Cambridge City Council

Unaudited Statement of Accounts for the year ended 31 March 2026

Introduction

This Statement of Accounts gives an overview of the council's finances for the year ended 31 March 2026. 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 2025/26, 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), the Cambridge Investment Partnership (a joint venture partnership) and Cambridge Social Investments Ltd (a joint venture partnership).
- The **Glossary** contains a definition of any complex accounting terms used throughout this Statement of Accounts.

Contents

Introduction

The past year has continued to see much change and uncertainty across the globe as well as locally in Cambridge. Nationally, economic growth has been lower than expected. Inflation had been on a downward path, but recent war in the Middle East has caused a sharp rise in energy prices. The council therefore continues to face increasing cost pressures, at the same time as supporting many of the city's residents who face difficulties with the cost of living. In this context, the council has worked together with partners to address pressures including housing, climate change and the cost of living crisis, as well as the continuing growth of the city.

Over the past few years, the council has also undergone its own transformation journey to delivery significant cost savings and make itself as adaptable as possible in the face of ever evolving challenges.

In September 2024, the council published a Medium-Term Financial Strategy (MTFS) identifying a structural five-year budget gap of £11.5 million – that is to say, in five years' time the council was forecast to be spending £11.5 million more each year than it received in income. The council's response to this challenge has been robust, and the latest Budget Setting Report (BSR) approved in February 2026 shows that the five-year budget gap is now only £1.4 million, i.e. net savings of £10.1 million delivered in under two years. Through focussing on maximising income and critically reviewing the approach to capital expenditure, this has been achieved without significant cuts to resident-facing services.

Nevertheless, the current macroeconomic climate, coupled with increasing pressures on demand-led services such as housing repairs, mean that the council's finances remain in a challenging position. As part of the council's mitigation against this, it is important that a prudent level of reserves is maintained at all times.

In 2025/26, the Council budgeted for a reduction in the unallocated General Fund reserve of £2.6 million. This was mainly as a result of a conscious decision as part of budget-setting to use excess reserves to spread the savings requirement over a number of years.

In the event, there was a net underspend on General Fund services of £6.1 million, driven mainly by one-off compensation income (£2.0 million), a reduction in net borrowing costs (£1.2 million), increased income from commercial property (£0.9 million) and an over-achievement of car parking income (£0.7 million). Further details are set out on page X below.

After adjusting for non-service variances (such as business rates, government funding and earmarked reserve movements) the General Fund finished with an overall net underspend in-year of £4.0 million. Of this, £2.1 million relates to specific expenditure where budgets will be transferred to future years due to project slippage. This leaves a net General Fund underspend of £1.9 million after taking into account timing differences.

Taking all of the above into account, the balance on the General Fund as at 31 March 2026 was £20.3 million, of which £2.1 million is earmarked for future spending as above. For context, the target level as set by Full Council in February 2026 is £9.7 million, and work is underway to review the best way in which to utilise any excess reserves, particularly in view of the service pressures identified above.

The council also collected £57.7 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.

The council remains subject to considerable uncertainty in respect of planned local government reorganisation, with an in-principle government decision on the arrangements for creating new unitary authorities for Cambridgeshire and Peterborough anticipated in July 2026. This creates numerous challenges as the council seeks to plan for the long-term and deliver against its vision for the city. The council will continue to engage with central government and other local councils, along with residents, businesses and other stakeholders, to find a solution that will work for Cambridge 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 the last two censuses in 2011 and 2021. The population has increased further from 145,800 in 2021 to 149,400 in 2024 (latest ONS mid-year population estimate).

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

In addition, over 10,000 people travel to work into the city each day.

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.

We have a student population of over 40,000 and consequently a high rate of population turnover each year.

Data from the Cambridge Business Improvement District (BID) shows that annual city centre footfall was over 56 million in 2025.

International research indicates residents' perception of their quality of life is high with Cambridge coming third in the most recent survey of UK cities.

The delivery of new homes in Cambridge has continued to outpace benchmarks with one of the highest housebuilding rates in the country. The latest available national data shows that in the 2 years from 2023/24 to 2024/25 a total of 890 new homes were built.

The proportion of homes in Cambridge that are owned outright or with a mortgage increased was 50.4% in 2021. 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.

As at the end of 2025, 157 households in Cambridge were in temporary accommodation due to homelessness.

Relative to local pay, Cambridge has remained one of the least affordable places outside London for buying or renting a home. The median house price is 11.3 times median earnings (compared to 7.7 for England as a whole), while the median rental price is 33% of median pay.

When adjusted for population, Cambridge recorded 74.5 criminal offences per 1,000 residents in the year to April 2026, which was higher than the national average, but lower than the national city average.

As at 2023, life expectancy at birth is 84 years and 4 months for females and 79 years and 9 months for males.

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

To achieve this vision, the council's 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[1] can be found on the council's website.

External Economic Outlook

Cambridge's economy continues to outperform many parts of the country. Despite the ongoing cost of living issues, demand for our commercial services has remained strong. This means that income, including rental income from the council's property portfolio, has generally held up well.

Higher inflation has impacted service delivery in recent years by increasing the cost of providing our services. During 2025/26, inflation has reduced compared with the levels seen in previous years. Nevertheless, many of our residents continue to struggle with the cost of living and so will continue to need the council's support in future.

Interest rates at which the council can borrow from central government continue to be elevated due to wider market conditions, and these have not fallen during the year in line with previous expectations.

The combination of persistent inflation and high interest rates continues to adversely affect 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.

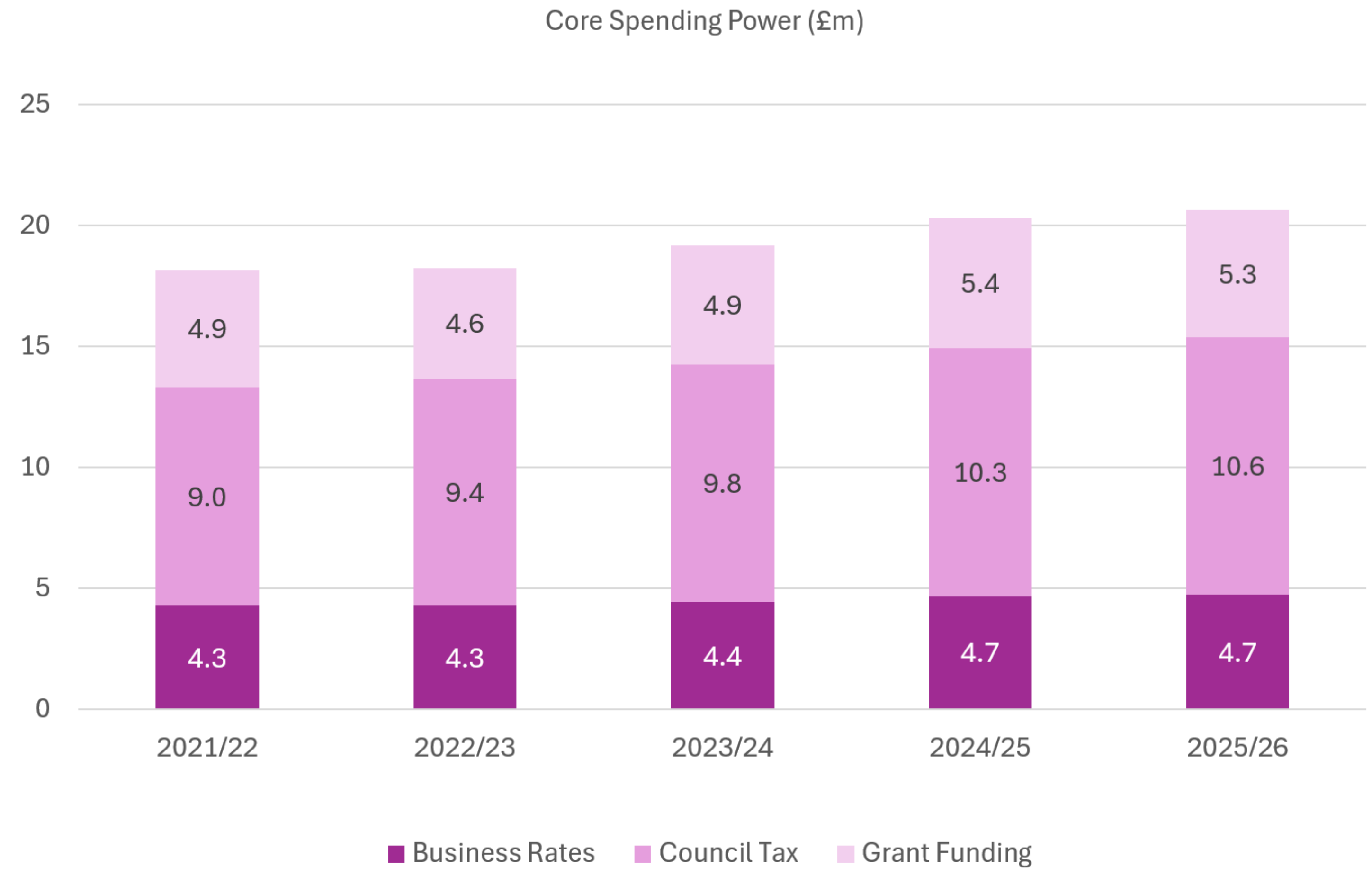
The national 2025/26 pay settlement was agreed part-way through the year. Funding for this uplift had been built into the original 2025/26 budget, but the pay increase was slightly higher than forecast. Negotiations regarding the 2026/27 uplift are expected to conclude over the coming months and this will have an 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.

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

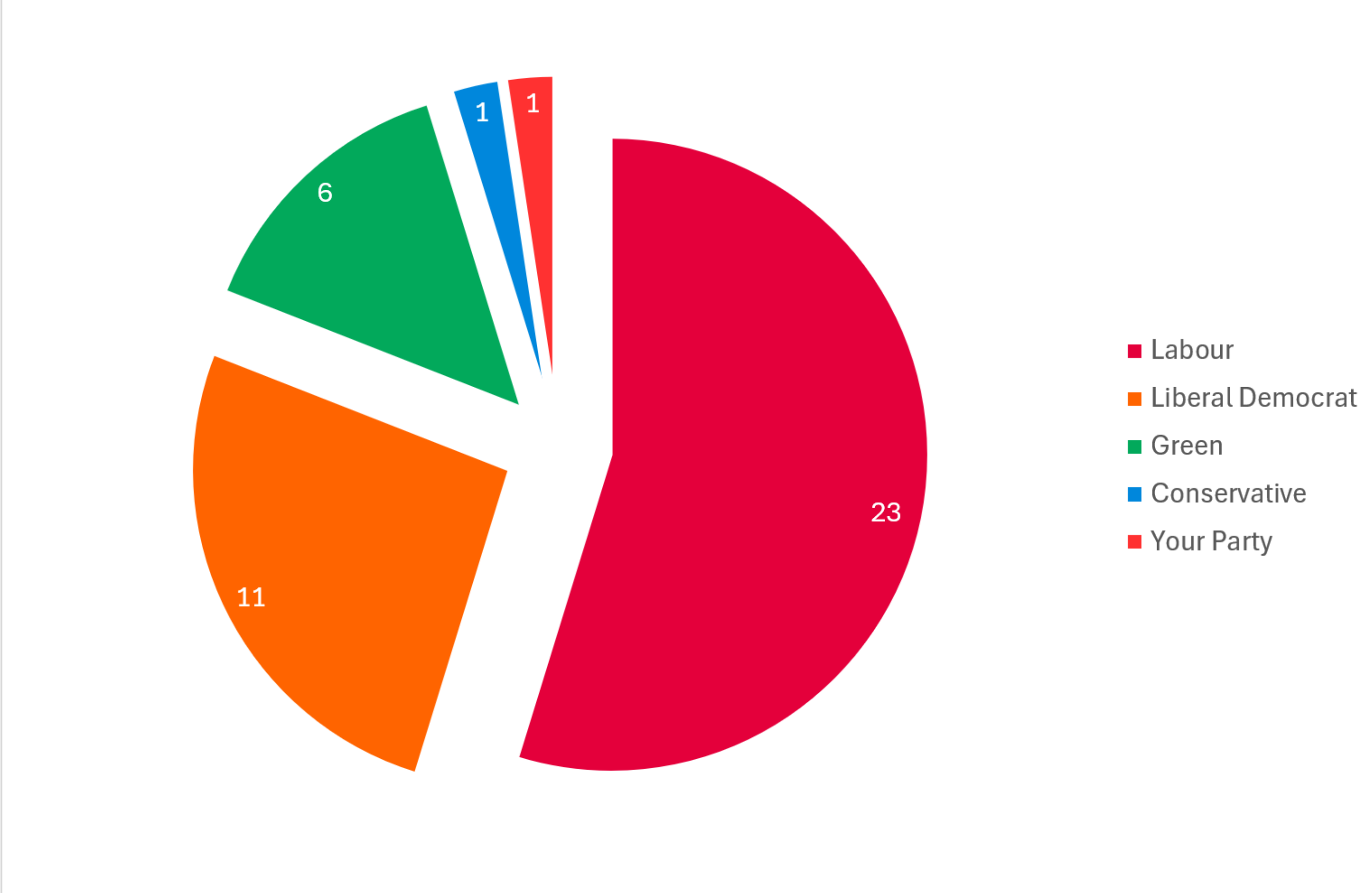
Funding

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 2024/25, before increasing slightly in 2025/26.



Governance

Cambridge City Council has 14 wards represented by 42 elected members (councillors). Prior to elections which took place in May 2026, Councillors were combined into political groups as follows during the 2025/26 financial year.



The governance arrangements of the council are set out within its Constitution[2]. In May 2025, the council resolved to change from the old hybrid Leader and Executive system to a more traditional Leader and Cabinet model with effect from the 2025/26 municipal year.

The Annual Governance Statement 2025/26[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 Chief Audit Executive.

It is the opinion of the Chief Audit Executive 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 2025/26, and this remains at a similar level to the previous year.

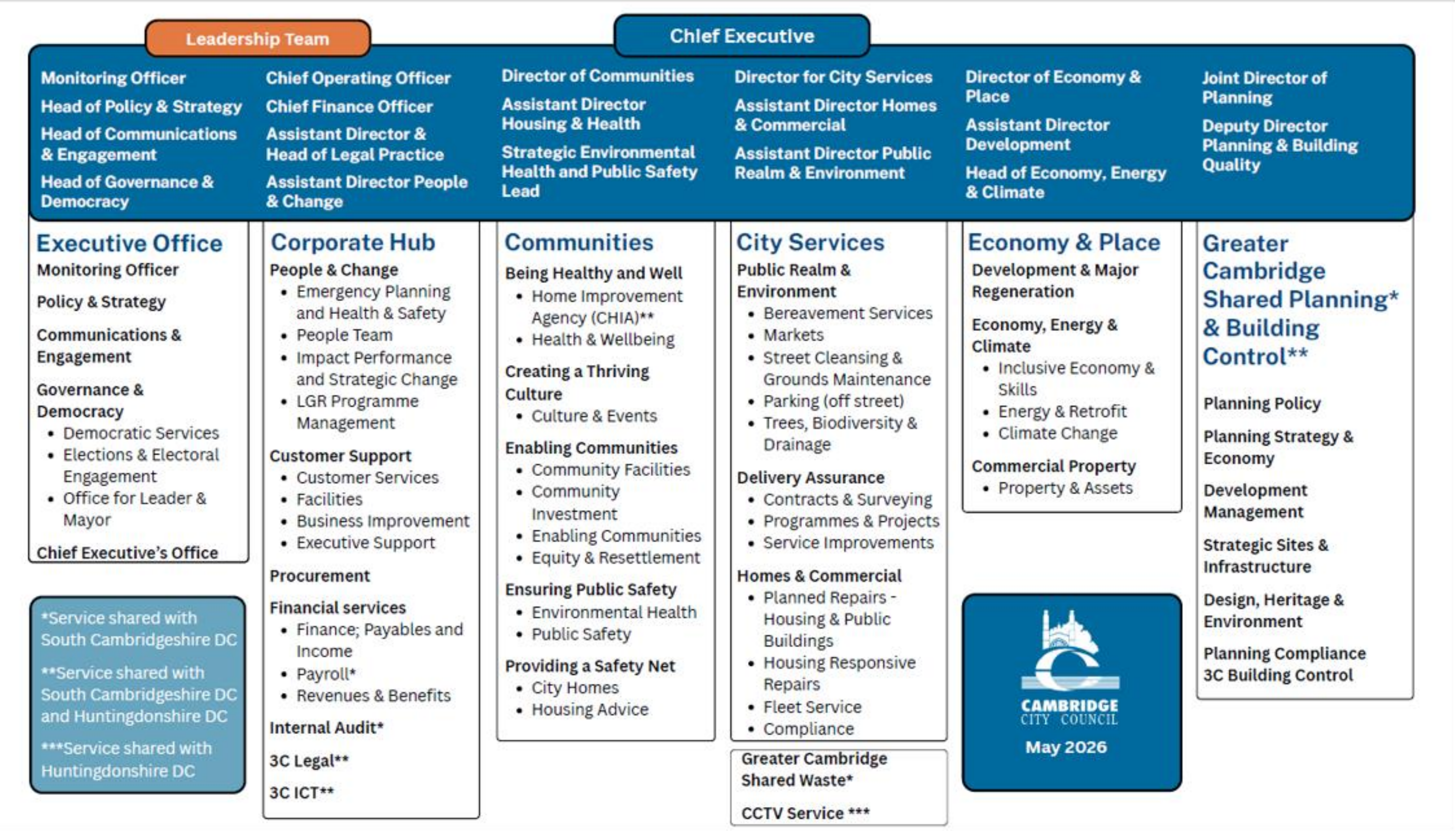
[2] https://www.cambridge.gov.uk/constitution

[3] https://www.cambridge.gov.uk/statement-of-accounts

Organisational Structure

The Leadership Team under the leadership of the Chief Executive, Robert Pollock, is responsible for the management of the council, and initiatives and projects to support delivery of the Corporate Plan.

The council's new group structure came into effect from 1 April 2025. This is set out below, and is the basis upon which the council's income and expenditure has been reported to management and members throughout the financial year.



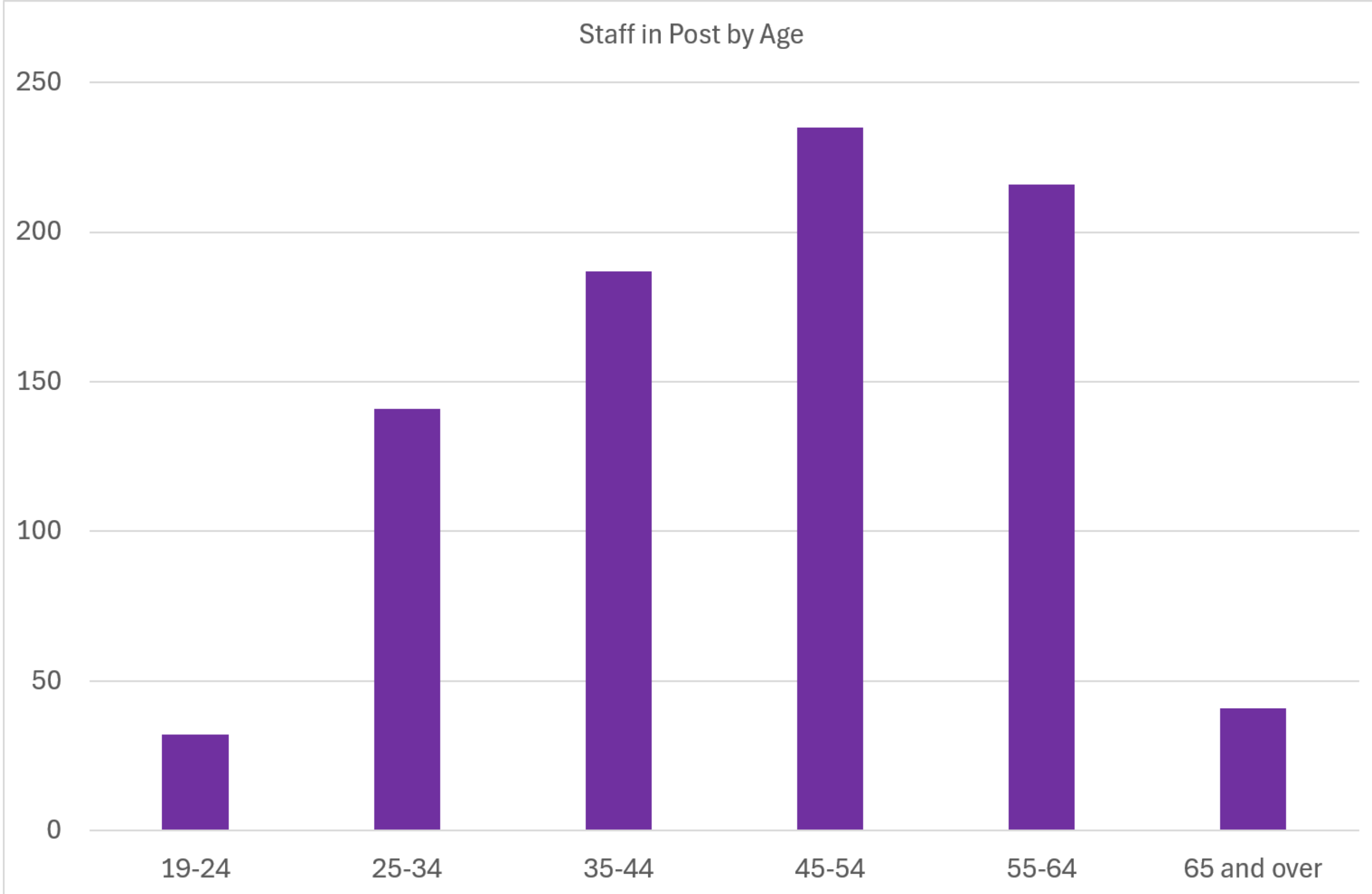
People

As at 31 March 2026, the council employed 852 staff directly as well as delivering services through others who are based in its shared services and arm's length partnership arrangements. The council is committed to developing and supporting its staff through effective leadership and continuous improvement that supports the council's vision.

The council has 591 full-time and 241 part-time employees.

Just under half of the council's workforce are female.

38% of employees have been with the council for over 10 years



Council 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.

During 2025/26, the Council became a shareholder in a new entity, Cambridge Social Investments Limited, trading as Greater Cambridge Impact. This company has been set up as a long-term impact investment vehicle, focused on improving the lives of people facing the greatest disadvantage. The company has not been included in the Group Financial Statements this year as it is not material, but this will be kept under review as activity ramps up.

Performance Highlights

The boxes below highlight the most significant achievements under each of the Corporate Plan themes during 2025/26:

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

The council has approved four new plans as councillors restate and strengthen their commitment to tackling the climate and environment crises and improving people's quality of life in Cambridge:

- The Climate Change Strategy 2026-2031 builds on the council's Climate Change Strategy 2021-2026, setting out how the council will continue to target net zero emissions in its own operations by 2030, and support the city to do the same.
- The Biodiversity Strategy 2026-2031 updates the 2022 strategy to strengthen the council's commitment to addressing the biodiversity emergency, with a vision for bigger, better, more joined up nature in every ward of the city; with quality open space within walking distance of people's homes or workplaces.
- The Urban Forest Strategy 2026-2036 reaffirms the council's promise to restore, protect and grow Cambridge's tree canopy cover to 20% by 2050, within the context of a changing climate and the rising threat of pests and diseases.
- A plan to invest £600,000 to progress the council's City Centre Heat Network project – a network of air source and river source heat pumps to provide lower-carbon energy to a number of city centre heritage buildings, with potential 93% reduction in emissions over 40 years for the connected buildings, plus significant associated improvements to air quality.

The new Climate Change Strategy builds on a decade of steady carbon reduction actions with the council's own emissions down by 51.9% since 2014/15 – including an 8.1% reduction in the last year alone. Progress has come as a result of reducing emissions from council buildings and fleet vehicles and embedding climate action across all council services.

The Strategy sets out a continued focus on existing areas of work that help minimise the wider city's emissions, which have also reduced by 47.3% since 2005, such as retrofitting council homes and other buildings, minimising waste, and supporting sustainable food, renewable energy and sustainable travel.

The 2026 Strategy sets a near-term goal to bring the council's emissions down 69% by 2028, to inform any future decisions that may be needed by the council, or a newly formed unitary council, to achieve net zero by 2030. The strategy introduces new areas of focus for 2026 onwards:

- Integrating climate-adaptation into the whole strategy – for example, enhancing nature, preserving water and ensuring new buildings will be able to cope with heat, or drought, by designing them to use less water, stay cool, and be resilient during extreme weather.
- Incorporating emissions reductions into the council's supply chain and procurement processes – for example, requiring contractors to use electric vehicles, or that lower carbon materials are used in construction.
- Expanding support and advice for residents and businesses to adopt low-carbon lifestyles – recognising that around one third of required UK emissions reductions rely on household decisions.
- Collaboration – deepening relationships with and between key partners in the community and with business, innovation and anchor institutions in the city as part of a city-wide approach to climate change and inclusive innovation.

The External Wall Insulation programme for council owned homes will continue into 2025/26, building on strong delivery in the previous year. The programme remains focussed on improving the energy efficiency of homes with poor thermal performance through a fabric first approach, delivering external wall insulation alongside enhanced ventilation, and where required, replacement external doors, windows and loft insulation top ups.

Following a successful bid to the Government's Warm Homes: Social Housing Fund, the council has now completed its first year of delivery, with the programme progressing well and on track. The council is now seeking additional funding through this programme, which would enable it to expand delivery to approximately 420 homes between 2025 and 2028. This next phase will continue to prioritise fabric-first measures, alongside an increased roll out of low carbon heating, with air source heat pump installations rising from 37 to 43 homes.

The council's £5 million investment to retrofit 48 homes to net zero carbon standards has now transitioned into the monitoring and evaluation phase. This will support verification of outputs and help to evidence the overall performance benefits of this enhanced retrofit approach, including informing future programme design and investment decisions.

The council will continue to support energy efficiency improvements and clean heat upgrades to privately owned homes through its leadership role in the Cambridgeshire Energy Retrofit Partnership (CERP). Following a successful first year of delivery, the programme supported 82 homes and installed 240 energy efficiency and clean heat measures, with all properties achieving an EPC rating of 'C' or above. Now entering its second year, the programme will build on this strong performance, continuing to scale delivery and maximise outcomes for residents, with £3.5 million allocated. Positive signals from the government, reflecting the success of the first year of delivery, indicate that the council is well placed to secure additional funding to scale the programme further.

The council will continue to progress decarbonisation projects within its corporate estate supported by Salix Finance, taking a phased and evidenced-led approach to investment. A reduced scope Building Management System (BMS) upgrade at the crematorium will be delivered, focusing on controls replacement to improve efficiency while managing cost. This will act as a pilot to demonstrate the performance benefits and inform a wider programme of BMS upgrades across the estate. To support this, the council will establish centralised monitoring to enable longer term performance data collection, providing an evidence base to guide future investment decisions. Salix funding will also support low carbon heating improvements at Browns Field Community Centre. This programme will reduce emissions, improve asset performance and address key operational risks across the estate.

The council will continue to work collaboratively with the Shared Planning Service to deliver water efficiency improvements as part of the Greater Cambridge Water Efficiency Programme, funded through the Cambridge Water Scarcity Fund. This includes the introduction of innovative pool water recovery systems at key leisure sites and a rainwater harvesting system at Parkside Pools to supplement mains supply. These measures position the council at the forefront of local authority action on water scarcity, reducing reliance on mains water and lowering associated carbon emissions across sites including Parkside Pools, Abbey Leisure and Kings Hedges Learner Pool.

The council will also progress a water-efficient retrofit programme across council-owned homes as part of the Water Efficiency Programme. This programme will introduce water saving devices supported by a structured pilot approach which will ensure that delivery is evidence led, operationally aligned and supports a scalable model for reducing water consumption, costs for residents and associated carbon impacts across the housing stock.

The council is also continuing to jointly fund the construction of a renewable energy solar park to power electric bin lorries for Cambridge and South Cambridgeshire.

Tackling poverty and inequality and helping people in the greatest need

The Community Grants programme awarded grants to 79 voluntary and community sector organisations reducing social and/or economic inequality for Cambridge residents. A further 6 Sustainable City Grant awards were made to groups tackling climate change and a further 15 Homelessness Prevention Grant awards were given to groups preventing or relieving homelessness.

The council also awarded multi-year community grant funding to three organisations. This is the first stage of a plan to introduce a three-tier funding programme designed to provide greater stability and flexibility for community organisations.

An innovative collaboration between Cambridge City Council, New Meaning Foundation and Cambridge Sustainable Food commenced at the Meadows Community Centre. The new kitchen will provide locally sourced, affordable meals as well as providing volunteering and work placement opportunities.

An extension of the Sharing Prosperity Fund enabled 6 local and 2 community facilities to benefit from a share of £120,000 investment in North Cambridge.

Working alongside health partners, the council continues to bring preventative health activities out into communities using community appointment days. These provide good opportunities for residents to take positive action and enable them to manage their health conditions with community-based support and activities.

This is the first year of the council using Match my Project as a platform to support local charities and groups connect with council suppliers to increase social value across our communities. To date, 47 community groups and 35 suppliers have signed up to the platform with 19 projects completed.

The Housing Support Service supported a total of 861 people across all wards in the city with support that included help with access to health and social care services and social activities, home adaptations, managing finances and correspondence, tenancy sustainment, hoarding and support with complex domestic abuse cases. The service also supported people to set up their tenancies, or to move into more appropriate accommodation when home wasn’t suitable anymore. Other individuals were supported to claim additional annual benefits of £371,579, as well as £59,000 of one-off grants.

The Active Lifestyles team facilitated 1,613 hours of low-cost or free of charge opportunities to help encourage individuals and families to get active. 80% of this provision is ongoing weekly provision and 20% is one-off activity, events or fixed-term programmes. This equates to 15,264 attendances across all Active Lifestyles sessions and events.

133 participation grants were awarded to help young people and families access sport and activities, and 9 community partners were supported with kickstart or seed funding. In addition,the council supported 16 organisations to deliver free summer activities.

The Leadership Team approved a proposal to adopt a 'Health in All Policies' (HiAP) approach which means every council service will need to think more proactively about how day-to-day decisions affect residents' health, wellbeing and equity. It is intended to support better, joined up decision-making making use of what the council already does and working together to achieve a greater impact. It will guide how services are created, delivered and appraised, and the development of policies and projects. This is part of a wider move to align health services with local government over the next 10 years. The council will be working towards this over the next few years alongside South Cambridgeshire District Council and the Cambridge Public Health team who have also adopted the approach. The Local Government Association (LGA) has delivered initial training sessions for staff and partners.

The Cambridgeshire Home Improvement Agency (HIA), a collaborative shared partnership with South Cambridgeshire and Huntingdonshire District Councils, supported a number of residents this year through the following activities:

- Handled over 1,000 enquiries into the service, many of which were in respect of financial advice about grant eligibility for residents with long term health conditions.
- Oversaw the delivery of £3.1 million worth of home adaptations, funded by the government through the Disabled Facilities Grant.
- Completed 254 adaptations for low income, disabled people in their own homes ranging from the installation of specialist toilets, stairlifts, widened doorways and ramps to small extensions often for disabled children.
- Worked collaboratively with occupational therapists from health and social care services across the districts and received 307 referrals from them, following a detailed assessment of the disabled person's housing need.
- Agreed 29 discretionary grants to improve the energy efficiency, thermal warmth or security for those on low incomes living in their own home.
- Supported 9 self-funding residents who were not eligible for grants and were unable to manage adaptation work themselves due to ill health or vulnerability.
- Procured £4.2 million worth of construction contracts in 2025/6, awarding contracts to 18 small and medium entities (SMEs) and receiving social value offers worth up to £240,000.
- With the constituent councils, agreed a new Adaptations and Repairs Policy in April 2025 increasing the Disabled Facility Grant Top Up from £15,000 to £30,000, which will enable more disabled people's needs to be met.
- Increased the amount available to support low income home-owners to improve their housing standards from £15000 to £25000.

Customers reported 92% satisfaction with the HIA's service and 96% of residents who received the service reported that the adaptation had helped them to maintain independent living in their own home.

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

The council has successfully commissioned and completed a full homelessness systems, services and accommodation review ahead of producing an updated Homelessness Strategy later in 2026.

Incentivising private landlords and letting agents to accept referrals of low-income households has remained a priority, and 155 households were successfully accommodated in the private rented sector thereby preventing or relieving homelessness.

The introduction of the Renters Rights Act in May 2026 will hopefully have a positive impact on the number of evictions from the private rented sector, and the council has used government funding to introduce additional staffing resource for homelessness prevention in this sector.

The council has received and investigated 396 complaints around private sector housing safety, suitability, and management during 2025/26.

355 Houses in Multiple Occupation (HMOs), both licensable and non-licensable, have been brought up to the required safety and suitability standards. Some 189 HMOs were licensed with the council.

Working with partners, the council has continued to develop and fund its reconnections services, helping to support over 60 people who had come into the city to rough sleep back to the area where they are locally connected and can access services. The council took part in a pilot project in partnership with the Centre of Homelessness Impact and King's College Reconnections which has now been completed and final analysis will be shared shortly.

26 rough sleepers who had been identified as part of a target priority group due to the long-term, entrenched nature of their situation have been supporting into accommodation which they are successfully sustaining. This is a reduction of 23% in the number of people meeting the criteria for the target priority group.

In October 2025 the Cabinet approved a budget and use of land at Woodhouse Way to bring forward modular housing for former rough sleepers, working with It Takes a City.

A new joint piece of work with Change Grow Live has been completed for rough sleepers needing inpatient detox to be provided with accommodation for their treatment, as a direct response to a gap in provision that had been identified.

The Town Hall Lettings Service let 53 tenancies with 21 move-ons to support people moving through the homelessness pathways. The Homelessness Prevention Team also opened 272 homeless applications, supporting people to prevent homelessness.

The council completed 4 property acquisitions funded through the third round of Local Authority Housing Fund, providing homes for refugees and temporary accommodation use.

Approval was gained in October 2025 for redevelopment schemes across the North of Cambridge, which would see 206 affordable homes together with market sale homes being delivered.

The housing scheme at Aylesborough Cose was completed in May 2025, seeing 70 sustainable homes being delivered into council stock. These are designed to Cam Standard, targeting operational efficiency and reducing running costs to residents.

The council also took handover of 56 homes at The Meadows in November 2025, completing this scheme which has been delivered together with a BREAM excellent certified community centre.

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

During the year, the council continued to champion its preferred option for Local Government Reorgansation (LGR), which would see a new unitary authority take on responsibility for the Greater Cambridge area from 1 April 2028. Work is ongoing, in conjunction with partner authorities, to ensure that council services are in the best possible position to transfer to a new authority in a sustainable way, and that the opportunities presented by LGR can be maximised.

Linked to the Our Cambridge transformation programme and a community wealth building approach, the council has helped to unlock £6.25 million to support local people facing poverty, homelessness, and inequality. The funds will back long-term projects helping disadvantaged young people, families in crisis, care-experienced young people, and people experiencing homelessness. The initiative, called Greater Cambridge Impact (GCI), was sparked by the council being a founding investor, making an early £1 million commitment to get the initiative off the ground. That commitment helped bring in an additional £5.25 million from public, civic and private partners, with more support expected in the coming months.

GCI is designed to ensure that some of the city's prosperity is channelled back into communities that need it most, creating lasting change rather than short-term fixes. It takes a different approach from traditional grant funding. Rather than one-off awards, it provides repayable finance, such as loans, to charities and social enterprises. The returns can then be recycled to support future projects, creating a sustainable cycle of investment, bringing long-term backing to initiatives that can demonstrate measurable impact

Rather than short-term funding, GCI has been designed to support long-term collaboration, creating the conditions for practical solutions to take root and endure. GCI represents a new approach for the city, using its collective strength to ensure that opportunity and prosperity are shared more fairly across Greater Cambridge.

The council's early commitment to GCI has unlocked further investment from Better Society Capital, the Cambridge Building Society, Cambridgeshire and Peterborough Combined Authority, The Church of England's Social Impact Investment Programme, Esmée Fairbairn Foundation, Suranga Chandratillake, and The Cambridge Pledge Foundation.

The council also launched Included, a new programme which aims to bring people and organisations together under a shared mission of improving life chances and social mobility for children and young people, with all parts of the city across the public, private and voluntary sector playing a role. This stemmed from a shared imperative to ensure that economic growth benefits every part of the city and in particular supports those young people who are most disadvantaged. It also builds on the council's community wealth building work and responds to the strategic work undertaken last year on understanding young people's priorities via the Youth Assembly, which highlighted the importance of access to work and work experience.

In May 2026, the council was one of three English local authorities to trial 'early voting', which gave voters in the local election the opportunity to cast their vote in person on additional days before polling day at a number of early voting hubs.

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 General Fund for 2025/26 was an underspend of £4.0 million. However, this includes £2.1 million in respect of specific budgets which were unspent due to project slippage, and will instead be spent in future years. The adjusted underspend is therefore £1.9 million. This represents 11% of the final net budget for General Fund services. The main reasons for the variance were as follows:

- Net financing costs: £1.9 million net underspend due to lower than anticipated borrowing requirements (following capital slippage), and persistently high interest rates on the investment of excess cash balances. (Note that this figure is net of amounts transferred to earmarked reserves in respect of certain excess interest income).
- Car Parking: £1.6 million net underspend due to better than expected income performance following increases to charges with effect from 1 April 2025.
- Accumulated business rates growth: £1.0 million net overspend due to underachievement of income following significant rating appeals in recent years

- Streets and Open Spaces: £0.8 million net overspend due to a variety of factors including salary overspends following a delay to the implementation of a service restructure, overspends on vehicle hire and repairs due to an aging fleet, and an overspend in public toilet cleaning contract costs reflecting updated cost levels and service requirements.

The table below sets out in detail the General Fund revenue outturn for the year by group. 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 investment property and accounting for earmarked reserve movements. 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).

	Original budget £'000	Final budget £'000	Overspend / (underspend) £'000	Outturn £'000	Accounting adjustments £'000	Total chargeable to General Fund £'000
Chief Executive Office	2,438	2,555	133	2,688	(279)	2,409
City Services	230	1,058	(416)	642	(715)	(73)
Communities	9,775	10,240	(461)	9,779	(908)	8,871
Corporate Hub	8,021	10,370	(4,385)	5,985	4,064	10,049
Economy and Place	(5,034)	(8,153)	(853)	(9,006)	10,703	1,697
Planning and Building Control	1,559	1,559	(74)	1,485	74	1,559
Total cost of services	**16,989**	**17,629**	**(6,056)**	**11,573**	**12,939**	**24,512**
Other income and expenditure	0	0	0	0	(14,049)	(14,049)
Capital accounting adjustments	0	0	0	0	(1,124)	(1,124)
Capital expenditure financed from revenue	262	7,982	(1,640)	6,342	6,413	12,755
Contributions to earmarked funds	5,314	6,175	2,685	8,860	4,499	13,359
Net spending requirement	**22,565**	**31,786**	**(5,011)**	**26,775**	**8,678**	**35,453**
Financed by:						
Business rates baseline	(4,750)	(4,750)	0	(4,750)	0	(4,750)
Accumulated business rates growth	(8,767)	(8,767)	953	(7,814)	0	(7,814)
Government grants (including New Homes Bonus)	(4,375)	(4,374)	19	(4,355)	0	(4,355)
Council Tax	(10,597)	(10,597)	0	(10,597)	0	(10,597)
Appropriations from earmarked funds	0	(711)	0	(711)	(8,678)	(9,389)
Contributions to / (from) reserves	5,924	(2,587)	4,039	1,452	0	1,452
Total financing	**(22,565)**	**(31,786)**	**5,011**	**(26,775)**	**(8,678)**	**(35,453)**

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 2025/26 is a reported net operating overspend of £7.2 million. The main reasons for this overspend are as follows:-

- Day-to-day repairs: £2.3 million net overspend due to demand pressures, particularly around damp, condensation and mould (DCM) following the implementation of Awaab's Law.
- Asset management: £1.5 million net overspend due mainly to the need to implement waking watch arrangements in response to specific fire risks.
- Voids: £1.5 million net overspend reflecting a high volume of properties returned in a poor condition during the year.
- Client and third party repairs: £1.4 million net overspend as a result of a significant increase in insurance-related repaid activity during the year, including major fire incidents within HRA properties.

These pressures are not dissimilar from those faced by all stockholding councils up and down the country in light of increased regulatory requirements. For 2026/27 onwards, repairs service budgets have been increased by £1.7 million per year, and focussed work is ongoing to ensure that the service can work within its budget going forward.

To ensure that the HRA could maintain its target level of reserves as at 31 March 2026 in light of this overspend, the use of revenue resources to finance capital expenditure was reduced by £6.4 million. This, however, increases the HRA's need to borrow and will therefore have a knock-on impact on future interest costs.

After interest costs and capital financing, the final position for the HRA reserve for the year was an increase of £1.1 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	(58,348)	(57,998)	(58,358)	(360)
Expenditure	37,247	36,897	44,124	7,227
Net operating surplus	**(21,101)**	**(21,101)**	**(14,234)**	**6,867**
Net interest cost	8,949	8,949	8,284	(665)
Revenue contribution to capital financing	11,140	11,140	4,717	(6,423)
Transfers to earmarked reserves	0	0	183	183
Surplus for the year	**(1,012)**	**(1,012)**	**(1,050)**	**(38)**

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 2025/26 were as follows:

	General Fund earmarked reserves £'000	Housing Revenue Account earmarked reserves £'000	Total earmarked reserves £'000
Balance at 1 April 2025	**(52,290)**	**(2,688)**	**(54,978)**
Contributions to earmarked reserves	(13,359)	(273)	(13,632)
Use of earmarked reserves to fund expenditure	9,389	90	9,479
Balance at 31 March 2026	**(56,260)**	**(2,871)**	**(59,131)**

The most significant movements on earmarked reserves during the year were as follows:

- A planned contribution of £3.0 million from the General Fund towards the Civic Quarter Development Fund, which is planned to fund a project to improve the Guildhall, Corn Exchange and Market Square (subject to Full Council approval).
- A drawdown of £4.7 million from the Civic Quarter Development Fund in respect of initial preparatory project work carried out during the year.

Assets

The most significant assets on the council's Balance Sheet are its property, plant and equipment (£1.116 billion) and investment properties (£180 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 2026, the council held investments totalling £82 million (including loans of £51 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 2026 totalled £21 million.

In the year there was significant expenditure on the construction of new council dwellings, many of which were completed during the year, which contributed to a net increase in dwelling stock of 59 over the year. Council dwellings are revalued annually, with the impact of revaluations accounted for in 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 social and affordable rents that the council is able to charge. Again, under statutory provisions, stock revaluations do not impact on the usable resources of the HRA.

Pension Fund Liability

There is a net liability on the Balance Sheet of £14 million in relation to the Local Government Pension Scheme (LGPS), compared to a net liability of £31 million at the previous year-end. 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. Currently, the pension fund has been assessed as being in a net surplus position – however accounting standards require an 'asset ceiling' to be applied to the council's share of fund assets, which has resulted in the overall net liability position on the Balance Sheet.

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. The council has also drawn down new annuity loans totalling £85 million between April 2024 and December 2025 to fund the redevelopment of the Park Street car park. The outstanding principal on these loans as at 31 March 2026 was £84 million. 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 its collects on behalf of itself, local preceptors and central government. The Collection Fund had a deficit of £16 million on 31 March 2026, of which the Council's share is £6 million. The Council will pay its share of the deficit from 2026/27 onwards, and resource has already been set aside for this purpose. The deficit on the Collection Fund mainly reflects the impact of business rates appeals, both in respect of the need to provide for future appeals, together with the impact of appeals settled in 2025/26 which had a larger impact than previously estimated. This occurred due to the Valuation Office Agency (VOA) clearing a large backlog following the recent deadline for submission of appeals against the 2017 rating list.

[4] https://democracy.cambridge.gov.uk/documents/s68199/Appendix%20G%20Treasury%20Management%20Strategy%20Statement%20Feb%202025.pdf

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 subsidiary and joint venture reserves increased by £261,000 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 and Audit 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 council's Medium-Term Financial Strategy[6] (MTFS) as part of the budget setting process. These risks are then monitored throughout the year, with quarterly financial information included within quarterly performance reports to Leadership Team and Cabinet.

The council has identified seven strategic risk areas which are assigned a risk level (red, amber, yellow or green) on a monthly basis. The latest assessment as published in June 2026 shows the following overall risk levels:

Strategic Risk Area	Risk Level
The council is able to deliver on its vision and objectives	Yellow
The council is financially robust	Yellow
The council has an effective and resilient workforce	Green
The council's physical and digital infrastructure is fit for purpose	Yellow
The council has viable and robust plans for the future	Yellow
The council is able to meet its legal responsibilities	Yellow
The council is well governed	Green

Future Outlook

The Council's Corporate Plan 2022 - 2027[7] sets out the current strategic priorities. The annual Budget Setting Report[8] set out how these will be funded. These are available on the council's website.

In November 2025, in response to a government invitation, proposals were submitted by Cambridgeshire councils for local government reorganisation (LGR). This would see all of the current councils in Cambridgeshire and Peterborough replaced with two or more new unitary authorities, delivering the whole range of upper-tier and lower-tier council services. The government has undertaken a public consultation on these proposals, and a final decision is expected in July 2026. Accordingly, there remains significant uncertainty regarding the nature and timing of any reorganisation and its impact on the council. However, there is an expectation that existing council services would continue under any future arrangements. The council has planned to set aside funding from 2026/27 onwards to support the transition to the new arrangements.

In light of the ongoing uncertainty, it is even more important than usual that the council holds appropriately prudent reserve balances in order to mitigate against emerging financial risks. Based on current understanding of risk, the prudent minimum balance has been set at £8.1 million for the General Fund and £6.8 million for the Housing Revenue Account (HRA). The balances on these reserves as at 31 March 2026 were £20.3 million and £8.6 million respectively. The strategy set out in the Medium-Term Financial Strategy (MTFS) will ensure that reserve levels remain above the prudent minimum balance in the medium-term.

The latest Budget Setting Report approved by Full Council in February 2026 includes the following capital programme for the period 1 April 2026 to 31 March 2031:

	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000
General Fund capital expenditure	8,797	9,379	4,865	2,965	4,282
Housing Revenue Account capital expenditure	86,330	91,225	97,742	98,915	98,928
Total capital expenditure	**95,127**	**100,604**	**102,607**	**101,880**	**103,210**
Financed by:					
Capital receipts	(9,345)	(6,450)	(1,441)	(1,308)	(2,645)
Other contributions and balances (including capital grants)	(38,700)	(44,734)	(38,363)	(36,712)	(35,432)
Total capital financing to be applied	**(48,045)**	**(51,184)**	**(39,804)**	**(38,020)**	**(38,077)**
Total to be financed from internal and external borrowing	**47,082**	**49,420**	**62,803**	**63,860**	**65,133**

[5] https://democracy.cambridge.gov.uk/documents/s72253/Appendix%20A%20-%20Risk%20Management%20Strategy%20and%20Framework%20-%20February%202026.pdf
[6] https://democracy.cambridge.gov.uk/documents/s71881/Budget%20Setting%20Report%20and%20Medium-Term%20Financial%20Strategy%202026-27.pdf
[7] https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge
[8] https://democracy.cambridge.gov.uk/documents/s71882/Budget%20Setting%20Report%202026-27%20with%20Appendices%201.pdf

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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 at 31 March 2026, and of its expenditure and income for the year then ended.

Jody Etherington
Chief Finance Officer and Section 151 Officer
30 June 2026

Councillor Russ McPherson
Chair of Civic Affairs Committee
30 June 2026

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.

		2025/26			2024/25		
	Note	Gross expenditure £’000	Gross income £’000	Net expenditure £’000	Gross expenditure £’000	Gross income £’000	Net expenditure £’000
Chief Executive Office		2,446	(62)	2,384	2,826	(57)	2,769
City Services		35,738	(24,131)	11,607	32,581	(15,961)	16,620
Communities		23,340	(13,289)	10,051	21,165	(10,325)	10,840
Corporate Hub		35,877	(27,194)	8,683	40,906	(32,094)	8,812
Economy and Place		8,379	(2,171)	6,208	7,410	(2,175)	5,235
Planning and Building Control		3,907	(2,387)	1,520	3,204	(2,200)	1,004
Housing Revenue Account		78,070	(57,729)	20,341	61,051	(56,091)	4,960
Cost of services		**187,757**	**(126,963)**	**60,794**	**169,143**	**(118,903)**	**50,240**
Other operating income and expenditure	9	(44)	(10,865)	(10,909)	0	(2,170)	(2,170)
Financing and investment income and expenditure	10	10,900	(27,497)	(16,597)	10,090	(24,057)	(13,967)
Taxation and non-specific grant income	11	0	(37,467)	(37,467)	0	(41,108)	(41,108)
Surplus on the provision of services	1	**198,613**	**(202,792)**	**(4,179)**	**179,233**	**(186,238)**	**(7,005)**
(Surplus) / deficit on revaluation of non-current assets	15			(18,807)			2,045
Remeasurement of the net defined benefit asset / liability	22			(13,608)			51,450
Other comprehensive income				**(32,415)**			**53,495**
Total comprehensive income				**(36,594)**			**46,490**

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	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 2024		**(40,844)**	**(29,044)**	**(7,566)**	**(2,804)**	**(24,998)**	**0**	**(12,316)**	**(117,572)**	**(989,558)**	**(1,107,130)**
Movement in reserves during 2024/25:											
Total comprehensive income and expenditure	CIES	(6,685)	0	(320)	0	0	0	0	(7,005)	53,495	46,490
Adjustments between accounting basis and funding basis under statutory provisions	12	5,402	0	442	0	9,010	0	(6,392)	8,480	(8,480)	0
Transfers to / from earmarked reserves	13	23,246	(23,246)	(116)	116	0	0	0	0	0	0
(Increase) / decrease in year		**21,981**	**(23,246)**	**6**	**116**	**9,010**	**0**	**(6,392)**	**1,475**	**45,015**	**46,490**
Balance at 31 March 2025		**(18,863)**	**(52,290)**	**(7,560)**	**(2,688)**	**(15,988)**	**0**	**(18,708)**	**(116,097)**	**(944,543)**	**(1,060,640)**
Movement in reserves during 2025/26:											
Total comprehensive income and expenditure	CIES	(18,423)	0	14,244	0	0	0	0	(4,179)	(32,415)	(36,594)
Adjustments between accounting basis and funding basis under statutory provisions	12	13,001	0	(15,477)	0	8,112	(407)	6,445	11,674	(11,674)	0
Transfers to / from earmarked reserves	13	3,970	(3,970)	183	(183)	0	0	0	0	0	0
(Increase) / decrease in year		**(1,452)**	**(3,970)**	**(1,050)**	**(183)**	**8,112**	**(407)**	**6,445**	**7,495**	**(44,089)**	**(36,594)**
Balance at 31 March 2026		**(20,315)**	**(56,260)**	**(8,610)**	**(2,871)**	**(7,876)**	**(407)**	**(12,263)**	**(108,602)**	**(988,632)**	**(1,097,234)**

Balance Sheet

	Note	31 March 2026		31 March 2025	
		£'000	£'000	£'000	£'000
Property, plant and equipment	15	1,115,886		1,075,990	
Heritage assets		1,359		669	
Investment property	16	180,333		170,045	
Right-of-use assets	17	44,150		37,027	
Intangible assets		171		255	
Loans to joint ventures	18	43,781		27,483	
Loan to subsidiary	18	7,500		7,500	
Other long-term investments	18	15,283		17,084	
Long-term debtors		798		831	
Long-term assets			**1,409,261**		**1,336,884**
Investment property held for sale	16	0		1,250	
Short-term investments	18	15,914		16,490	
Short-term debtors	19	18,763		17,229	
Inventories		55		197	
Cash and cash equivalents	CFS	21,229		12,793	
Current assets			**55,961**		**47,959**
Short-term borrowing	18	(1,234)		(705)	
Short-term creditors	20	(48,892)		(43,285)	
Provisions	21	(5,719)		(5,812)	
Current liabilities			**(55,845)**		**(49,802)**
Long-term borrowing	18	(297,107)		(242,985)	
Long-term creditors		(678)		(737)	
Long-term receipts in advance		(48)		(48)	
Net defined benefit pension liability	22	(14,310)		(30,631)	
Long-term liabilities			**(312,143)**		**(274,401)**
Net assets			**1,097,234**		**1,060,640**
Usable reserves	MIRS	(108,602)		(116,097)	
Unusable reserves	14	(988,632)		(944,543)	
Total reserves			**(1,097,234)**		**(1,060,640)**

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.

Jody Etherington
Chief Finance Officer
30 June 2026

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	2025/26		2024/25	
		£'000	£'000	£'000	£'000
Net surplus on the provision of services	CIES	4,179		7,005	
Adjust net surplus on the provision of services for non-cash movements	23	57,460		38,701	
Adjust for items included in the net surplus on the provision of services that are investing and financing activities	23	(29,385)		(27,132)	
Net cash flows from operating activities			**32,254**		**18,574**
Investing activities:					
Purchase of property, plant and equipment, investment property and intangible assets		(94,036)		(102,590)	
Purchase of short-term and long-term investments		(48,663)		(72,213)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets		18,899		6,592	
Proceeds from short-term and long-term investments		36,000		97,500	
Capital grants received		10,374		20,156	
Other receipts from investing activities		32		23	
Net cash flows from investing activities			**(77,394)**		**(50,532)**
Financing activities	24		**53,576**		**22,879**
Net increase / (decrease) in cash and cash equivalents			**8,436**		**(9,079)**
Cash and cash equivalents at the beginning of the year:					
Overnight money market funds		0		15,000	
Bank accounts		12,788		6,866	
Cash held by the council		5		6	
Total cash and cash equivalents at the beginning of the year			**12,793**		**21,872**
Cash and cash equivalents at the end of the year:					
Overnight money market funds		15,000		0	
Bank accounts		6,225		12,788	
Cash held by the council		4		5	
Total cash and cash equivalents at the end of the year			**21,229**		**12,793**

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	2025/26					2024/25				
		Net expenditure chargeable to the General Fund and HRA balances £'000	Adjustments for capital purposes £'000	Pensions adjustments £'000	Other statutory adjustments £'000	Net expenditure in the Comprehensive Income and Expenditure Statement £'000	Net expenditure chargeable to the General Fund and HRA balances £'000	Adjustments for capital purposes £'000	Pensions adjustments £'000	Other statutory adjustments £'000	Net expenditure in the Comprehensive Income and Expenditure Statement £'000
Chief Executive Office		2,409	9	(34)	0	2,384	2,724	9	36	0	2,769
City Services		(73)	11,819	(139)	0	11,607	4,929	11,523	168	0	16,620
Communities		8,871	1,403	(223)	0	10,051	8,542	2,043	255	0	10,840
Corporate Hub		10,049	616	(1,982)	0	8,683	13,368	(2,737)	(1,866)	47	8,812
Economy and Place		1,697	4,557	(46)	0	6,208	648	4,528	59	0	5,235
Planning and Building Control		1,559	0	(39)	0	1,520	959	1	44	0	1,004
Housing Revenue Account		(8,911)	29,854	(602)	0	20,341	(6,232)	11,550	(348)	(10)	4,960
Net cost of services		**15,601**	**48,258**	**(3,065)**	**0**	**60,794**	**24,938**	**26,917**	**(1,652)**	**37**	**50,240**
Other income and expenditure		(22,256)	(43,494)	352	425	(64,973)	(26,081)	(36,330)	(1,093)	6,259	(57,245)
(Surplus) / deficit		**(6,655)**	**4,764**	**(2,713)**	**425**	**(4,179)**	**(1,143)**	**(9,413)**	**(2,745)**	**6,296**	**(7,005)**
Opening General Fund and HRA balance	MIRS	(81,401)					(80,258)				
Closing General Fund and HRA balance	**MIRS**	**(88,056)**					**(81,401)**				

Further information about the adjustments for capital purposes, pensions adjustments and other statutory adjustments are set out at note 12.

Note 2 – Accounting Policies

1 General Principles

This Statement of Accounts summarises the council's transactions for the 2025/26 financial year and its financial position at the year-end of 31 March 2026. The Accounts and Audit Regulations 2015 require the council to prepare a Statement of Accounts annually, in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 ('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 30 June 2027, 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 material changes in accounting policies in 2025/26.

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 6.20% (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.

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. This is then adjusted to reflect any additional liability arising from existing commitments to make past service contributions in future years.

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.

9 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.

10 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.

11 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, 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

From 1 April 2025, the Code requirements changed in respect of revaluations of property, plant and equipment. The council currently has a rolling five-yearly programme of valuations in place, with annual indexation applied to assets during the four intervening 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 Buildings: Straight line using a weighted average life for all significant components	As advised by external valuer: Houses / Bungalows: 53 years Flats / Maisonettes: 51 years
Other land and buildings	Land: Not depreciated as indefinite useful economic life Buildings: Straight line	Buildings: 5 – 90 years (as advised by external valuer), with shorter lives applied to individual components where the impact is material
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 CIES. Donated assets are subject to revaluation in accordance with the principles set out above reflecting the type of asset which has been donated.

12 Leases

Council as Lessee

A right-of-use asset and corresponding lease liability are recognised at commencement of the lease.

The lease liability is measured at the present value of the lease payments, discounted at the rate implicit in the lease, or if that cannot be readily determined, at the council's incremental borrowing rate specific to the term and start date of the lease.

Lease payments include: fixed payments; variable lease payments dependent on an index or rate, initially measured using the index or rate at commencement; the exercise price under a purchase option if the council is reasonably certain to exercise; penalties for early termination if the lease term reflects the council exercising a break option; and payments in an optional renewal period if the council is reasonably certain to exercise an extension option or not exercise a break option.

The lease liability is subsequently measured at amortised cost using the effective interest rate method. It is remeasured, with a corresponding adjustment to the right-of-use asset, when there is a change in future lease payments resulting from a rent review, change in an index or rate such as inflation, or change in the council's assessment of whether it is reasonably certain to exercise a purchase, extension or break option.

The right-of-use asset is initially measured at cost, comprising: the initial lease liability; any lease payments already made less any lease incentives received; initial direct costs; and any dilapidation or restoration costs.

The right-of-use asset is subsequently depreciated on a straight-line basis over the shorter of the lease term or the useful life of the underlying asset. The right-of-use asset is tested for impairment if there are any indicators of impairment.

Leases of low value assets (value when new less than £10,000) and short-term leases of 12 months or less are expensed to the CIES, as are variable payments dependent on performance or usage, 'out of contract' payments and non-lease service components.

Council as Lessor

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 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.

13 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's financial statements (the single-entity accounts), these interests are recorded as financial assets at cost.

14 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.

15 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.

16 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.

17 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 Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 requires the council to disclose information relating to the expected impact of new accounting standards that have been issued but are not yet adopted by the Code.

The following standards and amendments have been issued but are not yet adopted by the Code and will be applied in a future financial year:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) issued in May 2024
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

Overall, the council does not expect these standards to have a material impact on the financial statements when they are adopted, including in the 2026/27 Statement of Accounts.

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 judgements 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.
- On 16 December 2024, the government published its English Devolution White Paper, setting out proposals for local government reorganisation in two-tier areas. In November 2025, proposals were submitted by Cambridgeshire councils to government. The government undertook a statutory consultation on these proposals, which closed in March 2026, and a final decision is expected in July 2026. Accordingly, there remains uncertainty regarding the nature and timing of any reorganisation and its impact on the council. However, there is an expectation of continuity of service delivery under any future arrangements. The council has therefore determined that this uncertainty does not 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 2026 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 2026 £'000	31 March 2025 £'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.	1,115,886	1,075,990	15
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.	180,333	170,045	16
Right-of-use assets	Assets are depreciated over the shorter of the lease term and the remaining useful lives of the underlying assets. Assets that have nil or peppercorn rent 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.	44,150	37,027	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.	(4,821)	(3,462)	21
Net defined benefit pension (liability) / asset	The net pension liability / 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 22 for more information on sensitivity analysis and the quantification of some of these uncertainties.	(14,310)	(30,631)	22

Note 6 – Events After the Reporting Period

This Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2026. 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 2026, the figures in the accounts and notes have been adjusted to reflect the impact of this information

Note 7 – Income and Expenditure Analysed by Nature

	Note	2025/26 £'000	2024/25 £'000
Income			
Fees, charges and other service income	8	(94,523)	(85,835)
Interest and investment income	10	(26,814)	(22,554)
Share of profits from connected entities	10	0	(750)
Income from council tax and business rates	11	(18,391)	(12,643)
Government grants and contributions	28	(52,199)	(62,286)
Gain on disposal of non-current assets	9	(10,865)	(2,170)
Total income		**(202,792)**	**(186,238)**
Expenditure			
Employee benefits expenses		44,465	44,783
Other service expenses		84,817	82,610
Depreciation, amortisation and impairment		59,210	42,515
Interest payments and investment expenses	10	10,164	9,325
Payments to the housing capital receipts pool		(43)	0
Total expenditure		**198,613**	**179,233**
Surplus on the provision of services		**(4,179)**	**(7,005)**

Included within other service expenses is expenditure associated with housing benefits of £21.399 million (2024/25: £27.941 million). Within the CIES, this is included in Corporate Hub expenditure.

Note 8 – Segmental Fees, Charges and Other Service Income

	2025/26 £'000	2024/25 £'000
Chief Executive Office	(4)	(26)
City Services	(21,686)	(15,572)
Communities	(6,778)	(7,148)
Corporate Hub	(4,941)	(3,715)
Economy and Place	(684)	(926)
Planning and Building Control	(2,271)	(2,200)
Housing Revenue Account	(57,476)	(55,495)
Financing and investment income	(683)	(753)
Total fees, charges and other service income	**(94,523)**	**(85,835)**

Note 9 – Other Operating Income and Expenditure

	2025/26		2024/25	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Gains on the disposal of non-current assets	(10,865)	0	(2,170)	0
Payments to the government housing capital receipts pool	0	(44)	(2,170)	0
Total other operating income and expenditure	**(10,865)**	**(44)**	**(2,170)**	**0**

Note 10 – Financing and Investment Income and Expenditure

	2025/26		2024/25	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Interest payable and similar charges	0	8,630	0	7,980
Interest on net defined benefit pension liability / (asset)	0	360	(1,093)	0
Interest receivable and similar income	(4,956)	0	(5,940)	0
Investment property income and expenditure	(12,437)	1,174	(10,057)	1,345
Changes in fair value of investment property	(9,464)	0	(4,889)	0
(Gains) / losses on financial instruments classified as fair value through profit or loss	43	0	(575)	0
Share of profits from connected entities	0	0	(750)	0
Trading account income and expenditure	(683)	736	(753)	765
Total financing and investment income and expenditure	**(27,497)**	**10,900**	**(24,057)**	**10,090**

Note 11 – Taxation and Non-Specific Grant Income

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Council Tax		(10,596)		(10,155)
Business rates:				
Council share of business rates income collected	(51,028)		(45,309)	
Less tariff payable to central government	43,233		42,821	
Net retained business rates income		(7,795)		(2,488)
Non-ringfenced government grants		(8,702)		(8,309)
Capital grants and contributions		(10,374)		(20,156)
Total taxation and non-specific grant income		**(37,467)**		**(41,108)**

Note 12 – 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.

	2025/26						2024/25						
	General Fund £'000	Housing Revenue Account (HRA) £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied Reserve £'000	Unusable reserves £'000	General Fund £'000	Housing Revenue Account (HRA) £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied Reserve £'000	Unusable reserves £'000	Unusable Reserve Affected
Adjustments for capital purposes													
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement (CIES):													
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(12,154)	(34,325)	0	(12,613)	0	59,092	(8,430)	(21,897)	0	(11,964)	0	42,291	Capital Adjustment Account
Amortisation of intangible assets	(84)	0	0	(34)	0	118	(95)	0	0	(129)	0	224	Capital Adjustment Account
Movements in the fair value of investment properties	9,067	397	0	0	0	(9,464)	4,755	135	0	0	0	(4,890)	Capital Adjustment Account
Capital grants and contributions	5,802	4,572	0	0	(10,374)	0	11,276	8,880	0	0	(20,156)	0	
Revenue expenditure funded from capital under statute	(6,166)	0	0	0	0	6,166	(6,841)	(8)	0	0	0	6,849	Capital Adjustment Account
Costs of disposal funded from capital receipts	0	(246)	246	0	0	0	0	(117)	117	0	0	0	
Carrying value of non-current assets and non-current assets held for sale written off on disposal	(1,514)	(6,622)	0	0	0	8,136	0	(4,935)	0	0	0	4,935	Capital Adjustment Account
Proceeds from the disposal of non-current assets and non-current assets held for sale (greater than £10,000)	4,689	14,312	(19,001)	0	0	0	0	7,105	(7,105)	0	0	0	
Amounts payable into the housing capital receipts pool	44	0	(44)	0	0	0	0	0	0	0	0	0	
Insertion of items not debited or credited to the CIES:													
Minimum revenue provision for repayment of debt	702	0	0	0	0	(702)	326	0	0	0	0	(326)	Capital Adjustment Account
Financing of capital expenditure from usable reserves	12,053	4,717	26,936	12,240	16,819	(72,765)	8,869	10,473	16,049	12,093	13,764	(61,248)	Capital Adjustment Account
Other capital adjustments	0	0	0	0	0	0	(76)	0	0	0	0	76	Capital Adjustment Account
Transfers on repayment of loans	(8)	0	(25)	0	0	33	(7)	0	(51)	0	0	58	Capital Adjustment Account
Total adjustments for capital purposes	**12,431**	**(17,195)**	**8,112**	**(407)**	**6,445**	**(9,386)**	**9,777**	**(364)**	**9,010**	**0**	**(6,392)**	**(12,031)**	
Pensions adjustments													
Reversal of pension costs charged to the CIES in accordance with IAS 19	(4,531)	(903)	0	0	0	5,434	(4,247)	(1,254)	0	0	0	5,501	Pensions Reserve
Insertion of contributions due under the pension scheme regulations	6,642	1,505	0	0	0	(8,147)	6,645	1,601	0	0	0	(8,246)	Pensions Reserve
Total pensions adjustments	**2,111**	**602**	**0**	**0**	**0**	**(2,713)**	**2,398**	**347**	**0**	**0**	**0**	**(2,745)**	
Total adjustments for capital purposes and pensions adjustments	**14,542**	**(16,593)**	**8,112**	**(407)**	**6,445**	**(12,099)**	**12,175**	**(17)**	**9,010**	**0**	**(6,392)**	**(14,776)**	

	2025/26						2024/25						
	General Fund £'000	Housing Revenue Account (HRA) £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied Reserve £'000	Unusable reserves £'000	General Fund £'000	Housing Revenue Account (HRA) £'000	Capital Receipts Reserve £'000	Major Repairs Reserve £'000	Capital Grants Unapplied Reserve £'000	Unusable reserves £'000	Unusable Reserve Affected
Total adjustments for capital purposes and pensions adjustments	**14,542**	**(16,593)**	**8,112**	**(407)**	**6,445**	**(12,099)**	**12,175**	**(17)**	**9,010**	**0**	**(6,392)**	**(14,776)**	
Other statutory adjustments													
Transfers between the General Fund and HRA under statutory provisions	(1,116)	1,116	0	0	0	0	(448)	448	0	0	0	0	
Adjustments for differences between the income and expenditure included in the CIES and the amounts charged to the General Fund and HRA under statutory provisions, in respect of:													
Finance income and expenditure	(1)	0	0	0	0	1	1	0	0	0	0	(1)	Financial Instruments Adjustment Account
Council tax and business rates income	(423)	0	0	0	0	423	(6,227)	0	0	0	0	6,227	Collection Fund Adjustment Account
Fair value gains and losses on pooled investment funds	(1)	0	0	0	0	1	(33)	0	0	0	0	33	Pooled Investment Adjustment Account
Movements in the accumulated absences accrual	0	0	0	0	0	0	(48)	11	0	0	0	37	Accumulated Absences Account
Total other statutory adjustments	**(1,541)**	**1,116**	**0**	**0**	**0**	**425**	**(6,755)**	**459**	**0**	**0**	**0**	**6,296**	
Total adjustments between accounting basis and funding basis under statutory provisions	**13,001**	**(15,477)**	**8,112**	**(407)**	**6,445**	**(11,674)**	**5,420**	**442**	**9,010**	**0**	**(6,392)**	**(8,480)**	

Note 13 – Earmarked Reserves

	1 April 2024 £'000	Transfers in £'000	Transfers out £'000	31 March 2025 £'000	Transfers in £'000	Transfers out £'000	31 March 2026 £'000
General Fund							
Civic Quarter Development Fund	0	(23,762)	1,983	(21,779)	(3,000)	4,639	(20,140)
Collection Fund deficit reserve	(124)	(3,746)	0	(3,870)	0	0	(3,870)
Earmarked for capital use	(15,892)	(2,081)	6,716	(11,257)	(2,865)	228	(13,894)
Other shared / partnership working	(2,123)	(361)	220	(2,264)	(364)	331	(2,297)
Insurance Fund	(757)	(63)	91	(729)	(216)	0	(945)
Service specific reserves	(8,303)	(7,798)	5,860	(10,241)	(4,238)	2,188	(12,291)
Transformation	(1,590)	(974)	961	(1,603)	(1,661)	712	(2,552)
Other	(255)	(400)	108	(547)	(1,015)	1,291	(271)
Total General Fund earmarked reserves	**(29,044)**	**(39,185)**	**15,939**	**(52,290)**	**(13,359)**	**9,389**	**(56,260)**
Housing Revenue Account (HRA)							
Asset repair and renewal reserves	(2,771)	(273)	425	(2,619)	(273)	80	(2,812)
Other	(33)	(36)	0	(69)	0	10	(59)
Total HRA earmarked reserves	**(2,804)**	**(309)**	**425**	**(2,688)**	**(273)**	**90**	**(2,871)**

The **Civic Quarter Development Fund** holds money set aside to improve the Guildhall, Corn Exchange and Market Square, subject to business case and budget approval.

The **Collection Fund deficit reserve** holds money set aside to cover the council's share of forecast future collection fund deficits.

Note 14 – 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 (CIES) 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 CIES 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 CIES 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 £'000	Revaluation Reserve £'000	Pensions Reserve £'000	Collection Fund Adjustment Account £'000	Pooled Investment Adjustment Account £'000	Accumulated Absences Account £'000	Financial Instruments Adjustment Account £'000	Deferred Capital Receipts Reserve £'000	Total unusable reserves £'000
Balance at 1 April 2024		**(685,644)**	**(286,808)**	**(18,074)**	**(155)**	**733**	**287**	**175**	**(72)**	**(989,558)**
Other comprehensive income and expenditure:										
Loss on revaluation of non-current assets	CIES	0	2,045	0	0	0	0	0	0	2,045
Remeasurement of the net defined benefit liability	CIES	0	0	51,450	0	0	0	0	0	51,450
Adjustments between accounting basis and funding basis under statutory provisions:										
Adjustments for capital purposes	12	(12,031)	0	0	0	0	0	0	0	(12,031)
Pensions adjustments	12	0	0	(2,745)	0	0	0	0	0	(2,745)
Other statutory adjustments	12	0	0	0	6,227	33	37	(1)	0	6,296
Transfers between unusable reserves:										
Difference between fair value depreciation and historic cost depreciation		(5,022)	5,022	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(895)	895	0	0	0	0	0	0	0
Balance at 31 March 2025		**(703,592)**	**(278,846)**	**30,631**	**6,072**	**766**	**324**	**174**	**(72)**	**(944,543)**
Other comprehensive income and expenditure:										
Gain on revaluation of non-current assets	CIES	0	(18,807)	0	0	0	0	0	0	(18,807)
Remeasurement of the net defined benefit liability	CIES	0	0	(13,608)	0	0	0	0	0	(13,608)
Adjustments between accounting basis and funding basis under statutory provisions:										
Adjustments for capital purposes	12	(9,386)	0	0	0	0	0	0	0	(9,386)
Pensions adjustments	12	0	0	(2,713)	0	0	0	0	0	(2,713)
Other statutory adjustments	12	0	0	0	423	1	0	1	0	425
Transfers between unusable reserves:										
Difference between fair value depreciation and historic cost depreciation		(4,281)	4,281	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(6)	6	0	0	0	0	0	0	0
Balance at 31 March 2026		**(717,265)**	**(293,366)**	**14,310**	**6,495**	**767**	**324**	**175**	**(72)**	**(988,632)**

Note 15 – Property, Plant and Equipment

Movements on Balances

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Balance at 1 April 2024:								
Gross carrying amount	819,941	155,715	22,152	9,099	1,346	50	72,342	1,080,645
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**	**72,342**	**1,061,192**
Restatement of opening balances on transition to IFRS 16 Leases:								
Reclassification of assets as right-of-use assets	0	(40,975)	0	0	0	0	0	(40,975)
Adjusted net book value as at 1 April 2024	**819,941**	**113,009**	**6,154**	**7,375**	**1,346**	**50**	**72,342**	**1,020,217**
Additions	38,949	322	2,452	772	0	0	58,259	100,754
Disposals	(4,935)	0	0	0	0	0	0	(4,935)
Revaluation increases / (decreases) recognised in the revaluation reserve	219	(1,467)	0	0	0	0	0	(1,248)
Revaluation increases / (decreases) recognised in the surplus on the provision of services	(22,165)	670	0	0	0	0	0	(21,495)
Assets reclassified to investment properties or intangible assets or right-of-use assets	0	0	0	0	0	0	(566)	(566)
Assets reclassified (to) / from other categories of property, plant and equipment	10,977	6,906	261	0	0	48	(18,192)	0
Other movements	0	0	(59)	0	0	0	(17)	(76)
Depreciation charge	(11,655)	(3,087)	(1,708)	(211)	0	0	0	(16,661)
Balance at 31 March 2025:								
Gross carrying amount	831,331	117,450	24,422	9,871	1,346	98	111,826	1,096,344
Accumulated depreciation and impairment	0	(1,097)	(17,322)	(1,935)	0	0	0	(20,354)
Net book value	**831,331**	**116,353**	**7,100**	**7,936**	**1,346**	**98**	**111,826**	**1,075,990**

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Balance at 1 April 2025:								
Gross carrying amount	831,331	117,450	24,422	9,871	1,346	98	111,826	1,096,344
Accumulated depreciation and impairment	0	(1,097)	(17,322)	(1,935)	0	0	0	(20,354)
Net book value	**831,331**	**116,353**	**7,100**	**7,936**	**1,346**	**98**	**111,826**	**1,075,990**
Additions	24,180	1,818	1,159	475	0	0	67,888	95,520
Disposals	(6,623)	(55)	(228)	0	0	0	0	(6,906)
Revaluation increases recognised in the revaluation reserve	2,350	7,033	0	0	0	0	0	9,383
Revaluation decreases recognised in the surplus on the provision of services	(34,330)	(6,974)	0	0	0	0	0	(41,304)
Assets reclassified to investment properties or intangible assets or right-of-use assets	0	(620)	0	0	0	0	0	(620)
Assets reclassified (to) / from other categories of property, plant and equipment	32,349	85,222	305	498	282	(2)	(118,654)	0
Depreciation charge	(12,240)	(2,111)	(1,547)	(279)	0	0	0	(16,177)
Balance at 31 March 2026:								
Gross carrying amount	837,017	202,272	25,121	12,037	1,628	96	61,060	1,139,231
Accumulated depreciation and impairment	0	(1,606)	(18,332)	(3,407)	0	0	0	(23,345)
Net book value	**837,017**	**200,666**	**6,789**	**8,630**	**1,628**	**96**	**61,060**	**1,115,886**

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 inspects only a sample of properties, relying on information supplied by the Council for the remainder, in order to secure best value for money.

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 £'000	Other land and buildings £'000	Surplus assets £'000	Total £'000
Valued at current value as at:				
31 March 2026	837,017	186,013	6	1,023,036
31 March 2025	0	12,473	90	12,563
31 March 2024	0	292	0	292
31 March 2023	0	82	0	82
31 March 2022	0	387	0	387
Prior to 2022	0	1,419	0	1,419
Total	**837,017**	**200,666**	**96**	**1,037,779**

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 2026 £'000	31 March 2025 £'000
New build dwellings	20,358	45,066
Capital works on existing dwellings	9,497	13,611
East Barnwell new centre	2,885	0
Civic Quarter project	1,777	0
Clay Farm remedial works	685	0
Park Street car park redevelopment	0	32,797
Depot relocation	0	3,495
Other property, plant and equipment	917	766
Total contractual commitments for property, plant and equipment	**36,119**	**95,735**

Note 16 – Investment Property

Movements on Balances

	Central Cambridge shopping centres £'000	Other retail £'000	Offices £'000	Industrial £'000	Land £'000	Leisure £'000	Other £'000	Total investment properties £'000	Investment properties held for sale £'000	Total £'000
Balance at 1 April 2024	**10,920**	**29,225**	**12,148**	**35,137**	**41,813**	**3,534**	**31,644**	**164,421**	**1,250**	**165,671**
Adjustment to opening balance	0	182	0	0	0	0	0	182	0	182
Additions – subsequent expenditure	0	22	6	0	0	0	0	28	0	28
Unrealised revaluation gains / (losses)	410	554	(215)	(589)	885	(81)	3,926	4,890	0	4,890
Transfers (to) / from property, plant and equipment	0	524	0	0	0	0	0	524	0	524
Balance at 31 March 2025	**11,330**	**30,507**	**11,939**	**34,548**	**42,698**	**3,453**	**35,570**	**170,045**	**1,250**	**171,295**
Additions – subsequent expenditure	0	40	124	0	0	0	20	184	0	184
Unrealised revaluation gains / (losses)	(5,340)	2,013	(380)	6,892	2,789	(45)	3,555	9,484	(20)	9,464
Disposals	0	0	0	0	0	0	0	0	(1,230)	(1,230)
Transfers from property, plant and equipment	0	620	0	0	0	0	0	620	0	620
Balance at 31 March 2026	**5,990**	**33,180**	**11,683**	**41,440**	**45,487**	**3,408**	**39,145**	**180,333**	**0**	**180,333**

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% - 7.03%
Other retail	Investment	Yield	6.13% - 11.22%
Offices	Investment	Yield	6.11% - 10.21%
Industrial	Investment	Yield	4.64% - 8.25%
Land	Investment / comparable	Net initial yield	2.40% - 6.09%
		Equivalent yield	4.26% - 8.19%
Leisure	Investment / comparable	Equivalent yield	7.51% - 8.30%
Other	Investment / comparable	Yield	4.00% - 12.00%

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:

	2025/26 £'000	2024/25 £'000
Rental income from investment property	(12,437)	(10,057)
Direct operating expenses arising from investment property	1,180	1,337
Net gain	**(11,257)**	**(8,720)**

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 currently vacant pending a decision on potential redevelopment.

Note 17 - Leases

Council as Lessee

The council's lease contracts comprise leases of operational land and buildings, plant and equipment. The only leases which are individually material relate to three car parks which the council occupies under long-standing finance leases at peppercorn rents. These are recognised as right-of-use assets with no associated lease liability.

Right-of-Use Assets

The following table shows the change in the value of the right-of-use assets held under lease by the council:

	Land and buildings £'000
Net book value as at 1 April 2024	**0**
Restatement of opening balances on transition to IFRS 16 Leases:	
Recognition of right-of-use assets on transition	984
Reclassification of assets as right-of-use assets	40,975
Adjusted balance as at 1 April 2024	**41,959**
Revaluation decreases recognised in the revaluation reserve	(797)
Revaluation decreases recognised in the surplus on the provision of services	(2,995)
Depreciation	(1,140)
Net book value as at 1 April 2025	**37,027**
Revaluation increases recognised in the revaluation reserve	8,734
Revaluation decreases recognised in the surplus on the provision of services	(585)
Depreciation	(1,026)
Net book value as at 1 April 2026	**44,150**

The following table shows the current carrying value of right-of-use assets by date of most recent valuation:

Valued at current value as at:	Right-of-Use Asset £'000
31 March 2026	7,123
31 March 2025	37,027
Total	**44,150**

Transactions Under Leases

The council incurred the following expenses and cash flows in relation to the leases described above:

	2025/26 £'000	2024/25 £'000
Comprehensive Income and Expenditure Statement		
Interest expense on lease liabilities	6	6
Revaluation recognised in the surplus on the provision of services	585	2,995
Cash Flow Statement		
Minimum lease payments	129	129

Maturity Analysis of Lease Liabilities

The lease liabilities are due to be settled over the following time bands (measured at the undiscounted amounts of expected cash payments):

	31 March 2026 £'000	31 March 2025 £'000
Not later than one year	67	129
Between one and five years	267	334
Later than five years	441	436
Total undiscounted liabilities	**775**	**899**
Finance cost	(33)	(38)
Total discounted liabilities	**742**	**861**

Council as Lessor

The council leases out investment properties to a variety of tenants under operating leases.

Transactions Under Leases

The council made the following gains and losses as a lessor during the year:

	2025/26 £'000	2024/25 £'000
Operating leases		
Total lease income	(12,437)	(10,057)
Share of lease income relating to variable lease payments that do not depend on an index or rate	459	(1,615)

Maturity Analysis of Lease Receivables

The lease receivables are due to be collected over the following time bands (measured at the undiscounted amounts of expected cash receipts):

	31 March 2026 £'000	31 March 2025 £'000
Not later than one year	10,804	7,054
Between one and five years	32,343	17,077
Later than five years	220,315	108,044
Total future minimum lease payments due under non-cancellable leases	**263,462**	**132,175**

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 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Fair value through profit or loss	0	0	0	0	14,233	14,234	563	596	0	0	0	0	0	0	14,796	14,830
Amortised cost	43,781	27,483	7,500	7,500	1,050	2,850	8	8	15,914	16,490	21,229	12,793	13,214	9,191	102,696	76,315
Total financial assets	**43,781**	**27,483**	**7,500**	**7,500**	**15,283**	**17,084**	**571**	**604**	**15,914**	**16,490**	**21,229**	**12,793**	**13,214**	**9,191**	**117,492**	**91,145**
Assets not defined as financial instruments	0	0	0	0	0	0	227	227	0	0	0	0	5,549	8,038	5,776	8,265
Total	**43,781**	**27,483**	**7,500**	**7,500**	**15,283**	**17,084**	**798**	**831**	**15,914**	**16,490**	**21,229**	**12,793**	**18,763**	**17,229**	**123,268**	**99,410**

Financial Liabilities

	Long-term				Short-term				Total	
	Borrowing		Creditors		Borrowing		Creditors			
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Amortised cost	(297,107)	(242,985)	(678)	(737)	(1,234)	(705)	(23,642)	(22,348)	(322,661)	(266,775)
Total financial liabilities	**(297,107)**	**(242,985)**	**(678)**	**(737)**	**(1,234)**	**(705)**	**(23,642)**	**(22,348)**	**(322,661)**	**(266,775)**
Liabilities not defined as financial instruments	0	0	0	0	0	0	(25,250)	(20,937)	(25,250)	(20,937)
Total	**(297,107)**	**(242,985)**	**(678)**	**(737)**	**(1,234)**	**(705)**	**(48,892)**	**(43,285)**	**(347,911)**	**(287,712)**

Income, Expense, Gains and Losses

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

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Net losses / (gains) on:				
Financial assets measured at fair value through profit or loss	43		(575)	
Total net (gains) / losses		**43**		**(575)**
Interest revenue:				
Financial assets measured at fair value through profit or loss	(917)		(752)	
Financial assets measured at amortised cost	(4,039)		(5,188)	
Total interest revenue		**(4,956)**		**(5,940)**
Interest expense on financial liabilities measured at amortised cost		8,630		7,980
Net (income) / expenditure recognised in surplus on the provision of services		**3,717**		**1,465**

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 2026 £'000	31 March 2025 £'000
Investments in pooled investment vehicles	Level 1	Unadjusted quoted prices in active markets for identical units	14,233	14,234
Soft loans	Level 3	Present value of likely future cash flows	563	596
Total financial assets held at fair value			**14,796**	**14,830**

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 5.90% (2024/25: 5.90%).

	31 March 2026		31 March 2025	
	Carrying amount £'000	Fair value £'000	Carrying amount £'000	Fair value £'000
Financial assets				
Loans to joint ventures	43,781	38,458	27,483	25,948
Loan to subsidiary	7,500	7,266	7,500	6,955
Other long-term investments	1,050	1,050	2,850	2,722
Long-term debtors	8	8	8	8
Short-term investments	15,914	15,914	16,490	16,490
Cash and cash equivalents	21,229	21,229	12,793	12,793
Short-term debtors	13,214	13,214	9,191	9,191
Total financial assets held at amortised cost	**102,696**	**97,139**	**76,315**	**74,107**
Financial liabilities				
Long-term borrowing	(297,107)	(185,356)	(242,985)	(165,112)
Long-term creditors	(678)	(678)	(737)	(737)
Short-term borrowing	(1,234)	(1,234)	(705)	(705)
Short-term creditors	(23,642)	(23,642)	(22,348)	(22,348)
Total financial liabilities held at amortised cost	**(322,661)**	**(210,910)**	**(266,775)**	**(189,902)**

Note 19 – Short-term Debtors

	31 March 2026	31 March 2025
	£'000	£'000
Trade receivables	7,511	3,802
Prepayments	627	3,007
Other receivables	10,625	10,420
Total short-term debtors	**18,763**	**17,229**

Note 20 – Short-term Creditors

	31 March 2026 £'000	31 March 2025 £'000
Trade creditors	(1,318)	(213)
Receipts in advance	(13,231)	(12,913)
Other creditors	(34,279)	(30,035)
Lease liability	(64)	(124)
Total short-term creditors	**(48,892)**	**(43,285)**

Note 21 – Provisions and Contingencies

Provisions

	Business rates appeals £'000	Other £'000	Total £'000
Balance at 1 April 2024	**(2,378)**	**(1,379)**	**(3,757)**
Additional provisions made	(3,779)	(2,359)	(6,138)
Amounts used	2,695	746	3,441
Unused amounts reversed	0	642	642
Balance at 31 March 2025	**(3,462)**	**(2,350)**	**(5,812)**
Additional provisions made	(4,533)	(578)	(5,111)
Amounts used	3,174	1,637	4,811
Unused amounts reversed	0	393	393
Balance at 31 March 2026	**(4,821)**	**(898)**	**(5,719)**

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 2026, 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 2026 and the council's estimate of costs it will incur to settle insurance claims accepted by the council's insurers as at 31 March 2026.

Contingent Assets

The Council has disposed of two parcels of land, one in North East Cambridge and the other on the fringe of the A14 for a consideration which is contingent on a number of events. The potential proceeds for both sales are so uncertain both in timing and amount that no asset has been recognised in respect of this.

Note 22 – 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

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Comprehensive Income and Expenditure Statement				
Cost of services:				
Current service cost	4,510		6,203	
Past service costs (including settlements and curtailments)	564		391	
Financing and investment expenditure / (income):				
Net interest expenditure / (income)	360		(1,093)	
Total charged to surplus on the provision of services		**5,434**		**5,501**
Remeasurement of the net defined benefit asset:				
Return on plan assets (excluding amount included in net interest expense)	3,639		10,322	
Changes in demographic assumptions	(5,201)		(516)	
Changes in financial assumptions	(6,123)		(45,201)	
Other experience	15,801		(2,863)	
Changes in the effect of the asset ceiling	(21,724)		89,708	
Total charged to other comprehensive income and expenditure		**(13,608)**		**51,450**
Total charged to Comprehensive Income and Expenditure Statement		**(8,174)**		**56,951**
Movement in Reserves Statement – General Fund and Housing Revenue Account				
Net charges included in surplus on the provision of services as above		5,434		5,501
Reversal of net charges included in surplus on the provision of services		(5,434)		(5,501)
Insertion of employer contributions due under the pension scheme regulations		8,147		8,246
Total charged to General Fund and Housing Revenue Account		**8,147**		**8,246**

Reconciliation of Plan Assets and Liabilities

	Plan assets		Plan liabilities		Net defined benefit (liability) / asset	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Balance at 1 April	**226,864**	**312,555**	**(257,495)**	**(294,482)**	**(30,631)**	**18,073**
Current service cost	0	0	(4,510)	(6,203)	(4,510)	(6,203)
Past service costs (including settlements and curtailments)	0	0	(564)	(391)	(564)	(391)
Interest income and expense	14,455	15,303	(14,815)	(14,210)	(360)	1,093
Remeasurement of the net defined benefit liability / asset:						
Return on plan assets (excluding amount included in net interest expense)	(3,639)	(10,321)	0	0	(3,639)	(10,321)
Changes in demographic assumptions	0	0	5,201	516	5,201	516
Changes in financial assumptions	0	0	6,123	45,201	6,123	45,201
Other experience	19	0	(15,820)	2,863	(15,801)	2,863
Contributions from employer	8,147	8,246	0	0	8,147	8,246
Contributions from employees	2,023	2,009	(2,023)	(2,009)	0	0
Benefits paid	(11,282)	(11,220)	11,282	11,220	0	0
Changes in the effect of the asset ceiling	21,724	(89,708)	0	0	21,724	(89,708)
Balance at 31 March	**258,311**	**226,864**	**(272,621)**	**(257,495)**	**(14,310)**	**(30,631)**

Fair Value of Plan Assets

	31 March 2026			31 March 2025		
	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000	Quoted prices in active markets £'000	Quoted prices not in active markets £'000	Total £'000
Equity securities	17,019	0	17,019	16,041	0	16,041
Debt securities – UK government	0	30,111	30,111	0	20,121	20,121
Private equity	0	34,024	34,024	0	28,736	28,736
Real estate – UK property	0	21,973	21,973	0	21,418	21,418
Derivatives	0	0	0	0	(3)	(3)
Cash and cash equivalents	7,876	0	7,876	5,287	0	5,287
Investment funds and unit trusts:						
Equities	0	94,914	94,914	0	88,947	88,947
Bonds	0	34,976	34,976	0	29,870	29,870
Infrastructure	0	17,418	17,418	0	16,447	16,447
Total plan assets	**24,895**	**233,416**	**258,311**	**21,328**	**205,536**	**226,864**

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 2025, and the following significant assumptions:

	31 March 2026	31 March 2025
Pension increase rate (CPI)	3.00%	2.75%
Salary increase rate	3.50%	3.25%
Discount rate (for plan liabilities)	6.20%	5.80%
Longevity at 65:		
Current pensioners – men	22.0 years	21.4 years
Current pensioners – women	24.8 years	24.2 years
Future pensioners (aged 45 at last valuation date) – men	23.0 years	22.4 years
Future pensioners (aged 45 at last valuation date) – women	26.4 years	25.9 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 2026	Approximate increase in plan liabilities	
	%	£'000
0.1% decrease in real discount rate	1	4,064
1 year increase in member life expectancy	4	10,905
0.1% increase in salary increase rate	0	171
0.1% increase in pension increase rate (CPI)	1	3,891

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 2027.

Employer contributions in 2026/27 are projected to be £6.224 million.

Note 23 – Cash Flows from Operating Activities

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

	2025/26 £'000	2024/25 £'000
Interest received	2,782	4,893
Interest paid	(7,680)	(7,500)
Dividends received	699	729

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

	2025/26 £'000	2024/25 £'000
Non-cash movements		
Depreciation	17,203	17,680
Impairment and downward valuations	55,670	0
Amortisation	118	224
Increase in impairment for bad debts	2,008	352
Increase / (decrease) in creditors	5,013	(3,661)
(Increase) / decrease in debtors	(3,150)	1,186
Decrease / (increase) in inventories	142	(26)
Movement in pension liability	(2,713)	(2,745)
Carrying amount of non-current assets and assets held for sale disposed of	8,136	4,935
Other non-cash items credited to surplus on the provision of services	(24,967)	20,756
Total adjustments to net surplus or deficit on the provision of services for non-cash movements	**57,460**	**38,701**
Items that are investing and financing activities		
Proceeds from sale of property, plant and equipment, investment property and intangible assets	(19,011)	(7,105)
Capital grants receivable	(10,374)	(20,156)
Cash payments for the reduction of outstanding liabilities relating to finance leases	0	129
Total adjustments from items included in the net surplus or deficit on the provision of services that are investing or financing activities	**(29,385)**	**(27,132)**

Note 24 – Reconciliation of Assets and Liabilities Arising from Financing Activities

	1 April 2024 £'000	Financing Cash Flows £'000	Non-cash Movements £'000	31 March 2025 £'000	Financing Cash Flows £'000	Non-cash Movements £'000	31 March 2026 £'000
Long-term borrowings	(213,572)	(29,413)	0	(242,985)	(54,351)	229	(297,107)
Long-term lease liabilities	0	0	(737)	(737)	0	59	(678)
Short-term borrowings	(82)	(623)	0	(705)	0	(529)	(1,234)
Short-term lease liabilities	0	129	(253)	(124)	124	(64)	(64)
Short-term creditors: business rates and council tax collected as an agent for others	(10,730)	5,873	0	(4,857)	747	0	(4,110)
Total liabilities from financing activities	**(224,384)**	**(24,034)**	**(990)**	**(249,408)**	**(53,480)**	**(305)**	**(303,193)**
Short-term debtors: business rates and council tax collected as an agent for others	0	1,155	0	1,155	(96)	0	1,059
Total assets from financing activities	**0**	**1,155**	**0**	**1,155**	**(96)**	**0**	**1,059**

Note 25 – Members' Allowances

The total of members' allowances and expenses paid in the year was £615,000 (2024/25: £534,000).

Note 26 – Officers' Remuneration

Senior Employees

	2025/26			2024/25			
	Salary, fees, allowances £	Pension contribution £	Total £	Salary, fees, allowances £	Pension contribution £	Termination payments £	Total £
Robert Pollock, Chief Executive	150,557	26,498	177,055	140,438	24,717	0	165,155
Director of Economy and Place[1]	119,702	21,068	140,770	25,256	4,445	0	29,701
Chief Operating Officer	112,903	19,538	132,441	106,228	18,730	0	124,958
Director of City Services	112,903	19,538	132,441	106,228	18,730	0	124,958
Director of Communities	111,678	19,655	131,333	108,215	19,046	0	127,261
Director Major Regeneration	109,368	19,249	128,617	109,368	19,249	0	128,617
Chief Finance Officer[2]	91,625	16,126	107,751	74,940	13,231	0	88,171

1. Appointed 13 January 2025

2. Appointed 28 May 2024

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	2025/26 No. of employees	2024/25 No. of employees
£50,000 - £54,999	57	52
£55,000 - £59,999	36	32
£60,000 - £64,999	20	9
£65,000 - £69,999	0	3
£70,000 - £74,999	5	5
£75,000 - £79,999	3	2
£80,000 - £84,999	2	2
£85,000 - £89,999	3	3
£90,000 - £94,999	1	0

Exit Packages

Exit package cost band (including special payments)	Total number of exit packages		Total cost of exit packages	
	2025/26 No.	2024/25 Restated No.	2025/26 £'000	2024/25 Restated £'000
Compulsory redundancies				
£0 - £20,000	0	11	0	121
£20,001 - £40,000	0	10	0	296
£40,001 - £60,000	0	3	0	91
£60,001 - £80,000	0	5	0	367
£80,001 - £100,000	0	2	0	193
£100,001 and above	0	4	0	631
Total compulsory redundancies	**0**	**35**	**0**	**1,699**
Other departures				
£0 - £20,000	0	6	0	35
Total other departures	**0**	**6**	**0**	**35**
Total exit packages	**0**	**41**	**0**	**1,734**

The prior year figures in the table above have been reflected to correct the following errors:

- a small number of provisions which were recognised in the 2024/25 Statement of Accounts were not reflected in the exit packages note – this has increased total prior year costs by £273,000 and resulted in two individuals moving into a higher cost band; and

- the prior year exit packages note erroneously included one individual subject to ill health retirement – this has reduced the total prior year costs by £44,000.

There have been no new exit packages agreed during 2025/26. However, the Comprehensive Income and Expenditure Statement (CIES) has been credited with £124,000 in respect of three individuals where specific provisions for exit packages were made in 2024/25 (and are included in the prior year figures above) but who did not in fact leave the council following consultation, therefore the provisions have been reversed. The CIES has also been credited with a further £61,000 in respect of the net difference between exit packages provided for in 2024/25 and actual costs.

Note 27 – 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	22
Council Tax and business rates collected on behalf of central government and local preceptors and related year-end balances	24, Collection Fund Statement
Transactions and balances with Local Government Pension Scheme administered by Cambridgeshire County Council	22

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 2025/26 is set out at note 25.

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		Expenditure		Year-end debtor / (creditor)	
		2025/26	2024/25	2025/26	2024/25	31 March 2026	31 March 2025
		£'000	£'000	£'000	£'000	£'000	£'000
Cambridge BID Ltd	One member was a director	(78)	(103)	13	27	0	0
Cambridge Sustainable Food CIC	Two members sat on Partnership Board	(21)	(21)	58	58	(2)	(2)
Cherry Hinton Residents' Association	Three members sat on the Committee	0	0	1	1	0	0
Cambridge Master Locksmiths	A member's spouse is the proprietor	0	0	76	41	0	(6)

The expenditure amounts shown for Cambridge BID Ltd, Cambridge Sustainable Food CIC and Cherry Hinton Residents' Association are grants and contributions paid by the council. The expenditure amount shown for Cambridge Master Locksmiths is for locksmith and security services procured by the council in the ordinary course of its business.

In addition to the amounts in the table above, the council acts as agent for Cambridge BID Ltd, collecting the Business Improvement District levy from local businesses and paying it over to Cambridge BID Ltd. The levy collected in this capacity is not recognised as income or expenditure of the council. During 2025/26, the Council collected £1.199 million (2024/25: £1.157 million) and paid £1.201 million (2024/25: £1.151 million) to Cambridge BID Ltd. As at 31 March 2026, the outstanding creditor balance in respect of levies due was £4,000 (31 March 2025 restated: £6,000).

[9] https://www.cambridge.gov.uk/councillors-duties-conduct-and-allowances

Subsidiaries and Joint Ventures

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

	Cambridge Investment Partnership		Cambridge City Housing Company		Storey's Field Community Trust		Virido Management Company		Cambridge Social Investments	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Income										
Management fees and recharged costs	(771)	(372)	(42)	(70)	(296)	(116)	0	(24)	(297)	0
Section 106 capital contributions	(496)	(1,024)	0	0	0	0	0	0	0	0
Interest receivable on loans	0	0	(152)	(152)	0	0	0	0	0	0
Expenditure										
Capital expenditure – new development	12,418	10,039	0	0	0	0	0	0	0	0
Grants paid	0	0	6	9	0	0	0	0	105	0
Services provided	31	0	0	0	6	3	300	261	0	0
Balance Sheet										
Loans	43,778	27,483	7,500	7,500	0	0	0	0	0	0
Short-term debtors	949	416	0	0	296	0	0	26	497	0
Short-term creditors	(172)	0	0	0	0	0	(67)	(111)	0	0

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

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.

Virido Management Company is a company limited by guarantee in which the Council exercises joint control.

Cambridge Social Investments is a private limited company in which the Council exercises joint control.

In addition, the Council has interests in the following entities with which there were no transactions during the year:

Entity	Relationship
Iron Works (Cambridge) Management Company Limited	Joint control (75%)
Cambridge 4 LLP	Joint control (50%)
Romsey Works Cambridge Management Company Limited	Joint control (50%)
Cambridge City Master Manco Limited	Joint control (75%)

Note 28 – Grant Income

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Credited to taxation and non-specific grant income				
Capital grants and contributions	(10,374)		(20,156)	
Business rates relief grants	(4,348)		(3,746)	
Funding Floor Grant	(3,618)		0	
New Homes Bonus	(73)		(1,733)	
Other grants and contributions	(663)		(2,830)	
Total credited to taxation and non-specific grant income		**(19,076)**		**(28,465)**
Credited to services				
Housing benefit subsidy	(21,399)		(27,403)	
Other grants and contributions	(11,724)		(6,418)	
Total credited to services		**(33,123)**		**(33,821)**
Total grants and contributions		**(52,199)**		**(62,286)**

Council Acting as Distributary Agent

There are sometimes 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. Only one such material agency arrangement was in place during 2025/26:

	Balance at 1 April 2024 £'000	Cash received £'000	Cash distributed £'000	Balance at 31 March 2025 £'000	Cash received £'000	Cash distributed £'000	Balance at 31 March 2026 £'000
Housing Infrastructure Fund	0	(11,541)	11,541	0	(5,138)	5,138	0

Note 29 – External Audit Costs

	2025/26 £'000	2024/25 Restated £'000
Fees payable to EY for external audit services carried out by the appointed auditor for the year	205	180
Additional fees payable to EY for external audit services carried out by the appointed auditor for previous years	(12)	84
Total fees payable to EY	**194**	**264**

Prior year figures in the table above have been restated to remove £18,000 of accrued grant certification fees which, whilst correctly accrued, are not payable to the external auditor as the work is now carried out by a different firm.

Note 30 – 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).

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Capital Financing Requirement at 1 April		**339,436**		**285,942**
Capital investment:				
Property, plant and equipment	95,520		100,754	
Investment property	184		210	
Intangible assets	31		42	
Revenue expenditure funded from capital under statute	6,166		6,849	
Capital loans advanced	14,663		7,213	
Investment in equity instruments	1,000		0	
Capital financing applied:				
Capital receipts	(26,936)		(16,049)	
Capital grants and contributions	(16,819)		(13,764)	
Major Repairs Reserve	(12,240)		(12,093)	
Direct revenue contributions	(16,770)		(19,342)	
Minimum revenue provision	(702)		(326)	
Increase in Capital Financing Requirement		**44,097**		**53,494**
Capital Financing Requirement at 31 March		**383,533**		**339,436**

Note 31 – 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.

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. 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 2026 (31 March 2025: nil).

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

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:

	2025/26 £'000	2024/25 £'000
Balance at 1 April	**(4,076)**	**(3,587)**
Opening balance adjustment	0	(392)
Amounts written off	31	275
Increase in credit loss allowance	(1,119)	(372)
Balance at 31 March	**(5,164)**	**(4,076)**

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

	31 March 2026			31 March 2025		
	Gross debtor £'000	Credit loss allowance £'000	Carrying value £'000	Gross debtor £'000	Credit loss allowance £'000	Carrying value £'000
Current and former HRA tenants	4,411	(3,954)	457	3,760	(2,882)	878
Other debtors	13,975	(1,210)	12,765	9,515	(1,194)	8,321
Total	**18,386**	**(5,164)**	**13,222**	**13,275**	**(4,076)**	**9,199**

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 2026			31 March 2025		
	Principal repayments £'000	Interest payments £'000	Total payments £'000	Principal repayments £'000	Interest payments £'000	Total payments £'000
Less than 1 year	1,114	8,893	10,007	391	7,991	8,382
Between 1 and 5 years	4,646	35,382	40,028	1,630	31,900	33,530
Between 5 and 10 years	6,259	43,775	50,034	2,196	39,715	41,911
Between 10 and 15 years	49,515	41,013	90,528	34,423	38,415	72,838
Between 15 and 20 years	60,782	31,477	92,259	55,988	30,021	86,009
Between 20 and 25 years	61,422	21,437	82,859	56,213	20,406	76,619
Between 25 and 30 years	62,117	11,333	73,450	56,458	10,748	67,206
Between 30 and 35 years	20,158	3,458	23,616	24,689	2,231	26,920
Between 35 and 40 years	10,300	2,263	12,563	3,621	819	4,440
Between 40 and 45 years	11,191	1,372	12,563	3,936	504	4,440
Between 45 and 50 years	10,226	414	10,640	3,834	162	3,996
Total	**297,730**	**200,817**	**498,547**	**243,379**	**182,912**	**426,291**

Borrowing consists of fixed-rate maturity loans to meet the cost of the Housing Revenue Account (HRA) self-financing settlement in March 2012 and an annuity loan to fund the development of the Park Street hotel and car park drawn down between April 2024 and December 2025.

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 2026 £'000	Change in value considered reasonably possible %	Impact on surplus on the provision of services of reasonably possible change in value £'000
Pooled investment vehicles	14,233	20	2,847

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 32 – 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 going concern period to 30 June 2027.

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 General Fund reserve balance at 31 March 2026, as reported in these statements, is £20.315 million.

As part of the Budget Setting Report considered by Full Council in February 2026, the council's Chief Finance Officer provided the following forecast of General Fund Balances (before future business rate growth) relating to the expected year-end position and the assessment period covered by this note.

Date	General Fund £'000
31 March 2027	12,481

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 for the 2026/27 financial year has been set at £8.059 million, with a target balance 20% above this at £9.671 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

As part of the Budget Setting Report considered by Full Council in February 2026, the council updated its Medium-Term Financial Strategy ("MTFS" – see Section 9 of that report). The council recognises that delivery of this Strategy is partly dependent on the accuracy of the assumptions management have made about the economic environment in which the council operates. The MTFS includes 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. Four different proposals were submitted in November 2025. It is the government's stated intention that the new unitary authorities would come into existence on 1 April 2028, at which point Cambridge City Council would be discontinued. However, the government has not yet announced a preferred option and Parliament has yet to provide its statutory approval. Given this timescale and since local authorities may only be discontinued by statutory prescription, this Statement of Accounts has been prepared on a going concern basis.

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.

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Expenditure:				
Repairs and maintenance	18,930		16,328	
Supervision and management	10,072		9,417	
Rents, rates, taxes and other charges	424		268	
Depreciation, impairment, derecognition and revaluation losses on non-current assets (net of reversals)	46,972		33,990	
Movement in the allowance for bad debts	1,102		527	
HRA share of corporate and democratic core costs	570		521	
Total expenditure		**78,070**		**61,051**
Income:				
Dwelling rents	(53,076)		(50,549)	
Non-dwelling rents	(888)		(834)	
Charges for services and facilities	(3,512)		(4,112)	
Contributions towards expenditure	(117)		(559)	
Reimbursement of costs	(136)		(37)	
Total income		**(57,729)**		**(56,091)**
Net expenditure on HRA services as included in the Comprehensive Income and Expenditure Statement		**20,341**		**4,960**
HRA share of other income and expenditure included in the Comprehensive Income and Expenditure Statement:				
Gain on sale of HRA non-current assets		(7,690)		(2,170)
Interest payable and similar charges		7,494		7,494
HRA interest and investment income		(1,329)		(1,724)
Capital grants and contributions		(4,572)		(8,880)
Deficit / (surplus) for the year on HRA services		**14,244**		**(320)**

Movement on the Housing Revenue Account Statement

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Deficit / (surplus) for the year on HRA services		14,244		(320)
Adjustments between accounting basis and funding basis under statutory provisions:				
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(34,325)		(21,897)	
Movements in the fair value of investment properties	397		135	
Capital grants and contributions	4,572		8,880	
Revenue expenditure funded from capital under statute	0		(8)	
Costs of disposal funded from capital receipts	(246)		(117)	
Gain on sale of HRA non-current assets	7,690		2,170	
Capital expenditure funded by the HRA	4,717		10,473	
HRA share of contributions to the Pensions Reserve	602		347	
Transfers to the General Fund under statutory provisions	1,116		448	
Movements in the accumulated absences accrual	0		11	
Total adjustments between accounting basis and funding basis under statutory provisions		**(15,477)**		**442**
Net (increase) / decrease in HRA before transfers to / from earmarked reserves		**(1,233)**		**122**
Transfers to / (from) earmarked reserves		183		(116)
(Increase) / decrease in year in the HRA		**(1,050)**		**6**
Balance at 1 April		**(7,560)**		**(7,566)**
Balance at 31 March		**(8,610)**		**(7,560)**

Notes to the Housing Revenue Account Statements

1 Dwelling Stock

	31 March 2026 No.	31 March 2025 No.
Sheltered housing units	489	522
Shared ownership properties (whole property equivalent)	39	41
Other houses and bungalows	3,536	3,567
Other flats and maisonettes	3,675	3,550
Total dwelling stock (whole property equivalent)	**7,739**	**7,680**

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 2026 £'000	31 March 2025 £'000	2025/26 £'000	2024/25 £'000
Property, plant and equipment:				
Council dwellings	837,017	831,331	12,240	11,655
Other land and buildings	10,511	9,275	170	163
Vehicles, plant, furniture and equipment	140	101	14	26
Infrastructure assets	6,155	5,869	189	120
Assets under construction	46,088	37,934	0	0
Total property, plant and equipment	**899,911**	**884,510**	**12,613**	**11,964**
Investment property	7,908	7,508	0	0
Intangible assets	30	62	34	129
Total non-current assets	**907,849**	**892,080**	**12,647**	**12,093**

The value of council dwellings at 31 March 2026, based upon vacant possession, was £2.203 billion (31 March 2025: £2.188 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:

	2025/26 £'000	2024/25 £'000
Capital expenditure:		
Property, plant and equipment	65,928	57,146
Investment property	3	30
Intangible assets	2	2
Total capital expenditure	**65,933**	**57,178**
Financed by:		
Capital receipts	(19,079)	(13,016)
Capital grants and contributions	(6,869)	(6,382)
Major Repairs Reserve	(12,240)	(12,093)
Direct revenue contributions	(4,717)	(10,473)
Borrowing	(23,028)	(15,214)
Total capital financing applied	**(65,933)**	**(57,178)**

4 Capital Receipts

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

	2025/26 £'000	2024/25 £'000
Capital receipts from the disposal of:		
Council dwellings	14,292	6,883
Other land	20	222
Total capital receipts retained by the council	**14,312**	**7,105**

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 2026 were £4.411 million (31 March 2025: £3.760 million). At 31 March 2026, a provision for bad debt of £3.954 million was held on the Balance Sheet (31 March 2025: £2.882 million).

Collection Fund Statement

	Council Tax		Business rates	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Income				
Council Tax and business rates receivable from taxpayers	(108,558)	(101,934)	(147,548)	(121,920)
Transitional protection payment receivable from central government	0	0	(1,357)	0
Transfers from General Fund in respect of locally funded discounts	(98)	(89)	0	0
Contributions towards previous year's Collection Fund deficit:				
Cambridge City Council	(19)	0	(2,247)	(1,237)
Cambridgeshire County Council	(134)	0	(506)	(278)
Cambridgeshire and Peterborough Police and Crime Commissioner	(24)	0	0	0
Cambridgeshire and Peterborough Fire Authority	(7)	0	(56)	(31)
Cambridgeshire and Peterborough Combined Authority	(3)	0	0	0
Central government	0	0	(2,809)	(1,547)
Expenditure				
Council Tax precepts and shares of business rates income distributed:				
Cambridge City Council	10,615	10,253	59,658	54,412
Cambridgeshire County Council	77,772	73,686	13,423	12,243
Cambridgeshire and Peterborough Police and Crime Commissioner	13,693	12,986	0	0
Cambridgeshire and Peterborough Fire Authority	3,988	3,742	1,491	1,360
Cambridgeshire and Peterborough Combined Authority	1,646	1,638	0	0
Central government	0	0	74,573	68,014
Distribution of previous year's Collection Fund surplus:				
Cambridge City Council	0	123	0	0
Cambridgeshire County Council	0	868	0	0
Cambridgeshire and Peterborough Police and Crime Commissioner	0	153	0	0
Cambridgeshire and Peterborough Fire Authority	0	45	0	0
Cambridgeshire and Peterborough Combined Authority	0	7	0	0
Other expenditure:				
Increase in provision for outstanding arrears	1,171	713	2,132	371
Increase in provision for outstanding appeals	0	0	3,398	2,710
Transitional protection payment payable to central government	0	0	0	290
Allowable collection costs payable to General Fund	0	0	233	236
Interest payable	0	0	668	391
Total movement on fund balance	**42**	**2,191**	**1,053**	**15,014**
Collection Fund (surplus) / deficit at 1 April	**682**	**(1,509)**	**15,009**	**(5)**
Collection Fund deficit at 31 March	**724**	**682**	**16,062**	**15,009**

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 Council Tax and business 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 balance 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		Business rates	
	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000
Cambridge City Council	70	68	6,425	6,004
Cambridgeshire County Council	518	497	1,446	1,351
Cambridgeshire and Peterborough Police and Crime Commissioner	98	81	0	0
Cambridgeshire and Peterborough Fire Authority	27	25	161	149
Cambridgeshire and Peterborough Combined Authority	11	11	0	0
Central government	0	0	8,030	7,505
Total (surplus) / deficit	**724**	**682**	**16,062**	**15,009**

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	
	2025/26 £	2024/25 £
Cambridge City Council	232.13	225.39
Cambridgeshire County Council	1,700.64	1,619.82
Cambridgeshire and Peterborough Police and Crime Commissioner	299.43	285.52
Cambridgeshire and Peterborough Fire Authority	87.21	82.26
Cambridgeshire and Peterborough Combined Authority	36.00	36.00
Total council tax due per band D property	**2,355.41**	**2,248.99**

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:

	2025/26				2024/25			
Valuation band	Total chargeable dwellings No.	Equivalent dwellings after discounts, reliefs and exemptions No.	Ratio to band D	Band D equivalent dwellings No.	Total chargeable dwellings No.	Equivalent dwellings after discounts, reliefs and exemptions No.	Ratio to band D	Band D equivalent dwellings No.
A	4,417	2,533	6/9	1,689	4,419	2,587	6/9	1,725
B	11,090	8,925	7/9	6,942	11,070	8,891	7/9	6,915
C	20,883	18,075	8/9	16,067	20,771	17,888	8/9	15,900
D	10,610	9,045	1	9,045	10,547	8,941	1	8,941
E	6,055	5,208	11/9	6,365	6,040	5,173	11/9	6,323
F	3,992	3,432	13/9	4,957	3,967	3,432	13/9	4,957
G	3,264	2,696	15/9	4,493	3,267	2,724	15/9	4,540
H	511	326	18/9	652	502	317	18/9	634
Total	**60,822**	**50,241**		**50,210**	**60,583**	**49,953**		**49,935**
Adjustments to tax base				(4,479)				(4,445)
Forecast tax base				**45,731**				**45,490**

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 2026 was £354,781,111 (31 March 2025: £354,272,266). The standard business rates multiplier for 2025/26 as set by central government was 55.5p (2024/25: 54.6p), and the small business multiplier was 49.9p (2024/25: 49.9p).

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	2025/26			2024/25		
		Gross expenditure £'000	Gross income £'000	Net expenditure £'000	Gross expenditure £'000	Gross income £'000	Net expenditure £'000
Chief Executive Office		2,446	(62)	2,384	2,826	(57)	2,769
City Services		35,738	(24,131)	11,607	32,581	(15,961)	16,620
Communities		23,334	(13,266)	10,068	21,157	(10,303)	10,854
Corporate Hub		35,877	(27,178)	8,699	40,906	(32,089)	8,817
Economy and Place		8,379	(2,171)	6,208	7,410	(2,175)	5,235
Planning and Building Control		3,907	(2,387)	1,520	3,204	(2,200)	1,004
Housing and Revenue Account		78,073	(57,729)	20,344	61,051	(56,062)	4,989
Other group housing services		233	(345)	(112)	151	(339)	(188)
Cost of services		**187,987**	**(127,269)**	**60,718**	**169,286**	**(119,186)**	**50,100**
Other operating income and expenditure		(44)	(10,865)	(10,909)	0	(2,170)	(2,170)
Financing and investment income and expenditure		10,900	(27,355)	(16,455)	10,090	(23,161)	(13,071)
Taxation and non-specific grant income		0	(37,467)	(37,467)	0	(41,108)	(41,108)
Surplus on the provision of services		**198,843**	**(202,956)**	**(4,113)**	**179,376**	**(185,625)**	**(6,249)**
Share of the deficit / (surplus) on the provision of services by joint ventures	3			1			(387)
Group surplus				**(4,112)**			**(6,636)**
(Surplus) / deficit on revaluation of non-current assets				(19,135)			1,944
Remeasurement of the net defined benefit asset / liability				(13,608)			51,450
Other comprehensive income				**(32,743)**			**53,394**
Total comprehensive income				**(36,855)**			**46,758**

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 £'000	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	Council share of subsidiary and joint venture reserves £'000	Total Group reserves £'000
Balance at 1 April 2024	**(40,844)**	**(29,044)**	**(7,566)**	**(2,804)**	**(24,998)**	**0**	**(12,316)**	**(117,572)**	**(989,558)**	**(1,107,130)**	**(1,793)**	**(1,108,923)**
Movement in reserves during 2024/25:												
Total comprehensive income and expenditure	(5,760)	0	(291)	0	0	0	0	(6,051)	53,495	47,444	(686)	46,758
Adjustments between Group accounts and Council accounts	(925)	0	(29)	0	0	0	0	(954)	0	(954)	954	0
Net (increase) / decrease before transfers	**(6,685)**	**0**	**(320)**	**0**	**0**	**0**	**0**	**(7,005)**	**53,495**	**46,490**	**268**	**46,758**
Adjustments between accounting basis and funding basis under statutory provisions	5,420	0	442	0	9,010	0	(6,392)	8,480	(8,480)	0	0	0
Transfers to / from earmarked reserves	23,246	(23,246)	(116)	116	0	0	0	0	0	0	0	0
(Increase) / decrease in year	**21,981**	**(23,246)**	**6**	**116**	**9,010**	**0**	**(6,392)**	**1,475**	**45,015**	**46,490**	**268**	**46,758**
Balance at 31 March 2025	**(18,863)**	**(52,290)**	**(7,560)**	**(2,688)**	**(15,988)**	**0**	**(18,708)**	**(116,097)**	**(944,543)**	**(1,060,640)**	**(1,525)**	**(1,062,165)**
Movement in reserves during 2025/26:												
Total comprehensive income and expenditure	(18,238)	0	14,247	0	0	0	0	(3,991)	(32,415)	(36,406)	(449)	(36,855)
Adjustments between Group accounts and Council accounts	(185)	0	(3)	0	0	0	0	(188)	0	(188)	188	0
Net (increase) / decrease before transfers	**(18,423)**	**0**	**14,244**	**0**	**0**	**0**	**0**	**(4,179)**	**(32,415)**	**(36,594)**	**(261)**	**(36,855)**
Adjustments between accounting basis and funding basis under statutory provisions	13,001	0	(15,477)	0	8,112	(407)	6,445	11,674	(11,674)	0	0	0
Transfers to / from earmarked reserves	3,970	(3,970)	183	(183)	0	0	0	0	0	0	0	0
(Increase) / decrease in year	**(1,452)**	**(3,970)**	**(1,050)**	**(183)**	**8,112**	**(407)**	**6,445**	**7,495**	**(44,089)**	**(36,594)**	**(261)**	**(36,855)**
Balance at 31 March 2026	**(20,315)**	**(56,260)**	**(8,610)**	**(2,871)**	**(7,876)**	**(407)**	**(12,263)**	**(108,602)**	**(988,632)**	**(1,097,234)**	**(1,786)**	**(1,099,020)**

Group Balance Sheet

	Note	31 March 2026		31 March 2025	
		£'000	£'000	£'000	£'000
Property, plant and equipment	4	1,124,402		1,084,272	
Heritage assets		1,359		669	
Investment property		180,333		170,045	
Right-of-use assets		44,150		37,027	
Intangible assets		171		255	
Loans to joint ventures		43,781		27,483	
Investments in joint ventures	3	375		376	
Other long-term investments		15,283		17,126	
Long-term debtors		798		831	
Long-term assets			**1,410,652**		**1,338,084**
Investment property held for sale		0		1,250	
Short-term investments		15,914		16,490	
Short-term debtors		18,765		17,230	
Inventories		55		197	
Cash and cash equivalents	GCFS	21,892		13,371	
Current assets			**56,626**		**48,538**
Short-term borrowing		(1,234)		(705)	
Short-term creditors		(48,940)		(43,334)	
Provisions		(5,719)		(5,812)	
Current liabilities			**(55,893)**		**(49,851)**
Long-term borrowing		(297,107)		(242,985)	
Long-term creditors		(900)		(901)	
Long-term receipts in advance		(48)		(89)	
Net defined benefit pension liability		(14,310)		(30,631)	
Long-term liabilities			**(312,365)**		**(274,606)**
Net assets			**1,099,020**		**1,062,165**
Usable reserves		(108,881)		(116,426)	
Unusable reserves		(990,139)		(945,739)	
Total reserves			**(1,099,020)**		**(1,062,165)**

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.

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.

	2025/26		2024/25	
	£'000	£'000	£'000	£'000
Net surplus on the provision of services	4,112		6,249	
Adjust net surplus on the provision of services for non-cash movements	57,612		39,560	
Adjust for items included in the net surplus on the provision of services that are investing and financing activities	(29,385)		(27,125)	
Net cash flows from operating activities		**32,339**		**18,684**
Investing activities:				
Purchase of property, plant and equipment, investment property and intangible assets	(94,036)		(102,590)	
Purchase of short-term and long-term investments	(48,663)		(72,213)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets	18,899		6,592	
Proceeds from short-term and long-term investments	36,000		97,500	
Capital grants received	10,374		20,156	
Other receipts from investing activities	32		23	
Net cash flows from investing activities		**(77,394)**		**(50,532)**
Financing activities		**53,576**		**22,879**
Net increase / (decrease) in cash and cash equivalents		**8,521**		**(8,969)**
Cash and cash equivalents at the beginning of the year:				
Overnight money market funds	0		15,000	
Bank accounts	13,366		7,334	
Cash held by the Group	5		6	
Total cash and cash equivalents at the beginning of the year		**13,371**		**22,340**
Cash and cash equivalents at the end of the year:				
Overnight money market funds	15,000		0	
Bank accounts	6,888		13,366	
Cash held by the Group	4		5	
Total cash and cash equivalents at the end of the year		**21,892**		**13,371**

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 11). 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	
	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000	2025/26 £'000	2024/25 £'000
Income	(17,475)	(7,061)	0	(433)	(45)	(30)	0	(312)	(30,931)	(7,836)
Expenditure	17,467	6,905	3	6	48	36	3	115	30,933	7,062
(Profit) / loss from continuing operations and total comprehensive income	**8**	**(156)**	**3**	**(427)**	**3**	**6**	**3**	**(197)**	**2**	**(774)**
Council share (50%)	4	(78)	2	(214)	1	3	2	(98)	1	(387)
Share of the (surplus) / deficit on the provision of services by joint ventures recognised in the Group Comprehensive Income and Expenditure Statement	**4**	**(78)**	**2**	**(214)**	**1**	**3**	**2**	**(98)**	**1**	**(387)**

	Cambridge Investment Partnership LLP		CIP (Mill Road Development) LLP		CIP (Cromwell Road) LLP		CIP Orchard Park L2 LLP		Total	
	31 March 2026 £'000	31 March 2025 Restated £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 £'000	31 March 2026 £'000	31 March 2025 Restated £'000
Current assets	66,057	55,427	232	274	366	811	102	114	66,757	56,626
Current liabilities (including members' loans)	(65,597)	(48,225)	(41)	(80)	(319)	(761)	(50)	(59)	(66,007)	(49,125)
Long-term liabilities	0	(6,750)	0	0	0	0	0	0	0	(6,750)
Members' capital (classified as a liability)	**460**	**452**	**191**	**194**	**47**	**50**	**52**	**55**	**750**	**751**
Council share (50%)	230	226	95	97	24	25	26	28	375	376
Investments in joint ventures recognised in the Group Balance Sheet	**230**	**226**	**95**	**97**	**24**	**25**	**26**	**28**	**375**	**376**
Included in current assets and liabilities above:										
Cash and cash equivalents	592	90	65	107	16	311	102	114	775	622
Current financial liabilities (excluding trade and other payables)	(49,924)	(38,464)	0	0	0	0	0	0	(49,924)	(38,464)
Long-term financial liabilities (excluding trade and other payables)	0	(6,750)	0	0	0	0	0	0	0	(6,750)

The prior year figures for Cambridge Investment Partnership LLP have been restated to correct a misclassification between current and long-term liabilities, and to disclose £13.5 million of loan balances which were incorrectly excluded from the financial liability disclosures (but correctly included in liabilities above).

Note 4 – Property, Plant and Equipment

Movements on Balances

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Balance at 1 April 2024:								
Gross carrying amount	819,941	163,996	22,152	9,104	1,346	50	72,342	1,088,931
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**	**72,342**	**1,069,473**
Restatement of opening balances on transition to IFRS 16 Leases:								
Reclassification of assets as right-of-use assets:	0	(40,975)	0	0	0	0	0	(40,975)
Adjusted net book value as at 1 April 2024	**819,941**	**121,290**	**6,154**	**7,375**	**1,346**	**50**	**72,342**	**1,028,498**
Additions	38,949	322	2,452	772	0	0	58,259	100,754
Disposals	(4,935)	0	0	0	0	0	0	(4,935)
Revaluation increases / (decreases) recognised in the revaluation reserve	219	(1,367)	0	0	0	0	0	(1,148)
Revaluation decreases recognised in the surplus / deficit on the provision of services	(22,165)	686	0	0	0	0	0	(21,479)
Assets reclassified (to) investment properties / intangible assets	0	0	0	0	0	0	(566)	(566)
Assets reclassified (to) / from other categories of property, plant and equipment	10,977	6,906	261	0	0	48	(18,192)	0
Other movement	0	0	(59)	0	0	0	(17)	(76)
Depreciation charge	(11,655)	(3,202)	(1,708)	(211)	0	0	0	(16,776)
Balance at 31 March 2025:								
Gross carrying amount	831,331	125,732	24,422	9,871	1,346	98	111,826	1,104,626
Accumulated depreciation and impairment	0	(1,097)	(17,322)	(1,935)	0	0	0	(20,354)
Net book value	**831,331**	**124,635**	**7,100**	**7,936**	**1,346**	**98**	**111,826**	**1,084,272**

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
Balance at 1 April 2025:								
Gross carrying amount	831,331	125,732	24,422	9,871	1,346	98	111,826	1,104,626
Accumulated depreciation and impairment	0	(1,097)	(17,322)	(1,935)	0	0	0	(20,354)
Net book value	**831,331**	**124,635**	**7,100**	**7,936**	**1,346**	**98**	**111,826**	**1,084,272**
Additions	24,180	1,818	1,159	475	0	0	67,888	95,520
Disposals	(6,623)	(55)	(228)	0	0	0	0	(6,906)
Revaluation increases / (decreases) recognised in the revaluation reserve	2,350	7,360	0	0	0	0	0	9,710
Revaluation decreases recognised in the surplus / deficit on the provision of services	(34,330)	(6,951)	0	0	0	0	0	(41,281)
Assets reclassified (to) investment properties / intangible assets	0	(620)	0	0	0	0	0	(620)
Assets reclassified (to) / from other categories of property, plant and equipment	32,349	85,222	305	498	282	(2)	(118,654)	0
Depreciation charge	(12,240)	(2,227)	(1,547)	(279)	0	0	0	(16,293)
Balance at 31 March 2026:								
Gross carrying amount	837,017	210,788	25,121	12,037	1,628	96	61,060	1,147,747
Accumulated depreciation and impairment	0	(1,606)	(18,332)	(3,407)	0	0	0	(23,345)
Net book value	**837,017**	**209,182**	**6,789**	**8,630**	**1,628**	**96**	**61,060**	**1,124,402**

Valuation

Details of the valuation approach adopted for the council's property, plant and equipment are set out at note 15 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 £'000	Other land and buildings £'000	Surplus assets £'000	Total £'000
Valued at current value as at:				
31 March 2026	837,017	194,529	6	1,031,552
31 March 2025	0	12,473	90	12,563
31 March 2024	0	292	0	292
31 March 2023	0	82	0	82
31 March 2022	0	387	0	387
Prior to 2022	0	1,419	0	1,419
Total	**837,017**	**209,182**	**96**	**1,046,295**

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 2026 £'000	31 March 2025 £'000
Cambridge Investment Partnership LLP	20,093	12,872
CIP (Mill Road Development) LLP	0	235
CIP Orchard Park L2 LLP	0	42
Total	**20,093**	**13,149**

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 2026			31 March 2025 Restated		
	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000
Cambridge Investment Partnership LLP	61,458	(40,407)	21,051	39,245	(25,744)	13,501
CIP Orchard Park L2 LLP	0	0	0	8,000	0	8,000
Total	**61,458**	**(40,407)**	**21,051**	**47,245**	**(25,744)**	**21,501**

Prior year figures have been restated to include one loan which was omitted in error.

Note 6 – External Audit Costs

Entity	Service	2025/26 £'000	2024/25 £'000
Council	External audit	194	282
Cambridge City Housing Company	External audit	6	6
	Taxation compliance and other non-audit services	3	3
Total		**203**	**291**

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 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 relating to 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
MHCLG	Ministry of Housing, Communities and Local Government
MIRS	Movement in Reserves Statement
RICS	Royal Institution of Chartered Surveyors