts paid by the Council to Virido Management Company Limited in 2023/24 were £229,000 (2022/23: £113,000), and the outstanding creditor balance was £111,000 (31 March 2023: £92,000). There were no transactions or balances concerning the other entities detailed above during 2023/24 or 2022/23.

Note 29 – Grant Income

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
<u>Credited to taxation and non-specific grant income</u>				
Business rates relief grant – retail discount, nursery relief and Covid-19 Additional Relief Fund	(3,295)		(4,083)	
Business rates relief grant – other	(3,235)		(2,192)	
Capital grants and contributions	(13,144)		(13,824)	
New Homes Bonus	(53)		(1,957)	
Other grants and contributions	(3,997)		(2,788)	
Total credited to taxation and non-specific grant income		(23,726)		(24,844)
<u>Credited to services</u>				
Housing benefit subsidy	(27,905)		(27,072)	
Other grants and contributions	(8,357)		(7,889)	
Total credited to services		(36,262)		(34,961)
Total grants and contributions		(59,988)		(59,805)

Council Acting as Distributary Agent

There are several arrangements by which the Council acts as a distributary agent for government grants. In these cases, grant amounts and eligibility criteria are set by central government, and the Council has no discretion to alter these. The Council is reimbursed in full (or paid in advance) for the expenditure incurred.

Income and expenditure related to such grants is not included in the Comprehensive Income and Expenditure Statement (or the tables above), as the Council does not have control over how the grants are spent. The material agency arrangements in place during the year were as follows:-

	Covid-19 business support grants £'000	Council tax rebate £'000	Other £'000
Balance at 1 April 2022	(4,784)	(6,239)	0
Cash received from central government	0	0	(989)
Cash distributed to grant recipients	0	6,071	663
Cash repaid to central government	4,784	168	0
Balance at 31 March 2023	0	0	(326)
Cash received from central government	0	0	(586)
Cash distributed to grant recipients	0	0	419
Cash repaid to central government	0	0	493
Balance at 31 March 2024	0	0	0

The other column relates to amounts paid out to households and individuals in connection with the government's Homes for Ukraine scheme and the Energy Bill Support Scheme.

Note 30 – External Audit Costs

	2023/24 £'000	2022/23 £'000
Fees payable to EY for external audit services carried out by the appointed auditor for the year	90	90
Additional fees payable to EY for external audit services carried out by the appointed auditor for previous years	35	52
Fees payable to EY for the certification of grant claims and returns	12	26
Total fees payable to EY	137	168

Note 31 – Capital Expenditure and Financing

The table below shows the capital expenditure incurred along with the resources used to finance it. All capital expenditure must be financed, either at the point it is incurred, or in future years as the underlying assets are used. The balance of historic capital expenditure yet to be financed is known as the Capital Financing Requirement (CFR).

	2023/24		2022/23	
	£'000	£'000	£'000	£'000
Capital Financing Requirement at 1 April	269,964		285,618	
Capital investment:				
Property, plant and equipment	89,218		84,632	
Investment property	172		1,872	
Intangible assets	47		35	
Revenue expenditure funded from capital under statute	4,083		4,062	
Repayment of Capital Grants	107		1,938	
Capital loans advanced	13,919		6,029	
Capital financing applied:				
Capital receipts	(23,585)		(45,965)	
Capital grants and contributions	(22,031)		(33,684)	
Major Repairs Reserve	(19,168)		(14,485)	
Direct revenue contributions (towards in year capital investment)	(24,141)		(18,579)	
Minimum revenue provision (towards historic unfinanced capital investment)	(314)		(1,509)	
(Decrease) / increase in Capital Financing Requirement	18,307		(15,654)	
Capital Financing Requirement at 31 March	288,271		269,964	

Note 32 – Nature and Extent of Risks Arising from Financial Instruments

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

- Credit risk – the risk that other parties may fail to pay amounts due to the Council.
- Liquidity risk – the risk that the Council might not have funds available to meet its commitments to make payments.
- Market risk – the risk that financial loss may occur because of changes in financial markets (e.g. interest rate and stock market movements).

The Council's approach to managing these risks is set out in the Treasury Management Strategy and Capital Strategy. These are refreshed annually and approved by Full Council and are available to view on the Council's [website](#)¹⁰. Day to day risk management is carried out by the Finance team in accordance with these strategies.

¹⁰ <https://democracy.cambridge.gov.uk/mgAi.aspx?ID=34008#mgDocuments>

Credit Risk

Credit risk arises both from the Council's investments and receivables from customers.

Investments

Credit risk management practices in relation to investments are set out in section 7 of the Treasury Management Strategy. Investments with financial institutions are assessed using an external creditworthiness service provided by Mitsubishi UFG (previously Link Asset Services). This uses credit ratings from three rating agencies, overlaid with credit watches, credit outlooks, and Credit Default Swap spreads to give early warning of likely changes. In making its investments, the Council prioritises security, liquidity and yield, in that order.

Investments with other local authorities are considered to have a low credit risk, due to the strong capacity of local authorities generally to meet future cash flow commitments, and the fact that they can only be discontinued through statutory provision.

Other significant investments (e.g. loans to subsidiaries and joint ventures) are only made where sufficient collateral is offered, for example through a charge on the assets of the borrower.

In light of the above, there are no expected credit losses arising from investments as of 31 March 2024 (31 March 2023: nil).

Receivables

There are written policies in place for the recovery and write-off of receivables from customers. An expected credit loss allowance is made for receivables, grouped by age and type, based upon previous collection experience. Movements in the credit loss allowance are follows:-

	2023/24 £'000	2022/23 £'000
Balance at 1 April	(3,154)	(3,160)
Amounts written off	3	181
Increase in credit loss allowance	(436)	(175)
Balance at 31 March	(3,587)	(3,154)

The maximum exposure to credit risk on receivables held at amortised cost is as follows:

	31 March 2024			31 March 2023		
	Gross debtor £'000	Credit loss allowance £'000	Carrying value £'000	Gross debtor (restated) £'000	Credit loss allowance (restated) £'000	Carrying value (restated) £'000
Current and former HRA tenants	2,847	(2,356)	491	2,425	(1,952)	473
Other debtors	9,438	(1,623)	7,815	8,418	(1,636)	6,782
Total	12,285	(3,979)	8,306	10,843	(3,588)	7,255

Prior year figures have been restated to correct a misclassification of credit loss allowances.

Liquidity Risk

The Council has comprehensive cash flow management processes which ensure that cash is available as needed, with balances monitored and forecasts updated daily. Should unexpected events occur which require additional cash at short notice, the Council has ready access to borrowing from the money markets and other local authorities. Therefore, the risk that the Council will be unable to meet its commitments to make payments is considered very low. The maturity profile of the Council's borrowing is as follows:

	31 March 2024			31 March 2023		
	Principal repayments £'000	Interest payments £'000	Total payments £'000	Principal repayments £'000	Interest payments £'000	Total payments £'000
Less than 1 year	0	7,494	7,494	0	7,494	7,494
Between 1 and 5 years	0	29,977	29,977	0	29,977	29,977
Between 5 and 10 years	0	37,471	37,471	0	37,471	37,471
Between 10 and 15 years	21,357	37,102	58,459	10,679	37,471	48,150
Between 15 and 20 years	53,393	30,044	83,437	53,393	31,908	85,301
Between 20 and 25 years	53,393	20,667	74,060	53,393	22,548	75,941
Between 25 and 30 years	53,393	11,253	64,646	53,393	13,136	66,529
Between 30 and 35 years	32,036	2,246	34,282	42,714	3,744	46,458
Total	213,572	176,254	389,826	213,572	183,749	397,321

Borrowing consists of fixed-rate maturity loans from the Public Works Loan Board (PWLb), and was taken out to meet the cost of the Housing Revenue Account (HRA) self-financing settlement in March 2012.

Market Risk

Since most of the Council's investments are at fixed interest rates, the Council is not exposed to significant risks arising from changes in interest rates.

Instead, the principal market risk to which the Council is exposed is the risk of price changes on investments held at fair value. This is mitigated to some extent by the fact that it is the Council's intention to hold such investments over the long term.

The following investment balances are subject to price risk:

Investment type	Fair value at 31 March 2024	Change in value considered reasonably possible	Impact on surplus on the provision of services of reasonably possible change in value
	£'000	%	£'000
Enhanced cash funds	10,302	2	206
Pooled investment vehicles	13,965	20	2,793

The change in value which is deemed reasonably possible has been based upon prior experience.

Please note that any movements in the fair value of pooled investment vehicles are transferred through the Movement in Reserves Statement to unusable reserves (the Pooled Investment Adjustment Account), so as not to affect the General Fund.

Note 31 – Going Concern

The Council has applied the going concern basis to prepare these financial statements having considered its forecast reserve balances, forecast income and expenditure, and accompanying cash flows for the period to 28 February 2026.

Reserve Balances

The availability of reserves forms a key aspect of the Council's arrangements to mitigate the impact of a short-term deterioration in its financial performance. Such a deterioration could be linked to increasing net expenditure on service delivery, particularly non-discretionary services, or a decline in the resources available to the Council.

The Council's year-end General Fund reserve balance, as reported in these statements, is £40.919 million.

As part of the Budget Setting Report considered by Full Council in February 2025, the Council's Chief Finance Officer provided the following forecasts of General Fund Balances relating to the expected year-end position and the assessment period covered by this note.

Date	General Fund £'000
31 March 2025	16,318
31 March 2026	10,727

The Council has assessed the minimum balance that it should hold to mitigate against risks it has identified. This assessment is based on an analysis of the financial impact of risks identified and a consideration of their relative probability. A prudent minimum balance has been set at £6.541 million, with a target balance 20% above this at £7.849 million. The above table demonstrates that balances are forecast to remain comfortably above this level in the medium-term.

Liquidity

The Council's cash flow forecast is updated on an ongoing basis. Investments are managed proactively to ensure there is sufficient cash available to meet the Council's operational needs in respect of the General Fund, Housing Revenue Account and the capital programme.

The Council can access loans provided by the Public Works Loans Board to fund its capital programme.

External Factors

The Council recognises that delivery of its [Medium-Term Financial Strategy](#)¹¹ (MTFS) is partly dependent on the accuracy of the assumptions management have made about the economic environment in which the Council operates. The MTFS includes, at section 7, a series of scenarios exploring the impact on the Council's future finances should actual experience differ from the assumptions made in key areas, such as inflation, interest rates, and the future of local government funding. The Council continues to hold sufficient reserve balances to be able to manage the impact of such changes over a reasonable period of time, as set out above.

In December 2024, the government published its English Devolution White Paper, which sets out the intention that all lower tier local authorities in England will eventually be replaced by an overarching unitary authority. In March 2025, the Minister of State wrote to all local authorities in Cambridgeshire and Peterborough to invite proposals for forming one or more new unitary authorities. However, no firm proposals have yet been developed, and there is no timescale as to when any changes will come into effect. Since local authorities may only be discontinued by statutory prescription, this Statement of Accounts has been prepared on a going concern basis.

¹¹ <https://democracy.cambridge.gov.uk/documents/s67048/Appendix%201%20-%20GF%20MTFS%202025-26%20to%202034-35.pdf>

Housing Revenue Account Income and Expenditure Statement

This statement shows the economic cost in the year of providing Housing Revenue Account (HRA) services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents. The Council charges rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The total increase or decrease on the HRA for the year, on the basis upon which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

	2023/24		2022/23 (restated)	
	£'000	£'000	£'000	£'000
Expenditure:				
Repairs and maintenance	14,332		12,728	
Supervision and management	9,394		8,484	
Rents, rates, taxes and other charges	365		350	
Depreciation, impairment, derecognition and revaluation losses on non-current assets (net of reversals)	52,610		28,450	
Movement in the allowance for bad debts	483		309	
HRA share of corporate and democratic core costs	574		502	
Total expenditure		77,758		50,823
Income:				
Dwelling rents	(44,460)		(40,278)	
Non-dwelling rents	(840)		(827)	
Charges for services and facilities	(5,005)		(3,666)	
Contributions towards expenditure	(531)		(608)	
Reimbursement of costs	(92)		(44)	
Total income		(50,928)		(45,423)
Net income from HRA services as included in the Comprehensive Income and Expenditure Statement		26,830		5,400
HRA share of other income and expenditure included in the Comprehensive Income and Expenditure Statement:				
Gain on sale of HRA non-current assets		(473)		(2,315)
Interest payable and similar charges		7,494		7,494
HRA interest and investment income		(2,510)		(2,370)
Capital grants and contributions		(12,941)		(11,205)
Surplus for the year on HRA services		18,400		(2,996)

Prior year dwelling rents income has been restated (reduced by £517,000) to reflect a prior period adjustment in respect of rent refunds (see note 6 to the Council Financial Statements).

Movement on the Housing Revenue Account Statement

	2023/24		2022/23 (restated)	
	£'000	£'000	£'000	£'000
Deficit / (surplus) for the year on HRA services		18,400		(2,996)
Adjustments between accounting basis and funding basis under statutory provisions:				
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(41,125)		(17,822)	
Movements in the fair value of investment properties	(335)		317	
Capital grants and contributions	12,941		11,205	
Revenue expenditure funded from capital under statute	0		(19)	
Costs of disposal funded from capital receipts	(150)		(142)	
Gain on sale of HRA non-current assets	473		2,315	
Capital expenditure funded by the HRA	23,111		17,480	
HRA share of contributions to / (from) the Pensions Reserve	266		(714)	
Transfers to / (from) the General Fund under statutory provisions	72		(5)	
Movements in the accumulated absences accrual	0		(10)	
Total adjustments between accounting basis and funding basis under statutory provisions		(4,747)		12,605
Net increase in HRA before transfers to / (from) earmarked reserves		13,653		9,609
Transfers to / (from) earmarked reserves		(14,524)		(23)
Increase in year in the HRA		(871)		9,586
Balance at 1 April		(6,695)		(16,281)
Balance at 31 March		(7,566)		(6,695)

The Housing Revenue Account (HRA) balance as at 1 April 2022 has been restated (reduced by £3.309 million), and the surplus on HRA services for 2022/23 has been restated (reduced by £517,000), both to reflect a prior period adjustment in respect of rent refunds (see note 6 to the Council Financial Statements).

Notes to the Housing Revenue Account Statements

1 Dwelling Stock

	31 March 2024	31 March 2023
	<u>No.</u>	<u>No.</u>
Sheltered housing units	522	522
Shared ownership properties (whole property equivalent)	42	43
Other houses and bungalows	3,562	3,524
Other flats and maisonettes	3,503	3,302
Total dwelling stock (whole property equivalent)	7,629	7,391

2 Non-Current Assets

The value of non-current assets held by the HRA, and depreciation charged for the year, are as follows:-

	Net Book Value		Depreciation charged for the year	
	31 March 2024	31 March 2023	2023/24	2022/23
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Property, plant and equipment:				
Council dwellings	819,941	784,298	11,114	10,067
Other land and buildings	9,660	10,404	163	274
Vehicles, plant, furniture and equipment	76	87	13	19
Infrastructure assets	5,229	4,476	91	91
Assets under construction	31,332	52,791	0	0
Total property, plant and equipment	866,238	852,056	11,381	10,451
Investment property	7,537	6,922	0	0
Intangible assets	209	209	104	177
Total non-current assets	873,984	859,187	11,485	10,628

The value of council dwellings at 31 March 2024, based upon vacant possession, was £2.158 billion (31 March 2023: £2.064 billion). This is the estimate of the total sum that would be received if all dwellings were sold with vacant possession on the open market. However, the Balance Sheet value above is calculated based on existing use value – social housing (EUV-SH), which considers the fact that the dwellings are subject to ongoing tenancies at less than market rent. The difference between the two valuations shows the economic cost of providing housing at less than market rents.

3 Capital Expenditure and Financing

The following table sets out total capital expenditure on HRA assets, together with sources of capital financing:

	2023/24	2022/23
	<u>£'000</u>	<u>£'000</u>
Capital expenditure:		
Property, plant and equipment	70,951	69,007
Investment property	0	160
Intangible assets	92	32
Total capital expenditure	71,043	69,196
Financed by:		
Capital receipts	(12,128)	(11,307)
Capital grants and contributions	(16,636)	(25,924)
Major Repairs Reserve	(19,168)	(14,485)
Direct revenue contributions	(23,111)	(17,480)
Total capital financing applied	(71,043)	(69,196)

4 Capital Receipts

The following amounts have been received from the disposal of HRA non-current assets:

	2023/24	2022/23
	<u>£'000</u>	<u>£'000</u>
Capital receipts from the disposal of:		
Council dwellings	4,512	6,570
Other land	80	45
Total capital receipts	4,592	6,615
Payments to the central government housing capital receipts pool	0	(178)
Total capital receipts retained by Council	4,592	6,437

The capital receipts retained by the Council have been transferred to the Capital Receipts Reserve to finance future capital expenditure, in line with statutory requirements.

5 Rent Arrears

Rent arrears at 31 March 2024 were £2.847 million (31 March 2023: £2.425 million). At 31 March 2024, a net provision for bad debt of £2.356 million was held on the Balance Sheet (31 March 2023: £1.952 million).

Collection Fund Statement

	Council tax		Business rates	
	2023/24 £'000	2022/23 £'000	2023/24 £'000	2022/23 £'000
Income				
Council tax and business rates receivable from taxpayers	(95,709)	(89,631)	(117,103)	(116,941)
Transitional protection payment receivable from central government	0	0	(8,114)	0
Transfers from General Fund in respect of locally funded discounts	(74)	(82)	0	0
Contributions towards previous year's Collection Fund deficit:				
Cambridge City Council	0	(23)	0	(7,344)
Cambridgeshire County Council	0	(149)	0	(1,652)
Cambridgeshire and Peterborough Police and Crime Commissioner	0	(22)	0	0
Cambridgeshire and Peterborough Fire Authority	0	(8)	0	(183)
Central government	0	0	0	(9,180)
Expenditure				
Council tax precepts and shares of business rates income distributed:				
Cambridge City Council	9,813	9,371	51,472	43,381
Cambridgeshire County Council	69,178	64,809	11,581	9,761
Cambridgeshire and Peterborough Police and Crime Commissioner	12,219	11,359	0	0
Cambridgeshire and Peterborough Fire Authority	3,583	3,306	1,287	1,085
Cambridgeshire and Peterborough Combined Authority	538	0	0	0
Central government	0	0	64,339	54,226
Distribution of previous year's Collection Fund surplus:				
Cambridge City Council	21	0	3,840	0
Cambridgeshire County Council	145	0	864	0
Cambridgeshire and Peterborough Police and Crime Commissioner	29	0	0	0
Cambridgeshire and Peterborough Fire Authority	6	0	96	0
Central government	0	0	4,801	0
Other expenditure:				
Increase / (reduction) in provision for outstanding arrears	(594)	(727)	131	(215)
Reduction in provision for outstanding appeals	0	0	(1,514)	(2,197)
Transitional protection payment payable to central government	0	0	0	316
Allowable collection costs payable to General Fund	0	0	238	233
Total movement on fund balance	(845)	(1,797)	11,918	(28,710)
Collection Fund (surplus) / deficit at 1 April	(664)	1,133	(11,923)	16,787
Collection Fund surplus at 31 March	(1,509)	(664)	(5)	(11,923)

As a billing authority, the Council has a statutory obligation to maintain a separate Collection Fund in respect of council tax and business rates. This statement shows the amounts collected from tax and rate payers, together with the amounts distributed to local preceptors (including the Council's own share) and central government.

Notes to the Collection Fund Statement

1 Collection Fund Balances

The surplus on the Collection Fund will be managed in future years via liaison with local preceptors (including the Council) and central government in line with statutory requirements. Each entity's share of the Collection Fund balance is as follows:-

Entity	Council tax surplus		Business rates surplus	
	31 March 2024 £'000	31 March 2023 £'000	31 March 2024 £'000	31 March 2023 £'000
Cambridge City Council	(153)	(66)	(2)	(4,769)
Cambridgeshire County Council	(1,099)	(486)	0	(1,073)
Cambridgeshire and Peterborough Police and Crime Commissioner	(197)	(89)	0	0
Cambridgeshire and Peterborough Fire Authority	(55)	(23)	0	(119)
Cambridgeshire and Peterborough Combined Authority	(5)	0	0	0
Central government	0	0	(3)	(5,962)
Total surplus	(1,509)	(664)	(5)	(11,923)

2 Council Tax Base

Each domestic property within the Council's area is assigned to one of eight valuation bands for council tax purposes, based on its estimated value as at 1 April 1991. Council tax is set for band D properties (separately by the Council and each local preceptor), and the tax for other bands is calculated as a proportion of the band D amount.

The council tax for the year due on band D properties can be broken down as follows:-

Entity	Council tax per band D property	
	2023/24 £	2022/23 £
Cambridge City Council	218.85	212.50
Cambridgeshire County Council	1,542.87	1,469.61
Cambridgeshire and Peterborough Police and Crime Commissioner	272.52	257.58
Cambridgeshire and Peterborough Fire Authority	79.92	74.97
Cambridgeshire and Peterborough Combined Authority	12.00	0
Total council tax due per band D property	2,126.16	2,014.66

In setting council tax, the Council and preceptors must first calculate their council tax requirement for the year (the amount which must be raised to cover budgeted expenditure net of other sources of finance such as government grants). This is then divided by the council tax base, which is the number of domestic properties in the Council's area, expressed as the number of 'band D equivalent' dwellings.

The council tax base is forecast each January for the following financial year. The council tax base was calculated as follows:

Valuation band	2023/24				2022/23			
	Total chargeable dwellings	Equivalent dwellings after discounts, reliefs and exemptions	Ratio to band D	Band D equivalent dwellings	Total chargeable dwellings	Equivalent dwellings after discounts, reliefs and exemptions	Ratio to band D	Band D equivalent dwellings
	No.	No.		No.	No.		No.	No.
A	3,815	3,322	6/9	2,215	4,324	3,322	6/9	2,216
B	10,290	8,822	7/9	6,862	10,761	8,788	7/9	6,835
C	19,414	17,779	8/9	15,804	20,137	17,667	8/9	15,704
D	9,678	9,001	1	9,001	10,245	8,914	9/9	8,914
E	5,531	5,186	11/9	6,338	5,940	5,151	11/9	6,295
F	3,582	3,388	13/9	4,894	3,836	3,395	13/9	4,903
G	2,846	2,725	15/9	4,542	3,252	2,719	15/9	4,533
H	332	321	18/9	642	498	314	18/9	627
Total	55,488	50,544		50,298	58,993	50,270		50,027
Adjustments to tax base				(5,461)				(5,917)
Forecast tax base				44,837				44,110

The adjustments to tax base in the table above are to take account of forecast growth in property numbers, changes in exemption status, local council tax support scheme claims and an allowance for non-collection.

3 Business Rates Multiplier and Rateable Value

The total rateable value of non-domestic properties within the Council area at 31 March 2024 was £345,593,902 (31 March 2023: £313,496,554). The standard business rates multiplier for 2023/24 as set by central government was 51.2p (2022/23: 51.2p).

Group Comprehensive Income and Expenditure Statement (GCIES)

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. The Council raises taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The amounts chargeable to taxation and rents for the year are set out in the Group Movement in Reserves Statement.

	Note	2023/24			2022/23 (restated)		
		Gross expenditure	Gross income	Net expenditure	Gross expenditure	Gross income	Net expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment		11,788	(3,367)	8,421	15,254	(3,129)	12,125
Community Wealth Building and Community Safety		1,555	(338)	1,217	1,532	(569)	963
Communities		14,119	(7,166)	6,953	14,975	(8,123)	6,852
General Fund Housing		12,319	(5,653)	6,666	9,003	(3,051)	5,952
Open Spaces and City Services		14,377	(11,913)	2,464	15,472	(12,388)	3,084
Planning, Building Control and Infrastructure		4,837	(2,202)	2,635	5,955	(2,244)	3,711
Finance and Resources		39,267	(29,779)	9,488	32,174	(28,167)	4,007
The Leader		7,712	(879)	6,833	7,228	(505)	6,723
Housing Revenue Account		77,758	(50,890)	26,868	50,823	(45,397)	5,426
Other group housing services		132	(318)	(186)	157	(311)	(154)
Cost of services		183,864	(112,505)	71,359	152,573	(103,884)	48,689
Other operating income and expenditure		0	(480)	(480)	178	(1,980)	(1,802)
Financing and investment income and expenditure		11,241	(26,313)	(15,072)	16,780	(16,373)	407
Taxation and non-specific grant income		0	(39,010)	(39,010)	0	(39,347)	(39,347)
(Surplus) / deficit on the provision of services		195,105	(178,308)	16,797	169,531	(161,584)	7,947
Share of the surplus on the provision of services by joint ventures	3			(1,518)			(5,557)
Group deficit				15,279			2,390
Surplus on revaluation of non-current assets				(4,045)			(31,701)
Remeasurement of the net defined benefit liability				(9,368)			(118,510)
Other comprehensive income				(13,413)			(150,211)
Total comprehensive (income) / expenditure				1,866			(147,821)

Prior year cost of services figures have been reclassified to reflect changes in the Council's internal reporting structure.

Prior year HRA income has been restated (reduced by £517,000) to reflect a prior period adjustment in respect of rent refunds (see note 6 to the Council Financial Statements).

Group Movement in Reserves Statement (GMIRS)

This statement shows the movement on the different reserves held by the Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and 'unusable reserves'. The Group Movement in Reserves Statement shows how the movements in the Group's reserves are broken down between comprehensive income and expenditure incurred in accordance with generally accepted accounting practices (as shown in the Group Comprehensive Income and Expenditure Statement) and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year. The increase / decrease line shows the reserve movements for the year following those adjustments.

	General Fund	Collection Fund deficit earmarked reserve	Other earmarked General Fund reserves	Housing Revenue Account (HRA)	Earmarked HRA reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total usable reserves	Unusable reserves	Total Council reserves	Council share of subsidiary and joint venture reserves	Total Group reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022 (restated)	(25,533)	(6,377)	(23,389)	(16,281)	(17,351)	(43,139)	(11,541)	(41,534)	(185,145)	(770,535)	(955,680)	(6,997)	(962,677)
Movement in reserves during 2022/23:													
Total comprehensive income and expenditure	11,071	0	0	(2,970)	0	0	0	0	8,101	(150,029)	(141,928)	(5,893)	(147,821)
Adjustments between Group accounts and Council accounts	(6,656)	0	0	(26)	0	0	0	0	(6,682)	0	(6,682)	6,682	0
Net (increase) / decrease before transfers	4,415	0	0	(2,996)	0	0	0	0	1,419	(150,029)	(148,610)	789	(147,821)
Adjustments between accounting basis and funding basis under statutory provisions	(5,965)	0	0	12,605	0	7,410	3,857	20,331	38,238	(38,238)	0	0	0
Transfers to / from earmarked reserves	(978)	6,253	(5,275)	(23)	23	0	0	0	0	0	0	0	0
(Increase) / decrease in year	(2,528)	6,253	(5,275)	9,586	23	7,410	3,857	20,331	39,657	(188,267)	(148,610)	789	(147,821)
Balance at 31 March 2023 (restated)	(28,061)	(124)	(28,664)	(6,695)	(17,328)	(35,729)	(7,684)	(21,203)	(145,488)	(958,802)	(1,104,290)	(6,208)	(1,110,498)
Movement in reserves during 2023/24:													
Total comprehensive income and expenditure	(1,451)	0	0	18,438	0	0	0	0	16,987	(13,320)	3,667	(1,801)	1,866
Adjustments between Group accounts and Council accounts	(6,178)	0	0	(38)	0	0	0	0	(6,216)	0	(6,216)	6,216	0
Net (increase) / decrease before transfers	(7,629)	0	0	18,400	0	0	0	0	10,771	(13,320)	(2,549)	4,415	1,866
Adjustments between accounting basis and funding basis under statutory provisions	(5,485)	0	0	(4,747)	0	10,731	7,684	8,887	17,070	(17,070)	0	0	0
Transfers to / from earmarked reserves	256	0	(256)	(14,524)	14,524	0	0	0	0	0	0	0	0
(Increase) / decrease in year	(12,858)	0	(256)	(871)	14,524	10,731	7,684	8,887	27,841	(30,390)	(2,549)	4,415	1,866
Balance at 31 March 2024	(40,919)	(124)	(28,920)	(7,566)	(2,804)	(24,998)	0	(12,316)	(117,647)	(989,192)	(1,106,839)	(1,793)	(1,108,632)

The Housing Revenue Account (HRA) balance as at 1 April 2022 has been restated (reduced by £3.309 million), and the total comprehensive income on the HRA during 2022/23 has been restated (reduced by £517,000), both to reflect a prior period adjustment in respect of rent refunds (see note 6 to the Council Financial Statements).

Group Balance Sheet

	Note	31 March 2024		31 March 2023 (restated)	
		£'000	£'000	£'000	£'000
Property, plant and equipment	4	1,069,002		1,036,230	
Heritage assets		669		669	
Investment property		164,587		161,708	
Intangible assets		417		512	
Loans to joint ventures		19,228		12,875	
Investments in joint ventures	3	739		5,222	
Other long-term investments		16,857		23,424	
Long-term debtors		3,912		1,729	
Net defined benefit pension asset		18,073		6,865	
Long-term assets		1,293,484		1,249,234	
Investment property held for sale		1,250		825	
Short-term investments		50,038		105,709	
Short-term debtors		25,916		10,816	
Inventories		172		200	
Cash and cash equivalents		22,340		32,201	
Current assets		99,716		149,751	
Short-term borrowing		(82)		(82)	
Short-term creditors		(66,896)		(70,676)	
Provisions		(3,757)		(3,891)	
Current liabilities		(70,735)		(74,649)	
Long-term borrowing		(213,572)		(213,572)	
Long-term receipts in advance		(97)		(105)	
Net defined benefit pension liability		0		0	
Other long-term liabilities		(164)		(161)	
Long-term liabilities		(213,833)		(213,838)	
Net assets		1,108,632		1,110,498	
Usable reserves		(118,252)		(150,584)	
Unusable reserves		(90,380)		(959,914)	
Total reserves		(1,108,632)		(1,110,498)	

The Group Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used 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 may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Group 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. It also includes reserves which reflect timing differences between the recognition of income and expenditure under generally accepted accounting practices, and the point at which it must be credited or charged to usable reserves under statutory provisions.

Prior year short-term creditors have been restated (increased by £3.826 million) to reflect a prior period adjustment in respect of rent refunds (see note 6 to the Council Financial Statements).

Group Cash Flow Statement (GCFS)

The Group Cash Flow Statement shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities. The amount of net cash flows from operating activities is a key indicator of the extent to which the operations of the Group are funded by way of taxation, grant income and from the recipients of services provided by the Group. Investing activities represent the extent to which cash outflows have been made for resources that are intended to contribute to the Group's future service delivery. Cash flows arising from financing activities reflect movements in the cash collected by the Council on behalf of others in respect of council tax and business rates.

	2023/24		2022/23 (restated)	
	£'000	£'000	£'000	£'000
Net deficit on the provision of services	(16,797)		(7,947)	
Adjust net deficit on the provision of services for non-cash movements	50,713		40,413	
Adjust for items included in the net deficit on the provision of services that are investing and financing activities	(18,945)		(21,106)	
Net cash flows from operating activities		14,971		11,360
Investing activities:				
Purchase of property, plant and equipment, investment property and intangible assets	(91,601)		(84,953)	
Purchase of short-term and long-term investments	(154,081)		(263,250)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets	5,562		7,117	
Proceeds from short-term and long-term investments	210,569		297,310	
Capital grants received	13,144		13,824	
Other receipts and payments from investing activities	24		12	
Net cash flows from investing activities		(16,383)		(29,940)
Financing activities		(8,449)		20,267
Net increase / (decrease) in cash and cash equivalents		(9,861)		1,687
Cash and cash equivalents at the beginning of the year:				
Overnight money market funds	30,000		29,500	
Bank accounts	2,191		998	
Cash held by the Council	10		16	
Total cash and cash equivalents at the beginning of the year		32,201		30,514
Cash and cash equivalents at the end of the year:				
Overnight money market funds	15,000		30,000	
Bank accounts	7,334		2,191	
Cash held by the Council	6		10	
Total cash and cash equivalents at the end of the year		22,340		32,201

The prior year net deficit on the provision of services has been restated (increased by £517,000) to reflect a prior period adjustment in respect of rent refunds, with a corresponding increase in the adjustment for non-cash movements (see note 6 to the Council Financial Statements).

Note 1 – Accounting Policies

The accounting policies applied to the Group Financial Statements are the same as those set out at note 2 to the Council Financial Statements, with the following additions:

Basis of Consolidation

Control and Joint Control

The Council is deemed to have control over another entity when both of the following conditions are met:

- The Council is exposed to variable returns from its involvement with the entity (for example a share of the entity's profits).
- The Council can use its power over the entity to affect these returns.

Joint control exists where decisions affecting the entity's returns can only be made by the unanimous consent of more than one investor.

Subsidiaries

Subsidiaries are separate entities which are controlled by the Council.

The financial statements of subsidiaries are consolidated on a line by line basis. This means that transactions and balances are included in the relevant lines in the Group Financial Statements. Adjustments are made to remove transactions and balances between the Council and its subsidiary, such that the Group Financial Statements present the financial performance and position of the Group as a whole, from an external perspective.

Joint Ventures

A joint venture is a separate entity which is jointly controlled by the Council and at least one other investor.

The financial statements of joint ventures are consolidated using the equity method. The Council's investment in the joint venture is initially recognised on the Balance Sheet at cost, and subsequently adjusted to match the Council's share of the entity's net assets. The change in the Council's share of net assets (effectively the Council's share of the entity's profit or loss) is recognised within other comprehensive income in the Group Comprehensive Income and Expenditure Statement (GCIES).

Alignment of Accounting Policies

The results of subsidiaries and joint ventures are adjusted where applicable to align their accounting policies with those of the Council:

- Cambridge City Housing Company Ltd holds a portfolio of dwellings for rent. Within the company accounts these are accounted for as investment properties under International Accounting Standard (IAS) 40. However, adjustments are made within the Group Financial Statements to

account for these dwellings as property, plant and equipment (other land and buildings) using the Council's accounting policies (see note 2 to the Council Financial Statements – accounting policy 12). The difference in treatment reflects the fact that the Group's primary reason for holding the properties is service related (i.e. the provision of affordable housing), rather than solely to generate rental income.

Note 2 – Group Composition

Cambridge City Housing Company Ltd

Cambridge City Housing Company Ltd (CCHC) is a private limited company. Its main activity is to provide and manage housing for those in housing need in Cambridge and neighbouring districts, whilst also generating a financial return for the Council.

The Council owns 100% of the company's share capital and has the right to appoint all of the company's directors (all of whom are Council officers). As such, the Council is deemed to have full control over CCHC and it is accounted for as a subsidiary.

Cambridge Investment Partnership

The Cambridge Investment Partnership (CIP) consists of the four separate limited liability partnerships (LLPs), as follows:

- Cambridge Investment Partnership LLP
- CIP (Mill Road Development) LLP
- CIP (Cromwell Road) LLP
- CIP Orchard Park L2 LLP

The main activity of the partnership is the redevelopment of sites within Cambridge for the provision of housing, including affordable housing. The partnership is strategically important to the Council as the vehicle through which a significant proportion of its new build programme for council dwellings is to be delivered.

Each of the four LLPs is owned jointly by the Council and a private sector property developer, with each having a 50% interest and equal voting rights. As such, the Council is deemed to have joint control over each of the LLPs, and they are accounted for as separate joint ventures.

Note 3 – Joint Ventures

The financial performance and position of the Council's joint ventures can be summarised as follows:

	Cambridge Investment Partnership LLP		CIP (Mill Road Development) LLP		CIP (Cromwell Road) LLP		CIP Orchard Park L2 LLP		Total	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Income	(12,622)	(26,089)	(20)	(37,847)	(30,340)	(51,908)	(8,428)	(8,522)	(51,410)	(124,366)
Expenditure	12,616	26,265	6	33,393	27,601	45,998	8,151	8,033	48,374	113,689
(Profit) / loss from continuing operations and total comprehensive income	(6)	176	(14)	(4,454)	(2,739)	(5,910)	(277)	(489)	(3,036)	(10,677)
Council share (50%)	(3)	88	(7)	(2,227)	(1,370)	(2,955)	(138)	(245)	(1,518)	(5,339)
Adjustments in respect of unrealised losses	0	0	0	0	0	3	0	4	0	4
Other adjustments	0	0	0	(222)	0	0	0	0	0	(222)
Share of the (surplus) / deficit on the provision of services by joint ventures recognised in the Group Comprehensive Income and Expenditure Statement	(3)	88	(7)	(2,449)	(1,370)	(2,955)	(138)	(241)	(1,518)	(5,557)

	Cambridge Investment Partnership LLP		CIP (Mill Road Development) LLP		CIP (Cromwell Road) LLP		CIP Orchard Park L2 LLP		Total	
	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023	31 March 2024	31 March 2023
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Current assets	45,840	10,846	1,670	2,172	1,633	17,270	1,366	3,117	50,509	33,405
Current liabilities (including members' loans)	(45,544)	(10,557)	(1,303)	(1,819)	(1,577)	(7,953)	(608)	(2,636)	(49,032)	(22,965)
Members' capital (classified as a liability)	296	289	367	353	56	9,317	758	481	1,477	10,440
Council share (50%)	148	145	184	177	28	4,659	379	241	739	5,222
Investments in joint ventures recognised in the Group Balance Sheet	148	145	184	177	28	4,659	379	241	739	5,222
Included in current assets and liabilities above:										
Cash and cash equivalents	176	308	1,503	1,982	1,490	4,724	1,356	2,372	4,525	9,386
Current financial liabilities (excluding trade and other payables)	(23,328)	(9,398)	0	0	0	(7,557)	0	0	(23,328)	(16,955)

Note 4 – Property, Plant and Equipment

Movements on Balances

	Council dwellings	Other land and buildings	Vehicles, plant, furniture and equipment	Infrastructure assets	Community assets	Surplus assets	Assets under construction	Total property, plant and equipment
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April 2022:								
Gross carrying amount	726,429	153,775	21,595	7,295	1,331	79	64,193	974,697
Accumulated depreciation and impairment	0	(1,302)	(13,456)	(1,506)	0	0	0	(16,264)
Net book value	726,429	152,473	8,139	5,789	1,331	79	64,193	958,433
Additions	36,789	2,793	433	1,175	0	0	43,911	85,101
Donated assets	(4,299)	0	(308)	(75)	0	0	0	(4,682)
Revaluation increases / (decreases) recognised in the revaluation reserve	23,719	7,994	0	0	0	(12)	0	31,701
Revaluation decreases recognised in the surplus / deficit on the provision of services	(17,015)	(1,130)	0	0	0	(17)	0	(18,162)
Assets reclassified (to) / from other categories of property, plant and equipment	28,742	366	200	17	15	0	(29,340)	0
Depreciation charge	(10,067)	(3,832)	(2,075)	(187)	0	0	0	(16,161)
Balance at 1 April 2023:								
Gross carrying amount	784,298	160,252	20,671	8,238	1,346	50	78,764	1,053,619
Accumulated depreciation and impairment	0	(1,588)	(14,282)	(1,519)	0	0	0	(17,389)
Net book value	784,298	158,664	6,389	6,719	1,346	50	78,764	1,036,230
Additions	16,862	1,201	1,759	866	0	0	68,530	89,218
Donated assets	(4,119)	0	0	0	0	0	0	(4,119)
Revaluation increases recognised in the revaluation reserve	674	3,370	0	0	0	0	0	4,044
Revaluation increases / (decreases) recognised in the surplus / deficit on the provision of services	(41,125)	35	0	0	0	0	0	(41,090)
Assets reclassified (to) / from investment properties or intangible assets	0	2,267	0	0	0	0	(92)	2,175
Assets reclassified (to) / from other categories of property, plant and equipment	74,465	782	46	0	0	0	(75,293)	0
Other movement	0	(121)	(40)	0	0	0	(38)	(199)
Depreciation charge	(11,114)	(3,933)	(2,000)	(210)	0	0	0	(17,257)
Balance at 31 March 2024:								
Gross carrying amount	819,941	163,996	22,152	9,104	1,346	50	71,871	1,088,460
Accumulated depreciation and impairment	0	(1,731)	(15,998)	(1,729)	0	0	0	(19,458)
Net book value	819,941	162,265	6,154	7,375	1,346	50	71,871	1,069,002

Valuation

Details of the valuation approach adopted for the Council's property, plant and equipment are set out at note 16 to the Council Financial Statements.

CCHC dwellings are revalued on 31 March each year, using a beacon approach. The stock is divided into a number of 'archetypes' containing dwellings with similar characteristics (e.g. location, property type, number of bedrooms). Within each archetype, one representative 'beacon' property is selected for revaluation, with the resulting valuation applied to all similar dwellings.

Valuations are carried out in accordance with 'Stock Valuation for Resource Accounting – Guidance for Valuers' published by MHCLG, and the RICS Valuation – Professional Standards ('Red Book') except where varied to reflect MHCLG requirements.

The following table shows the current carrying value of property, plant and equipment (excluding those classes of asset held at historic cost) by date of most recent valuation:

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
Valued at current value as at:				
31 March 2024	819,941	130,627	0	950,568
31 March 2023	0	1,072	50	1,122
31 March 2022	0	19,475	0	19,475
31 March 2021	0	3,537	0	3,537
31 March 2020	0	595	0	595
Prior to 2020	0	6,959	0	6,959
Total	819,941	162,265	50	982,256

Note 5 – Commitments with Joint Ventures

Capital Commitments

The Council has contracted with the Cambridge Investment Partnership for the construction of new build council dwellings. The amounts contractually committed but not yet recognised at the year-end were as follows:-

Entity	31 March 2024 £'000	31 March 2023 £'000
Cambridge Investment Partnership LLP	0	989
CIP (Mill Road Development) LLP	0	0
CIP (Cromwell Road) LLP	0	350
CIP Orchard Park L2 LLP	0	7,075
Total	0	8,414

Loan Commitments

The Council has entered into agreements with the Cambridge Investment Partnership to provide loan financing for land purchase, and also development financing through the use of revolving credit facilities. Loans are secured on the property of the partnership (work in progress and unsold dwellings, excluding affordable housing), with a maximum loan to value ratio of 60% at any given time.

The balances on the facilities at year-end were as follows:

Entity	31 March 2024			31 March 2023		
	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000
Cambridge Investment Partnership LLP	28,610	(8,360)	20,250	28,000	(5,250)	22,750
CIP Orchard Park L2 LLP	8,000	0	8,000	8,000	0	8,000
Total	36,000	(21,020)	14,980	36,000	(5,250)	30,750

Note 6 – External Audit Costs

Entity	Service	2023/24 £'000	2022/23 £'000
Council	External audit and certification of grant claims	137	168
Cambridge City Housing Company	External audit	6	6
	Taxation compliance services	1	1
	Other non-audit services	2	2
Total		146	177

Glossary of Terms

Accrual	An item of income or expenditure which is included in the Statement of Accounts because it relates to goods or services provided or received during the year, even though payment has not yet been received or paid (and no formal invoices raised).
Amortisation	An expense recognised to reflect the consumption of intangible assets, similar to depreciation on property, plant and equipment. It is generally charged on a straight-line basis over the useful life of the relevant asset.
Amortised cost	A method for determining the value of financial assets or liabilities based upon the principal invested or borrowed, adjusted for any interest accrued and expected credit losses (e.g. bad debt).
Business rates retention	The arrangements, set out by central government, which determine the proportion of the business rates collected which can be retained by the City Council, and the proportion which is paid to local preceptors and central government (for redistribution to other local authorities).
Capital expenditure	Expenditure on new long-term assets such as property, plant and equipment, intangible assets, and investment property. Also includes expenditure which enhances existing assets, for example through significantly prolonging their useful life or increasing their value. Under statutory requirements, loans to third parties to finance their own capital expenditure are also treated as capital expenditure of the Council.
Capital financing	The use of the Council's resources (revenue or capital) to fund capital expenditure in the current year, or to repay borrowing associated with capital expenditure in previous years.
Capital grants	Grants received by the Council which can only be used for capital financing.
Capital loans	Loans made by the Council to a third party to finance their capital expenditure, for example loans made to the Cambridge Investment Partnership to fund property development. Under statutory provisions, the making of these loans is treated as capital expenditure by the Council, whilst repayments are treated as capital receipts.
Capital receipts	Cash received from the sale of long-term assets such as council houses, land or other buildings. This may only be used to finance future capital expenditure.
Cash equivalents	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.
Code	The Code of Practice on Local Authority Accounting in the United Kingdom, which sets out the rules which the Council must follow in preparing and presenting the Statement of Accounts.
Creditors	Amounts owed by the Council.
Current assets	Assets which are expected to be used or realised within 12 months of the Balance Sheet date.
Current liabilities	Liabilities which are due to be settled (or could be called in) within 12 months of the Balance Sheet date.
Current service cost	The increase in the Council's net pension liability as a result of future pension entitlement earned by employees as a result of their service during the year.
Debtors	Amounts owed to the Council.
Defined benefit	A type of pension scheme whereby the benefits paid on retirement (lump sums and pensions) are based upon length of service with the Council and salary earned.
Depreciated replacement cost (DRC)	An approach to valuing property assets based upon the estimated cost of rebuilding an equivalent asset from scratch (using modern methods and specifications), depreciated to reflect the actual condition of the existing asset (i.e. the proportion of its total useful life remaining).

Depreciation	An expense recognised to reflect the consumption of property, plant and equipment. It is generally charged on a straight-line basis over the useful life of the relevant asset.
Discount rate	The rate used to discount future cash flows (for example future pension payments) to their value at today's prices.
Effective interest rate (EIR)	The rate which exactly discounts the future cash flows arising from a financial instrument to the amount at which it was originally recognised – essentially representing the average interest rate over the life of the instrument.
Enhanced cash funds	A managed investment fund, similar to a money market fund, but generally offering slightly higher potential returns in exchange for slightly higher levels of risk in terms of the security and liquidity of its investments.
Fair value	The price at which an asset could be sold, or liability settled, in an orderly transaction between market participants (i.e. knowledgeable, willing parties operating at arm's length).
Finance lease	A lease that transfers substantially all of the risks and rewards of ownership of an asset to the lessee. The lease period tends to cover most or all of the useful life of the asset, and the value of lease payments made over the duration of the lease tends to approximately equal the value of the asset at the start of the lease.
Financial asset	An asset which represents cash, or the right to receive cash (or cash equivalents) in the future, for example fixed term deposits, investments in pooled investment vehicles, loans and trade debtors.
Financial instrument	A contract which gives rise to a financial asset in one entity and a financial liability in another.
Financial liability	A liability which will require the Council to pay out cash (or cash equivalents) in the future, for example borrowings and trade creditors.
Going concern	A basis of accounting which assumes that the Council will continue in existence for the foreseeable future.
Group	Includes the Council and all other entities which it controls (subsidiaries). The Group Financial Statements also incorporate the Council's share of the profits of its joint ventures.
Impairment	A reduction to the value of a non-financial asset as a result of its recoverable amount falling below its carrying value on the Balance Sheet, for example because it has been damaged or become obsolete. Impairments can also apply to financial assets, for example when there is an expectation that amounts due to the Council in the future will not be paid (credit losses).
Intangible assets	Assets without physical substance, which are expected to benefit the Council over the course of more than one year, for example software licences.
Joint venture	A separate entity which is deemed to be jointly controlled by the Council and at least one other investor, where strategic decision making is by unanimous consent. The Council's share of any profits is included in the Group Financial Statements.
Minimum revenue provision (MRP)	A charge to the General Fund which must be made each year for the repayment of borrowing (internal and external) undertaken to fund historic capital expenditure. Effectively this is to ensure that the Council has sufficient capital resources available to renew or replace assets at the end of their lives. The charge must be set in accordance with statutory guidance, which ensures that it is prudent.
Money market funds	Managed investment funds consisting of highly liquid, short-term investments such as cash, cash equivalents, and short-term debt-based securities with high credit ratings. They are designed to offer high liquidity and very low risk to investors.
Non-current assets	Assets which are expected to benefit the Council over the course of more than one year, for example property, plant and equipment, intangible assets and investment property.

Operating lease	A lease which does not in substance transfer ownership of an asset to the lessor (i.e. the opposite of a finance lease). In practice these tend to be short in nature (as compared to the total useful life of the asset). Since land is deemed to have an infinite useful life, all leases of land are classified as operating leases.
Outturn	Actual income or expenditure amounts as opposed to budgeted amounts.
Past service cost	A change in the Council's net pension liability as a result of changes to the pension scheme which affect the pension entitlement earned by employees in previous years.
Pooled investment vehicle	A managed investment fund which takes investment from a large number of investors and pools this together in order to maximise returns and diversify risk. Investors can buy and sell units in these funds, which generate returns through the payment of dividends, increase in the underlying value of units, or both. Under statutory provisions, any change in value of pooled investment fund units is not recognised in the General Fund until it is realised (i.e. the units are sold).
Preceptor	Another local authority who is not a billing authority, and on whose behalf the Council collects council tax (i.e. Cambridgeshire County Council, Cambridgeshire and Peterborough Police and Crime Commissioner, Cambridgeshire and Peterborough Fire Authority, and Cambridgeshire and Peterborough Combined Authority)
Provision	A liability which represents a future obligation as a result of a past event, but where the timing or amount of the obligation is uncertain. An example is the settlement of business rates appeals, whose outcome is unknown and outside of the control of the Council.
Restricted grants	Grants which can only be spent on particular purposes (for example a specific service), under the terms of the grant agreement.
Revenue expenditure	Expenditure which is not capital, i.e. spending on the day to day running of the Council such as staff costs and general supplies and services.
Revenue Expenditure Funded from Capital under Statute (REFCUS)	Expenditure which is revenue in nature, but which statute permits to be funded from resources usually earmarked for capital use. This includes capital grants to third parties (such as Disabled Facilities Grants to residents).
Section 106 (S106) contributions	Contributions from developers agreed as part of planning conditions, for example to provide infrastructure improvements to support new housing development.
Soft loan	A loan made at a below-market interest rate (which could be nil), generally made in pursuit of service interests (for example the provision of interest-free home improvement loans to eligible residents).
Subsidiary	A separate entity which is deemed to be controlled by the Council, and whose results are therefore included in the Group Financial Statements.

Abbreviations

CFS	Cash Flow Statement
CIC	Community Interest Company
CIES	Comprehensive Income and Expenditure Statement
CIP	Cambridge Investment Partnership
CIPFA	Chartered Institute of Public Finance and Accountancy
CPI	Consumer price inflation
HRA	Housing Revenue Account
IAS	International Accounting Standard
IFRS	International Financial Reporting Standards
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
LGPS	Local Government Pension Scheme
LLP	Limited Liability Partnership
MIRS	Movement in Reserves Statement
RICS	Royal Institution of Chartered Surveyors
PSF	Per square foot