

# Draft Statement of Accounts

**Maldon District Council**  
**2024/25**



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# MALDON DISTRICT COUNCIL

## DRAFT STATEMENT OF ACCOUNTS 2024-25

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**SECTION – 1**  
**NARRATIVE STATEMENT**

## NARRATIVE STATEMENT

### Introduction

I am pleased to present the Statement of Accounts for Maldon District Council for 2024/25.

### Our Purpose and Role

As a District Council we exist to:

- ensure the provision of good quality and improving local services accessible to all those who need them;
- promote improvement in the quality of life for all our residents;
- use our devolved powers of regulation for the wider good; and
- champion the needs of the District at local, regional and national levels.

We play a number of roles that affect how directly we will control or influence meeting the goals for the District. In summary these roles are:

As **Regulator** – We hold various regulatory powers such as planning, licensing, and environmental health. Through these we can have both direct control and indirect influence over other organisations and their actions.

As **Service Provider** – In addition to our regulatory service provision, we also have a statutory duty to provide a number of other services that are vital to the local community including refuse and recycling collection, housing benefit provision, council tax collection, and assisting the homeless. Councils also have a role in advancing the health, economic, cultural and leisure agendas.

As **Community Leader** – As the democratically elected body for the District, we have a role in leading on issues important to our local communities, working with them to help shape their aspirations and explore ways in which they can be delivered; advocating on behalf of them at national, regional and county levels, and planning and safeguarding for the future of our District and its communities.

As **Partner** – We have a good track record of working in partnership with various organisations to deliver services and secure improvements for our local communities. Difficult financial times reinforce the need to review how we, and others, support and facilitate partnership working in the District in the future. Effective partnership working can be key to addressing some of the wider ranging issues and we will continue to work with partners to help deliver shared ambitions where appropriate.

Maldon is a rural District in the heart of Essex. The population is ageing, but also growing as there are a number of large housing developments in the area. These form key triggers for the Council's objectives around supporting the demographic and ensuring that there is the relevant infrastructure for the growing demand.

The purpose of the Statement of Accounts is to provide clear information to readers on how Maldon District Council has utilised available financial resources using CIPFA's code on Local Council Accounting, based on International Financial Reporting Standards (IFRS). This document provides details of the Comprehensive Income and Expenditure for the financial year 2024/2025. The report provides the accounting for the General Fund and Collection Fund and all other accounts for which the Council is responsible. The Council's Balance Sheet provides details of its assets and liabilities as at 31 March 2025. Other supporting statements and notes are provided to help to explain the figures in the accounts. In addition, a glossary can be found at the back of this publication to help explain some of the technical terms.

The accounts and other relevant information, such as the annual governance statement and value for money, are subject to audit by KPMG LLP who provide their opinion on the Council's statement of accounts.



**NARRATIVE STATEMENT (continued)****The Statement of Accounts**

The Statement of accounts for the year ended 31 March 2025 consist of the following statements:

**Statement of Responsibilities**

The statement sets out the respective responsibilities of Maldon District Council (the Council) and the Section 151 Officer, who is responsible for Finance.

**Independent Auditor's Report**

The Independent Auditor is required to publish an opinion on whether the financial statements give a true and fair view of the financial position and the expenditure and income of the Council for the year in question. The auditor also has a responsibility to satisfy themselves that the Council has put in place proper arrangements to secure economy, efficiency and effectiveness (value for money) in its use of resources by review and examination of the Council's corporate performance management and financial management arrangements. The Comptroller & Auditor General (National Audit Office) prepares the code of audit practice which external auditors follow when carrying out their duties.

**NARRATIVE STATEMENT (continued)****The Financial Statements:****PRIMARY STATEMENTS****Comprehensive Income and Expenditure Statement**

The comprehensive income and expenditure statement shows the accounting cost during the financial year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the movement in reserves statement.

**Movement in Reserves Statement**

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

**Balance Sheet**

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

**Cash flow statement**

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

**Accounting Policies**

Accounting policies are the specific principles, bases, conventions, rules and practices applied by the Council in preparing and presenting its financial statements.

**Notes to the Accounts**

The Notes provide further breakdown and explanation of amounts included in the above financial statements. Further supplementary financial statements and other additional information are provided, comprising:

**Collection Fund**

The Collection Fund statement reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.



## NARRATIVE STATEMENT (continued)

## Summary of the Financial Outturn for the Year

The overall CIES shows a surplus of £2.9m (£9.9m deficit in 2023/24) comprising of the following:

2023/24		2024/25
£'000		£'000
(480)	(Surplus)/Deficit on Provision of Services	(1,597)
10,420	Other Comprehensive Income and Expenditure (Surplus)/Deficit	(1,321)
<b>9,940</b>	<b>Total Comprehensive Income (Surplus)/Deficit</b>	<b>(2,918)</b>

The Council is required to determine its revenue (including amounts from Council Taxpayers) and capital resources according to statutory regulations rather than IFRS. Adjustments must therefore be made to the Surplus or Deficit on Provision of Services to reconcile the IFRS accounts to the actual change in the Council's resources available as reflected in the Usable Reserves.

2023/24		2024/25
£'000		£'000
1,276	(Surplus)/Deficit on Provision of Services	(1,597)
(400)	Adjustments between accounting basis and funding basis under regulations	(854)
<b>876</b>	<b>(Increase)/Reduction in Usable Reserves of the Council</b>	<b>(2,451)</b>
	<i>Comprising:</i>	
499	(Increase)/Reduction in Revenue Balances and Reserves	(16)
377	(Increase)/Reduction in Capital Balances and Reserves	(2,435)

## Revenue Expenditure and Sources of Finance

Revenue expenditure reflects the cost (on an IFRS basis) to the Council of providing services to the community. Revenue expenditure totalled £31.7m (£32.5m for 2023/24).

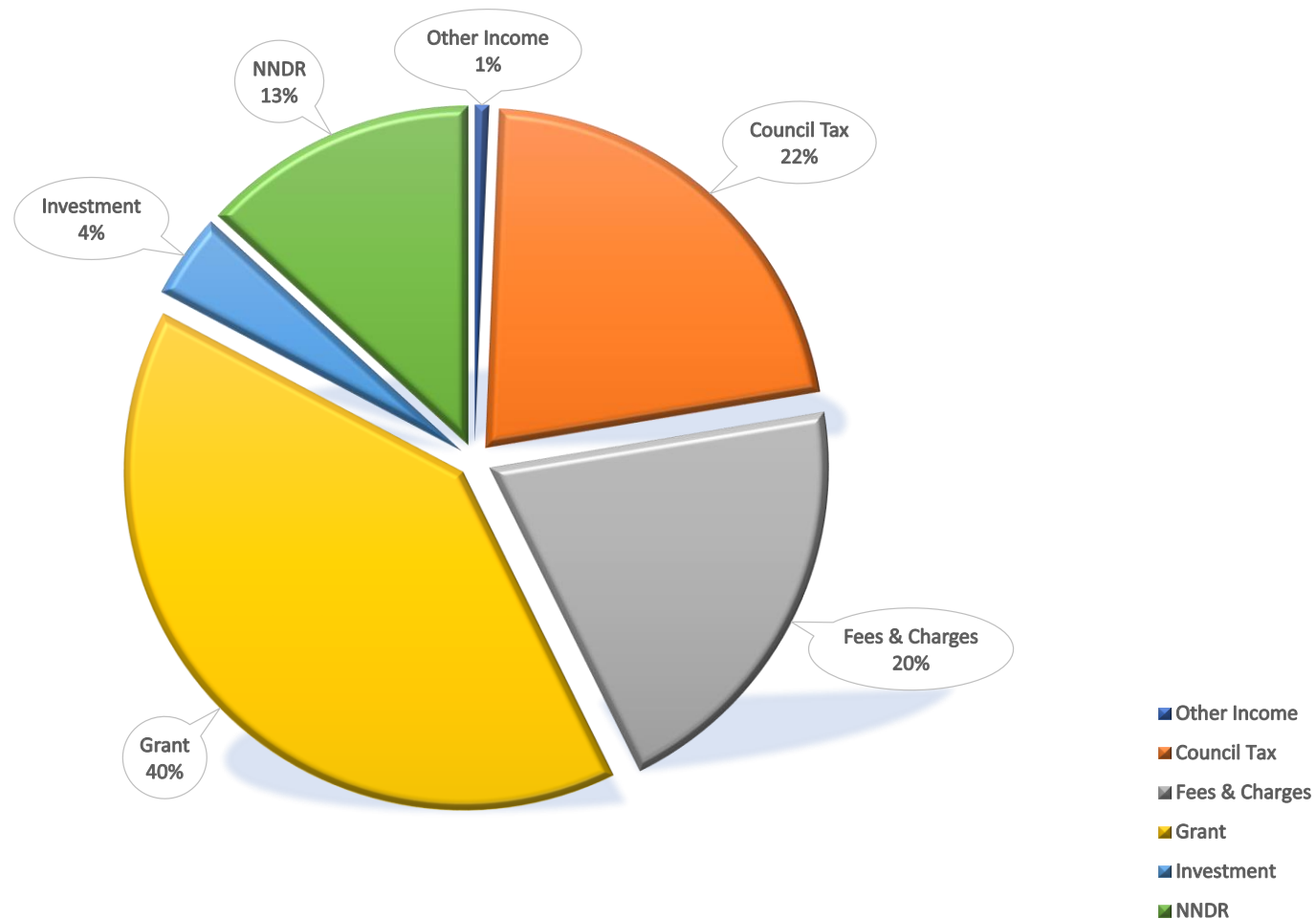
2023/24		Service	2024/25	
Gross Expenditure			Gross Expenditure	
£'000	%		£'000	%
6,079	19	Strategy & Resources Directorate	6,885	21
25,571	81	Service Delivery Directorate	26,330	79
<b>31,650</b>	<b>100</b>	<b>Cost of Services</b>	<b>33,215</b>	<b>100</b>

## NARRATIVE STATEMENT (continued)

## Revenue Expenditure and Sources of Finance (Cont.)

Funding for the revenue expenditure comes from a variety of sources :

Where funding for the council services comes from (actuals)





## NARRATIVE STATEMENT (continued)

## Performance Against Net Revenue Budget

The budgeted net revenue expenditure for the Council for 2024/25 was £12.900m. Actual net expenditure for the year was £12.680m resulting in a £220k underspend, a summary of which is shown in the table below. This is shown without the capital charges.

	2024/25	2024/25	2024/25
	Approved Budget	Actuals Expenditure	Variance
	£'000	£'000	£'000
Strategy & Resources Directorate	5,180	5,582	402
Service Delivery Directorate	7,720	7,098	(622)
<b>Net Cost of Services</b>	<b>12,900</b>	<b>12,680</b>	<b>(220)</b>
Investment & Rental Income	(1,000)	(1,485)	(485)
General Grants & Other Income	(1,322)	(1,321)	1
Council Tax Receipts	(6,222)	(6,221)	1
Business Rate Income	(6,712)	(6,909)	(197)
MRP Charge	-	14	14
Budgeted transfer to Earmarked Reserves (excludes Agreed drawdowns & Service C/Fwds)	1,853	1,886	33
<b>Budgeted transfer to General Fund</b>	<b>503</b>	<b>503</b>	<b>(853)</b>
<b>Net transfer (to) / from Earmarked Reserve</b>	<b>-</b>	<b>(853)</b>	<b>(853)</b>

A reconciliation of the outturn position (reported above) to the Comprehensive Income and Expenditure Statement is shown in Note 7 - the Expenditure and Funding Analysis.

## NARRATIVE STATEMENT (continued)

## Capital Expenditure

Capital Expenditure for 2024/25 was £6,913k (928k in 2023/24)

A summary of the key capital schemes for 2024/25 is shown below:

Scheme	Budget	Actual spend to	Variance
	2024/25	31-March-2025	31-March-2025
	£'000	£'000	£'000
Waste Vehicles	3,969	3,941	(28)
Trimas Pegasus - Grass cutting machine	35	31	(4)
John Deere Gator Vehicle replacement	30	30	-
PC and Printer Replacement Programme	47	41	(6)
White Horse Lane resurfacing	77	-	(77)
Butt Lane subsidence repairs	60	-	(60)
Promenade Park Amphitheatre Strengthening	113	95	(18)
Goldhanger – Decommission garages	17	-	(17)
Seawall and Coach Park toilets – replacement lighting	12	-	(12)
Matting Play surfacing for 4 sites	75	75	-
Longfields pathways tarmacing	45	-	(45)
Remembrance Avenue – Road resurface.	32	25	(7)
New Accessible Playsite	93	-	(93)
Splashpark Element (Year 3)	30	20	(10)
Scout Hut – New flooring	26	-	(26)
St Georges Play Site – Equipment renewal relocation and installation	17	-	(17)
Blackwater Air Handling unit	47	-	(47)
Changing places - Blackwater leisure centre	-	73	73
New Leisure Centre Facilities	-	-	-
New Navigation buoys	14	14	-
Burnham on crouch Houseboats berth	102	-	(102)
Burnham On Crouch Pontoon	130	106	(24)
Renovation of garden of remembrance	10	-	(10)
Prom Park - The Valley - Play Galleon	226	226	-
District accessibility - BOC Accessible Play	120	120	-
Play Equipment Prom Park Sensory	110	111	1
Riverside Park - Skate Park Equipment and Surface	140	-	(140)
Maldon Skate Park/BMX Track refurbishment Resurfacing	617	-	(617)
Riverside Skate Park Equipment and Surface	186	-	(186)
West Maldon skate park / BMX track	50	50	-
Community Supermarket NRS	-	9	9
Cost of living – Mobile Community Supermarket CAP	5	5	-

ukspf Seating for open spaces	-	34	<b>APPENDIX 134</b>
Lower High Street Improvements CAP	60	58	(2)
Men's Shed Relocation	145	155	10
REPF Funded Projects	409	409	-
Lighting for youth facilities	30	-	(30)
Food Waste Bins	-	4	4
Mandatory Disabled Facilities Grants	539	665	126
Stephens House	539	540	1
Stephens House refurbishment	-	76	76
<b>Total Funding</b>	<b>8,157</b>	<b>6,913</b>	<b>(1,244)</b>

The key variances include Malddon skate park, Riverside park skatepark, New Accessible play site, Scout hut, Butt lane and White horse lane car park resurfacing all of these have been requested to carry forward into 25/26. The housing disabled facilities overspent but prior years grants covered this. The burnham on crouch houseberths and riverside park skatepark project were not continued. The men's shed project and Stephens house refurbishment were overspent but were within the overall capital budget. The underspends for Goldhanger garages, garden of remembrance and prom park seawall lighting was due to the expenditure being treated as revenue expenditure.

## NARRATIVE STATEMENT (continued)

### Pension Fund

The Council's share of the assets and liabilities of the Pension Fund have moved from a net liability of £1.581m to net liability of £0.770m. An asset ceiling adjustment then resulted in a pension liability of £0.770m recognised in the Statement of Financial Position as of 31st March 2025. A further explanation can be found in note 36 to the Core Financial Statements. It is important to understand that the net pension liability is a position taken at just one point in time. Market prices can move up as well as down in the short term and it is therefore not possible to quantify what long term effect the movement in market prices will have on the Pension Fund.

### Provisions/Contingencies

The Council makes provisions for Bad Debts and for Business Rate Appeals that have been assessed as having a "probable" success rate. 2023/24 was the first year for 2023 Appeals to take place, so the probable success rate of appeals has increased substantially and is reflected in an increased provision.

The Council did not make any provision for contingent liabilities i.e. "possible" obligations in 2024/25.

### Future Outlook Revenue

The Council has set a balanced budget for 2025/26 but there remains a revenue budget gap over the Council's Medium-Term Financial Strategy for 2026/27 financial year and beyond. In response to this, the Council is identifying measures to ensure its future sustainability. It continues to hold robust levels of reserves.

As at 31 March 2025 the Council's provisional general fund balance stood at £8,636k. This balance is a general reserve and is not earmarked for any specific expenditure.

The Council's policy is to set the minimum level of General Balances at £2.6m.

Based on current estimates the general fund balance is not forecast to drop below £2.6m in the medium term, however, there remains risk about the overall economic outlook and any possible impact on council tax and business rates collection.



## NARRATIVE STATEMENT (continued)

## Capital

Estimated Future Capital Spending	2025/26	2026/27	2027/28
	£'000	£'000	£'000
<b>Project Title</b>			
Community Engagement Team Vehicle	18	-	-
Maintenance Team Vehicle	35	-	-
Tractor Side-Arm Flail	40	-	-
Ride on Mower	35	-	-
Parks Vehicle Transit	35	-	-
PC and Printer Replacement Programme	47	47	47
Fencing and Bollards - Parks	20	-	-
MDC Roads Resurfacing	98	-	-
Plume school - Replacement Carpet Astro pitch	-	-	-
New Leisure Centre Facilities	4,000	-	-
New Playsite Equipment	125	125	-
Playsite Surfacing - Oaktree Meadow	60	1,000	-
Play Site Fencing	60	125	-
New accessible play site (Sensory)	100	-	-
Mandatory Disabled Facilities Grants	539	539	539
<b>Total Capital Programme</b>	<b>5,212</b>	<b>1,836</b>	<b>586</b>
<b>Financed by:</b>			
Capital Receipts Applied	573	297	47
S.106 Contributions	100	-	-
Internal Borrowing	4,000	1,000	-
Government Grants	539	539	539
<b>Total Funding</b>	<b>5,212</b>	<b>1,836</b>	<b>586</b>

The above table shows the capital spending plans of the Council in line with the medium term financial strategy approved on 13th February 2025

**NARRATIVE STATEMENT (continued)****Risks**

The General Election in July 2024 led to a change in national government. The new government has set out a range of policy measures it plans to implement during the life of the new parliament, many of which will have an impact on the work of councils throughout the country. These policy changes will present both risks and opportunities, which are held under review by Officers and Members of the Council.

The most significant changes are set out in the December 2024 Devolution White Paper (English Devolution White Paper - GOV.UK). This provides for redistribution of current responsibilities in a number of key areas, away from the current role played by councils towards a larger role being played by Combined Authorities, particularly Mayoral Combined Authorities (examples of these new operating models can already be seen in, for example, the responsibilities of the Mayor of London and the Greater Manchester Combined Authority). The white paper also provides for reorganisation of areas currently managed by a combination of 'upper tier' (county) councils and 'lower tier' (district) councils, replacing them with a number of 'unitary' (single tier) councils. Areas affected include Derbyshire, Hertfordshire, and Essex. Reorganisation of councils across the

Key risks arising from devolution and reorganisation include increases in costs, and or decreases in service quality. Key opportunities include scope to rationalise overall costs at the same time as improving overall service quality. However, it is not yet clear if any cost savings can be achieved without detriment to the services provided to local people. The estimated costs and benefits of reorganisation will be part of this process, but are not yet known. No costs were incurred by the Council during FY 2024/25, and so no financial impact has arisen in these accounts. These questions, and others like them, will be worked through by Officers and Members in the coming months.

Other areas of national policy changes which will impact on this council include:

- Transport policy including public transport management
- Planning policy changes
- Housing policy changes
- Changes to the collection of domestic waste, in particular food waste

While this work continues, it will remain a priority for all affected councils to continue to deliver their responsibilities to local people. Locally, these priorities are set out for Maldon Council in our Corporate Plan, which will continue to guide our operational and financial priorities. However, a key risk is that reorganisation creates a distraction for staff and or councillors, to the detriment of local services, while a key opportunity is that the preparation for reorganisation brings to light service delivery benefits which can be adopted before reorganisation takes place.

All these areas of risk and opportunity will be regularly reviewed by Officers and Councillors through the coming year.

MDC is reviewing its current and future Reserves, and Revenue and Capital Budgets in order to address the remaining funding gap and steer the Council back towards sustainability.

The new government has not pre-announced any future financial settlement for 2025/26 and beyond, although they have indicated there may be a longer term settlement announcement. The Council remains in a good position to address this uncertainty in the short term via its sound financial management and planning, which has recently restructured its Corporate Leadership Team and appointed a Chief Executive to drive the Council towards the future, including signing a new 20 year leisure contract. The Council also has prudent levels of reserves needed for these times of uncertainty. However, the medium term remains challenging, so the Council will continue to closely monitor all new policy and funding announcements and building these into its future MTFS projections as appropriate.

**Cost of Living Impact**

The recent cost of living crisis caused by oil and gas and supply chain shortages created by world events has been followed by high inflation, although now past its peak, and high interest rates in a bid by the Bank of England to bring inflation under control. This put pressure on Council service budgets and also on business and household budgets across the district.

<b>Local Taxation</b>	<b>Budgeted Collection Rate 2024/25</b>	<b>Actual Collection 2024/25</b>	<b>Actual Collection 2023/24</b>
<b>Council Tax</b>	98.0%	97.9%	98.0%
<b>NNDR</b>	99.0%	98.3%	98.0%

Council Tax and Business Rates collection rates both exceeded their budgets. Collection rates were similar during the past couple of years, although the cumulative cost of living on business and household budgets may only hit crisis in the next financial year after various reliefs come to an end.

## NARRATIVE STATEMENT (continued)

### Financial

The General Fund balances at 31 March 2025 was reported as £8,636k. General Balances are not earmarked for any future expenditure. Therefore, this balance is available to cover any additional unexpected expenditure or losses in income that occur, although the minimum level for this reserve is set at £2.6m. The reserve is not forecast to drop below £2.6m in the short term.

However, there remains uncertainty around the ongoing cost of living and declining living standards. Reductions in Council Tax, Business Rates income and debt collection could occur in future years and put future pressure on the general fund balance. Although inflation rates have fallen to near-target rates, interest rates remain relatively high so still a challenge for residents and businesses and could further hamper income collection rates.

The Council managed its cashflows through prudent investments during the times of high inflation with the Bank of England Base Rate peaking at 5.25%. The Council retains the option to use the government's Debt Management Office should the risk associated with placing money with counterparties become too high. As a result of high interest rates, investment income has greatly exceeded its 2024/25 budget of £1,000k, achieving £1,338k (£1,642k in 2023/24). Interest rates continued to remain high throughout 2024/25 and beyond.

### Opportunities

The Council is always looking at opportunities for joint working with other bodies, such as joint procurement of services or joint provision of a service.

Maldon District Council has started to explore commercial opportunities, with due regard to the relevant statutory guidance, in order to assist in meeting the budget gap in future years.

### Performance Information

A new Corporate Plan covering the period 2025/2027 was updated and adopted by the Council in February 2025. The Plan sets the vision and corporate goals and provides strategic direction for the planning and delivery of the Council's work. For each priority, the Plan details the objectives the Council is striving to achieve.

Each year the Corporate Leadership Team (CLT), together with managers, identifies the key corporate activities through their Service Plans that will be taken forward to contribute to the achievement of the priorities and objectives. Targets for a number of key performance indicators are monitored corporately to manage performance and track the impact of the actions/provide evidence of achievements. Quarterly performance reports are submitted to the Performance, Governance and Audit Committee who monitor performance and progress.

The key corporate activities are detailed in the Service Plans for each Directorate. This plan is the cornerstone of the performance planning process and contains the aims and priorities for each Directorate. These are not submitted to Committee but facilitate effective performance and risk management within the Directorates, including the setting of individual objectives and completion of performance reviews, updates on the key corporate activities and the performance indicators are recorded by the responsible officers. These updates form the basis of the quarterly performance reports to CLT and the Performance, Governance and Audit Committee. Individual staff objectives flow from the key corporate and service activities and the performance reports submitted to the Committees are accessible via the website.



## NARRATIVE STATEMENT (continued)

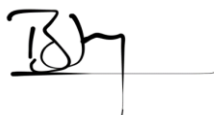
Key Performance Indicator	2023/24		2024/25		2025/26
	Target	Actual	Target	Actual	Target
Percentage of Council Tax collected	97.30%	98.00%	98.01%	97.91%	97.91%
Percentage of Non-domestic Rates collected	95.50%	99.00%	99.03%	98.28%	98.28%
Time taken to process Housing Benefit/Council Tax Support - new claims (days)	16.5 Days	16.0 Days	16.0 Days	14.5 Days	16 Days
Time taken to process Housing Benefit/Council Tax Support – change of circumstances (days)	8.5 Days	4 Days	8.5 Days	3 Days	8.5 Days
Percentage of major planning applications processed within 13 weeks	80.00%	94.00%	60.00%		
Percentage of minor planning applications processed within 8 weeks	75.00%	80.00%	70.00%		
Percentage of other planning applications processed within 8 weeks	85.00%	91.00%	70.00%		
Total Kilogrammes of household waste arising per household (annual)	900kgs	836kgs	850kgs	830kgs	
Percentage of household waste sent for reuse, recycling and composting	58.00%	56.40%	58%	57.83%	
Total Kilogrammes of residual household waste per household	350kgs	364kgs	350kgs	350kgs	
Average number of working days lost due to sickness per FTE	8.0 Days	7.47 Days	8.0 Days	8.4 Days	8.0 Days

Other measures that are not wholly within the Council's control are also "tracked" during the year.

These are linked to the corporate goals and objectives. Monitoring the performance of these provides evidence of progress towards achieving our goals and outcomes.

## Further Information

Further information about the audited accounts is available from the Section 151 Officer, Maldon District Council, Princes Road, Maldon, Essex. CM9 5DL  
Transparency information concerning the Council's spend with suppliers is detailed on the website ([www.maldon.gov.uk](http://www.maldon.gov.uk)).



**Ben Jay**

Chief Finance Officer and Section 151 Officer  
Maldon District Council

30th May 2025

Date



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SECTION – 2

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS



## STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

### The Council's Responsibilities

The Council is required to:

- (i) 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 Section 151 Officer;
- (ii) manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- (iii) approve the Statement of Accounts.

### The Section 151 Officer's Responsibilities

The Section 151 Officer is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy's (CIPFA) / LASAAC Code of Practice on Local Council Accounting in the United Kingdom (the Code). In preparing this Statement of Accounts the Section 151 Officer has:

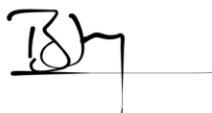
- (i) selected suitable accounting policies and then applied them consistently;
- (ii) made judgements and estimates that were reasonable and prudent;
- (iii) complied with the local Council Code.

### Certification of the Chief Financial Officer

The Section 151 Officer has also:

- (i) kept proper accounting records which were up to date;
- (ii) taken reasonable steps for the prevention and detection of fraud and other irregularities.

I certify that this audited Statement of Accounts presents a true and fair view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year then ended.



**Ben Jay**

Chief Finance Officer and Section 151 Officer

Maldon District Council

30th May 2025

Date



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## SECTION – 3

## PRIMARY STATEMENTS

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• <i>Notes To The Core Accounting Statements</i>	27

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

2023/24				2024/25			Note
Gross Expenditure	Gross Income	Net Expenditure		Gross Expenditure	Gross Income	Net Expenditure	
£'000	£'000	£'000		£'000	£'000	£'000	
6,079	(652)	5,427	Strategy & Resources	6,885	(547)	6,338	
25,571	(17,781)	7,790	Service Delivery	26,330	(17,875)	8,455	
<b>31,650</b>	<b>(18,433)</b>	<b>13,217</b>	<b>Cost of Services</b>	<b>33,215</b>	<b>(18,422)</b>	<b>14,793</b>	
1,673	(119)	1,554	Other Operating Expenditure	1,794	(48)	1,746	7e
240	(2,079)	(1,839)	Financing and Investment Income and Expenditure	-	(1,684)	(1,684)	7f
-	(13,412)	(13,412)	Taxation and Non-Specific Grant Income	-	(16,452)	(16,452)	7g
<b>33,563</b>	<b>(34,043)</b>	<b>(480)</b>	<b>(Surplus)/deficit on provision of services</b>	<b>35,009</b>	<b>(36,606)</b>	<b>(1,597)</b>	
		(397)	(Surplus) or deficit on revaluation of Property, Plant and Equipment assets			(1,000)	16
		10,817	Re-measurement of net defined liability for the pension fund			(321)	30
		<b>10,420</b>	<b>Other Comprehensive income and expenditure</b>			<b>(1,321)</b>	
		<b>9,940</b>	<b>Total Comprehensive income and expenditure</b>			<b>(2,918)</b>	

## MOVEMENT IN RESERVES STATEMENT

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
Balance at 31-March-2024	(7,260)	(4,932)	(1,445)	(763)	(14,400)	(36,399)	(50,799)	
Movement in reserves during 2024/25							-	
Surplus or deficit on the provision of services	(1,597)				(1,597)		(1,597)	
Other Comprehensive Income / Expenditure						(1,321)	(1,321)	
Total Comprehensive Income and Expenditure	(1,597)	-	-	-	(1,597)	(1,321)	(2,918)	
Adjustments between accounting basis and funding basis under regulations	(1,417)	-	453	110	(854)	854	-	8
Net Increase or Decrease before Transfers to Earmarked Reserves	(3,014)	-	453	110	(2,451)	(467)	(2,918)	
Transfers to / from Earmarked Reserves	1,637	(1,637)	-	-	-	-	-	
Increase or Decrease in 2024/25	(1,377)	(1,637)	453	110	(2,451)	(467)	(2,918)	
Balance at 31-March-2025	(8,637)	(6,569)	(992)	(653)	(16,851)	(36,866)	(53,717)	

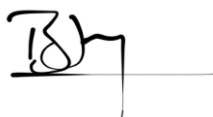
	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	Note
Balance at 31-March-2023	(7,696)	(4,948)	(1,520)	(581)	(14,745)	(45,993)	(60,738)	
Movement in reserves during 2023/24		-	-	-	-	-	-	
Surplus or deficit on the provision of services	(480)	-	-	-	(480)	-	(480)	
Other Comprehensive Income / Expenditure	-	-	-	-	-	10,420	10,420	
Total Comprehensive Income and Expenditure	(480)	-	-	-	(480)	10,420	9,940	
Adjustments between accounting basis and funding basis under regulations	933	-	75	(183)	825	(825)	-	8
Net Increase or Decrease before Transfers to Earmarked Reserves *	453	-	75	(183)	345	9,595	9,940	
Transfers to / from Earmarked Reserves	(16)	16	-	-	-	-	-	
Increase or Decrease in 2023/24	437	16	75	(183)	345	9,595	9,940	
Balance at 31-March-2024	(7,259)	(4,932)	(1,445)	(764)	(14,400)	(36,398)	(50,798)	

## BALANCE SHEET

The **Balance Sheet** shows the value of the assets and liabilities held by the council. The council's net assets (assets less liabilities) are matched by the reserves it holds. These reserves are shown in two categories – usable and unusable. Usable reserves may be used to provide services subject to statutory limitations and the need to maintain prudent levels of reserves for financial stability. Unusable reserves cannot be used to fund council services.

## Certification by the Chief Finance Officer

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



**Ben Jay**

Chief Finance Officer and Section 151 Officer  
30th May 2025

01-April-2024		31-March-2025	Note
£'000		£'000	
28,355	Land & Buildings	29,356	10a
1,172	Vehicles Plant & Equipment**	5,423	10a
2,097	Infrastructure	2,275	10b
624	Community Assets	826	10a
3,819	Investment Property	3,888	11
95	Heritage Assets	95	
127	Intangible Assets	14	
4,430	Long Term Investments	4,513	12
24	Long Term Debtors	24	
<b>40,743</b>	<b>Total Long-term Assets</b>	<b>46,414</b>	
6,000	Short-term Investments	-	32
4	Inventories	2	
4,459	Short Term Debtors	3,138	13
14,742	Cash and Cash Equivalents	14,653	14
<b>25,205</b>	<b>Current Assets</b>	<b>17,793</b>	
(10,585)	Short-Term Creditors	(7,014)	15
(11)	Short Term Leases	(12)	29
(769)	Provisions	(940)	16
<b>(11,365)</b>	<b>Current Liabilities</b>	<b>(7,966)</b>	
(100)	Provisions	(100)	16
(1,581)	Pension Liabilities	(770)	30
(33)	Long Term Creditors	(20)	12
(2,070)	Grants Receipts in Advance - Capital	(1,632)	33
<b>(3,784)</b>	<b>Long-term Liabilities</b>	<b>(2,522)</b>	
<b>50,799</b>	<b>Net Assets</b>	<b>53,719</b>	
(14,400)	Total Usable Reserves	(16,853)	17
(36,399)	Total Unusable Reserves	(36,866)	18
<b>(50,799)</b>	<b>Total Reserves</b>	<b>(53,719)</b>	

\*\* This include Right of Use assets.

## CASH FLOW STATEMENT

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

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

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

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

Financing activities summarises cash flows from where we have offered or received loans or finance leases during the year.

2023/24		2024/25	
£'000		£'000	Note
(480)	<b>Net (surplus) or deficit on the provision of services</b>	(1,597)	
348	Adjust to deficit on the provision of services for non-cash movements	2,477	23
(1,047)	Adjustments for items included in net deficit in the provision of services that are investing & financing activities	(3,478)	
(699)	<b>Total adjustments to operating activities</b>	(1,001)	
(1,179)	<b>Net cash outflow/(inflow) from operating activities</b>	(2,598)	
(978)	Investing Activities	3,806	24
3,010	Financing Activities	(1,119)	25
853	<b>Net (increase) or decrease in cash and cash equivalents</b>	89	
15,595	Cash and cash equivalents at the beginning of the reporting period	14,742	
14,742	<b>Cash and cash equivalents at the end of the reporting period</b>	14,653	



## SECTION – 3

## NOTES TO THE CORE ACCOUNTING STATEMENTS

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## NOTES TO THE CORE ACCOUNTING STATEMENTS

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## Notes to the Core Accounting Statements

### Note 1: Accounting Policies

#### a) General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31st March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices.

These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act.

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

#### Going Concern

The Accounts are prepared on a going concern basis, i.e., on the assumption that the Council will continue to operate for the foreseeable future. Current cash levels and forecasts remain sound, and the Medium-Term Financial Strategy shows Council reserves to be sufficient for the foreseeable future.

#### b) Accruals of Income and Expenditure

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

- Revenue from sale of goods is recognised when the authority transfers the significant risks and rewards of ownership to the purchaser, and it is probable that economic benefits or service potential associated with the transaction will flow to the authority.
- Revenue from the provision of services is recognised when the authority can measure reliably the percentage of completion of the transaction, and it is probable that economic benefits or service potential associated with the transaction will flow to the authority.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- An exception to this policy is housing benefit transactions which are accounted for on a cash basis, that is, when the payment is made.
- Interest receivable on investments is accounted for respectively as income on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- In the case of periodic receipts and payments, where it does not materially affect the accounts and a full year's income and expenditure is recorded, an accrual does not need to be raised.

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****c) Cash and Cash Equivalents**

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

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

**d) Prior Period Adjustments**

Prior period adjustments may arise as a result of a change in accounting policies or the correction of a material error in the accounts.

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 effect of the transactions, or other events and conditions on the council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Changes in accounting policy no longer need to be material to result in a Prior Period Adjustment.

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

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

**Exceptional Items**

When items of income and expense are material, their nature and amount are disclosed separately, either on the face of the Comprehensive Income and Expenditure Statement or in the notes to the accounts, depending on how significant the items are to an understanding of the Council's financial performance.

The Council had no Exceptional Items in 2024/25.

**e) Collection Fund Income and Expenditure Account**

The Council has a statutory requirement to operate a Collection Fund as a separate account to the General Fund. The purpose of the Collection Fund is to isolate the income and expenditure relating to Council Tax and National Non-Domestic Business Rates.

**Council Tax and Non-Domestic Rates**

- Billing authorities act as agents, collecting council tax and non-domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e., the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.
- Collection Fund surpluses/deficits declared by the Billing Authority in relation to Council Tax are apportioned to the relevant precepting bodies in the subsequent financial year. For Maldon District Council, the Council Tax precepting bodies are Essex County Council and Police and Crime Commissioner. For Maldon District Council, the NDR precepting bodies are Central Government (50% share) Maldon District Council (40% share) and Essex County Council (10% share).
- Maldon District Council participates in a Business Rates pool with Essex County Council and West Essex District Council to minimise the levy payment due and thereby maximise the retention of locally generated business rates.



**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****Accounting for Council Tax and NDR**

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

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

**Council Tax Reduction Scheme**

Prior to 2013/14 certain eligible taxpayers had some, or all, of their charge met by Council Tax Benefits. The amount of the benefit was credited to the Collection Fund and appeared as a charge in the billing authority's Central Services to the Public line in the Comprehensive Income and Expenditure Statement. From 2013/14 Council Tax Benefits has been replaced by a Council Tax Reduction Scheme which is applied directly to the Council Tax base.

**f) Employee Benefits**

- Benefits Payable During Employment**

Short-term employee benefits are those due to be settled within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements (or any form of leave e.g., time off in lieu, flex-leave) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the service account, but then reversed out through the Movement in Reserves Statement so that holiday benefits accrual has no impact on Council Tax and holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.

- Termination Benefits**

Termination benefits are amounts payable as a result of a decision by the authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the authority can no longer withdraw the offer of those benefits or when the authority recognises costs for a restructuring. Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund Balance to be charged with the amount payable by the authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

## Notes to the Core Accounting Statements (continued)

## Note 1: Accounting Policies (continued)

- **Post-Employment Benefits**

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

The Local Government scheme is accounted for as a defined benefit scheme.

The pension fund liability or asset is calculated every three years by the funds actuary, with annual updates in the intervening years. Methods and assumptions consistent with IAS19 are used in the calculations. Assumptions underpinning the valuations are agreed with the actuary and are summarised in Note 37. The estimate of the asset or liability is therefore subject to significant variances based on changes to the assumptions used. When the balance is an asset it becomes subject to an asset ceiling. IAS 19 allows for an asset ceiling which is the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. It is considered unlikely that the Council will be in a position to reach the asset ceiling; where this does happen, direct reference would need to be made to IAS 19. The Council's Pension Fund balance has historically mainly been a liability but moved from liability to asset during 2024/25.

The liabilities of the Essex County Council pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of projected earnings of current employees.

Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on a high-quality corporate bond. The discount rates are based on the annualised yield on the iBoxx over 15-year AA rated corporate bond index.

The assets of the Essex County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value and include quoted securities at current bid price and property at market value.

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

Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
- Past service cost – the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non- Distributed Costs.
- Net interest on the net defined benefit liability (asset) i.e., net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement. This is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Actuarial gains and losses – changes in the net pension's liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- Contributions paid to the Essex pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)**

- **Discretionary Benefits**

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

**g) Events after the Reporting Period**

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:

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

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

**h) Financial Instruments**

Financial liabilities are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

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

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

- **Financial Assets**

Financial assets are classified into two types:

- loans and receivables – assets that have fixed or determinable payments but are not quoted in an active market; and
- available-for-sale assets – assets that have a quoted market price and/or do not have fixed or determinable payments.

The Council has financial assets comprising of long-term and short-term investments, long-term debtors, short-term debtors (excluding statutory debts such as Council Tax, Non-Domestic Rates, precepts, etc.) and cash & cash equivalents. These are assets that have fixed or determinable payments but are not quoted in an active market. They are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the Comprehensive Income and Expenditure Statement is the amount receivable for the year in the loan agreement.

## Notes to the Core Accounting Statements (continued)

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

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made, the asset is written down and a charge made to the relevant service (for receivables specific to that service) or the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement.

- **Available-for-Sale Assets**

The Council has available for sale financial assets in the form of a UK Gilt and short-term Certificates of Deposit. Available-for-sale assets are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Where the asset has fixed or determinable payments, annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement for interest receivable are based on the amortised cost of the asset multiplied by the effective rate of interest for the instrument. Where there are no fixed or determinable payments, income (e.g., dividends) is credited to the Comprehensive Income and Expenditure Statement when it becomes receivable by the Authority.

Assets are maintained in the Balance Sheet at fair value. Values are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis
- equity shares with no quoted market prices – independent appraisal of company valuations
- The inputs to the measurement techniques are categorised in accordance with the following three levels:
  - Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the authority can access at the measurement date
  - Level 2 inputs – inputs other than quoted prices included within Level 1 that are observable for the asset, either directly or indirectly
  - Level 3 inputs – unobservable inputs for the asset

Changes in fair value are balanced by an entry in the Available-for-Sale Reserve and the gain/loss is recognised in the Surplus or Deficit on Revaluation of Available-for-Sale Financial Assets. The exception is where impairment losses have been incurred – these are debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any net gain or loss for the asset accumulated in the Available-for-Sale Reserve.

Where assets are identified as impaired because of a likelihood arising from a past event that payments due under the contract will not be made (fixed or determinable payments) or fair value falls below cost, the asset is written down and a charge made to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. If the asset has fixed or determinable payments, the impairment loss is measured as the difference between the carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. Otherwise, the impairment loss is measured as any shortfall of fair value against the acquisition cost of the instrument (net of any principal repayment and amortisation).

Any gains and losses that arise on the derecognition of the asset are credited or debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, along with any accumulated gains or losses previously recognised in the Available-for-Sale Reserve.

Where fair value cannot be measured reliably, the instrument is carried at cost (less any impairment losses).



**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****i) Government Grants and Contributions**

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

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

Amounts recognised as due to the Council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the Capital Grants Unapplied reserve.

Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied reserve are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

**j) Intangible Assets**

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

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

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

**k) Interests in Companies and Other Entities**

The Council has no material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures and require it to prepare group accounts.

**l) Inventories and Long-Term Contracts**

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. Long term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the value of works and services received under the contract during the financial year.

**m) Investment Property**

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

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. As a non-financial asset, investment properties are measured at highest and best use. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****m) Investment Property (continued)**

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

**n) Leases - Council as Lessee**

From 1 April 2023, the Council has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

Under IFRS 16, right-of-use assets held under leases are recognised on the Balance Sheet at the commencement of the lease, measured at cost based on the present value of the lease payments plus any payments made before the commencement date. Initial direct costs of the Council are added to the carrying amount of the asset. The asset recognised is matched by a liability for the obligation to make the lease payments (measured at their present value).

Lease payments are apportioned between:

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

Property, Plant and Equipment recognised under finance leases is accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. The Council is not required to raise council tax to cover depreciation or revaluation and impairment losses arising on leased assets. Instead, a prudent annual contribution is made from revenue funds towards the deemed capital investment in accordance with statutory requirements. Depreciation and revaluation and impairment losses are therefore substituted by a revenue contribution in the general fund balance, by way of an adjusting transaction with the capital adjustment account in the movement in reserves statement for the difference between the two.

Where leases are for items of low value, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g. there is a rent-free period at the commencement of the lease).

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****o) The Council as Lessor**

Where the Council grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement.

Credits are made on a straight-line basis over the life of the lease, even if this does not match the pattern of payments (e.g., there is a premium paid at the commencement of the lease). Initial direct costs incurred in negotiating and arranging the lease are added to the carrying amount of the relevant asset and charged as an expense over the lease term on the same basis as rental income.

**p) Charges to Revenue for Non-Current Assets**

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

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

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisations are replaced by the contribution in the General Fund Balance Minimum Revenue Payment (MRP) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

**q) Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When applying the definition of fair value, non-financial assets and, non-current assets held for sale shall be measured at highest and best use.

**r) Property, Plant & Equipment**

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

- **Recognition**

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

- **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price.
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located if the cost is above the £10,000 de minimis threshold.

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

- the acquisition does not have commercial substance (i.e., it will not lead to a variation in the cash flows of the Council). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the Council.

## Notes to the Core Accounting Statements (continued)

## Note 1: Accounting Policies (continued)

## r) Property, Plant &amp; Equipment (continued)

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

- infrastructure, community assets and assets under construction – (depreciated) historical cost.
- other land and buildings and operational assets where there is an active market – Current value determined as the amount that would be paid for the asset in its existing use (EUV).
- operational assets where there is an active market Operational assets where there is no market-based evidence of current value because of the specialist nature of the asset and/or the asset is rarely sold (i.e., EUV cannot be determined), depreciated replacement cost (DRC) using the 'instant build' approach as an estimate of current value.
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- Fair value based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

Where there is no market-based evidence of current value because of the specialist nature of an asset, depreciated replacement cost (DRC) is used as an estimate of fair value. At Maldon District Council this applies to our sports centres.

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

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

At Maldon District Council, all property valuations are carried out by the Valuation Office Agency. The bases of valuations are undertaken in accordance with the Statement of Asset Valuation Practice and Guidance Notes, published by the Royal Institute of Chartered Surveyors (RICS).

Where decreases in value are identified, they are accounted for by:

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

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

- **Impairment**

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

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

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

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

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****r) Property, Plant & Equipment (continued)**

- **Depreciation**

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

Depreciation is calculated on the following bases:

- buildings – straight-line allocation over the useful life of the property as estimated by the valuer.
- vehicles, plant, furniture, and equipment – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer and/or Responsible Officer for that asset; and
- infrastructure – straight-line allocation over the useful life of the asset, as advised by a suitably qualified officer, and/or Responsible Officer and/or valuer for that asset.

Newly acquired assets and capital enhancements are depreciated from the year after acquisition unless the variation in change is considered material. In this respect only, the Council does not fully comply with the requirements of IAS16 Property, Plant & Equipment but this is not a material consideration for the Council.

Useful life of an asset is shown below for the relevant categories

- |                                |                    |
|--------------------------------|--------------------|
| • Infrastructure               | 10, 20 or 40 years |
| • Buildings                    | 10 to 60 years     |
| • Vehicles                     | 5, 6 or 7 years    |
| • Computer Equipment / systems | 3, 5 or 10 years   |
| • Other                        | 3, 5 or 7 years    |

Where an item of Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately. All assets with a gross value over £50,000 are considered for componentisation. If on consideration a component is assessed to be greater than 20% of the total cost of the asset, it is componentised, and the separate components depreciated using appropriate useful lives. Components that are individually less than 20% of the total cost of the asset are not treated as separate components for accounting purposes. They are valued and depreciated as part of the building structure.

The Council has a de minimis limit of £10,000 for capital expenditure purposes which results in the capitalisation of expenditure above that limit as an asset in the balance sheet. Items below this limit are charged to revenue.

The following five components have been identified:

- Land
- Structure of Building;
- Roof;
- Electrical & Mechanical (inc. Plant & Equipment); and Other / specialist.
- Other / specialist.

Each component is considered to depreciate on a straight line basis. The useful life of a component will vary according to the type of property in which it is located and the amount of use to which it is put. The useful life of a component will be determined by the valuer when a component part is identified.

Where a component is replaced or restored, the carrying amount of the old component shall be derecognised to avoid double counting and the new component reflected at the cost or new carrying value.

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

## Notes to the Core Accounting Statements (continued)

## Note 1: Accounting Policies (continued)

## s) Infrastructure Assets

Infrastructure assets include Footways and cycle tracks, structures (e.g., bridges), street furniture and land which together form a single integrated network.

## t) Recognition

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

## u) Measurement

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

## v) Depreciation

Depreciation is provided on the parts of the infrastructure assets that are subject to deterioration or depletion and by the systematic allocation of their depreciable amounts over their useful lives. Depreciation is charged on a straight-line basis. Annual depreciation is the depreciation amount allocated each year.

Useful lives of the infrastructure assets are determined by using industry standards where applicable as follows:

	Useful Life
Coastal Defences (Sea Wall)	Environment Agency Responsibility (Indefinite Lifetime)
Footways and Cycle Tracks	25 Years
Street Furniture	Bus shelters 25 years and other assets 40 years
Water Supply and Drainage (Public Spaces)	50 Years

## w) Disposals and derecognition

When an infrastructure asset is disposed of or decommissioned, the carrying amount of the component in the Balance Sheet is written off to the 'Other operating expenditure' line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement, also as part of the gain or loss on disposal (i.e., netted off against the carrying value of the asset at the time of disposal).

The written-off amounts of disposals are not a charge against council tax, as the cost of noncurrent assets is fully provided for under separate arrangements for capital financing.

Amounts are transferred to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

- Disposals and Non-Current Assets Held for Sale

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

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

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****w) Disposals and derecognition (continued)**

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale and are kept under their original category.

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

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of receipts relating to housing disposals (75% for dwellings and 50% for land, net of statutory deductions and allowances) are payable to the Government, under the Right to Buy scheme. The balance of receipts is required to be credited to the Capital Receipts Reserve and can then only be used for new capital investment. Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement. The written-off value of disposals is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

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

**x) Heritage Assets****• Heritage Assets – Measurement and Valuation**

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant, and equipment. However, some of the measurement rules are relaxed in relation to heritage assets. These items are reported in the Balance Sheet at insurance valuation which is based on market values. These insurance valuations are updated on an annual basis.

There is an annual programme of valuations and items are valued by an external valuer. The assets within the art collection are deemed to have indeterminate lives and a high residual value; hence the Council does not consider it appropriate to charge depreciation.

Acquisitions are made by purchase or donation. Acquisitions are initially recognised at cost and donations are recognised at valuation with valuations provided by the external valuers and with reference to appropriate insurance values and commercial markets using the most relevant and recent information from sales at auctions.

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, for example, where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Council's general policies on impairment. The trustees of the Council's Museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Council's general provisions relating to the disposal of property, plant, and equipment.

Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

**y) Fair Value Measurement**

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

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

The authority measures the fair value of an asset or liability using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. When measuring the fair value of a non-financial asset, the authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****y) Fair Value Measurement (continued)**

Inputs to the valuation techniques in respect of assets and liabilities for which fair value is measured or disclosed in the authority's financial statements are categorised within the fair value hierarchy, as follows:

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

**z) Minimum Revenue Provision**

The Council is not required to use Council Tax to fund depreciation, revaluation and impairment losses or amortisation on non-current assets. However, it is required to make an annual contribution from revenue towards provision for the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis or as determined by the Council in accordance with statutory guidance.

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the Minimum Revenue Provision in the General Fund Balance by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement.

**aa) Provisions, Contingent Liabilities and Contingent Assets****Provisions**

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation.

Comprehensive Income and Expenditure Statement in the year that the Council becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year. Where it becomes less than probable that a transfer of economic benefits will now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

Where some or all of the payment required to settle a provision is expected to be recovered from another party (e.g., from an insurance claim) this is only recognised as income for the relevant service if it is virtually certain that reimbursement will be received if the Council settles the obligation.

**Contingent Liabilities**

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

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

**Reserves**

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure. Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement, and employee benefits and do not represent usable resources for the Council – these reserves are explained in the relevant policies.





**Notes to the Core Accounting Statements (continued)****Note 1: Accounting Policies (continued)****aa) Provisions, Contingent Liabilities and Contingent Assets (continued)****Revenue Expenditure Funded from Capital under Statute (REFCUS)**

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account then reverses out the amounts charged so that there is no impact on the level of council tax.

**VAT**

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs. VAT receivable is excluded from income. The amount of VAT irrecoverable is negligible.

**Notes to the Core Accounting Statements (continued)****Note 2: Accounting Standards Issued, Not Adopted****Indexation of Property, Plant and Equipment valuations**

From 1 April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31 March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices.

No adjustments to carrying amounts will be required at 1 April 2025. As indices for 2025/26 will not be available until after 31 March 2026, it is not possible to project what the impact of indexation will be.

**Note 3: Critical Judgements in Applying Accounting Policies**

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

A critical judgement made in the Statement of Accounts is in relation to the high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.

At the end of 2024/25 the Government had not pre-announced any financial settlement for future years, nor given any indication of future resource levels for local government via a Spending Review. This, coupled with an intended overhaul of the business rate retention scheme for funding and a review of funding allocations via the fair funding and the resources and needs review, means the levels of support from Government, in terms of funding, are very uncertain. The Council is in a good position to address this uncertainty via its sound financial management and planning, alongside prudent levels of reserves needed in times of uncertainty. The Council will be monitoring all announcements by Government with respect to its proposals and ensuring that the Council reply to all consultations to ensure the interests of the Council and our residents are strongly represented.

## Notes to the Core Accounting Statements (continued)

**Note 4: Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty**

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

The items in the Council's Balance Sheet at 31 March 2025 for which there is a significant risk of material adjustment in the forthcoming financial year are as follows:

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Impairment of Property, Plant & Equipment & Intangible Assets	<p>The Council assesses the impairment of property, plant and equipment and intangible assets (excluding goodwill) whenever events or changes in circumstances indicate that the carrying value may not be recoverable or otherwise as required by accounting standards</p> <p>Factors that are considered important and which could trigger an impairment review include the following</p> <ul style="list-style-type: none"> <li>• obsolescence or physical damage,</li> <li>• significant changes in technology and regulatory environments</li> <li>• significant underperformance relative to expected historical or projected future operating results,</li> <li>• significant changes in the use of its assets or the strategy of the overall business,</li> <li>• significant negative industry or economic trends, and</li> <li>• Significant decline in the market capitalisation relative to net book value for a sustained period.</li> </ul>	The identification of impairment indicators, the estimation of future cash flows and the determination of the recoverable amount for assets or cash generating units requires significant judgement which is determined by a qualified valuer.
Pensions	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries, Barnett Waddingham, is engaged to provide expert advice regarding the assumptions applied in calculating the Council's net pension liability.</p>	<p>The effect on the net pension liability of changes in individual assumptions can be measured. For instance: A 0.1% increase in the discount rate assumption at 31 March 2025 would result in an increase in the Gross pension obligation, increasing this to £53,503 million.</p> <p>- a 1 year addition to the life expectancy assumption at 31 March 2025 would result in the Gross pension obligation increasing to £56,336 million.</p>
Provision for Business Rates Appeals	<p>At 31 March 2025, the Council has included in its accounts a provision for appeals on NDR rates of £0.826 million. However, appeals vary significantly in size and success rate, and therefore this may either be greatly insufficient or greatly overstated.</p>	If the predicted success rate was to alter by just 10%, an additional £0.083 million would be required.

**Note 5:      Material Items of Income and Expense**

No material items of income or expense have occurred that are not already disclosed on the face of the CIES. However, the ongoing effects of the Cost of Living crisis were felt by the Council in 2024/25. These are noted where relevant, and implications included in the Statement of Accounts.

**Note 6:      Events After the Balance Sheet Date**

There have been no other events occurring after the reporting date that would have a material impact on these financial statements.

## Notes to the Core Accounting Statements (continued)

**Note 7a: Expenditure and Funding Analysis**

The Expenditure and Funding Analysis is a note to the Financial Statements, however, it is positioned here as it provides a link from the figures reported in the Narrative by the Section 151 Officer to those in the Comprehensive Income and Expenditure Statement.

The objective of the Expenditure and Funding Analysis is to demonstrate to Council taxpayers how the funding available to the Council (i.e., government grants, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities 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 directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in note 7c.

2023/24				2024/25		
Net Expenditure Chargeable to the General Fund Balance	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement		Net Expenditure Chargeable to the General Fund Balance	Adjustments	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000		£'000	£'000	£'000
5,652	(225)	5,427	Strategy & Resources	5,855	483	6,338
6,161	1,629	7,790	Service Delivery	7,051	1,404	8,455
		-				-
		-				-
<b>11,813</b>	<b>1,404</b>	<b>13,217</b>	<b>Net Cost of Services</b>	<b>12,906</b>	<b>1,887</b>	<b>14,793</b>
(11,360)	(2,337)	(13,697)	Other Income and Expenditure	(15,920)	(470)	(16,390)
<b>453</b>	<b>(933)</b>	<b>(480)</b>	<b>(Surplus) or Deficit on Provision of Services</b>	<b>(3,014)</b>	<b>1,417</b>	<b>(1,597)</b>
(12,644)			Opening Combined General Fund Balance	(12,191)		
453			Plus / less (Surplus) or Deficit on the General Fund Balance for the Year (Statutory basis)	(3,014)		
<b>(12,192)</b>			<b>Closing Combined General Fund Balance</b>	<b>(15,206)</b>		

## Notes to the Core Accounting Statements (continued)

## Note 7b: Note to the Expenditure and Funding Analysis

2023/24					2024/25			
Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net Change for the Pensions Adjustments	Other Differences	Total Adjustments
£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
268	(524)	31	(225)	Strategy & Resources	683	(140)	(60)	483
1,725	(96)	-	1,629	Service Delivery Directorate	1,707	(303)		1,404
								-
<b>1,993</b>	<b>(620)</b>	<b>31</b>	<b>1,404</b>	<b>Net Cost of Services</b>	<b>2,390</b>	<b>(443)</b>	<b>(60)</b>	<b>1,887</b>
(1,061)	(437)	(839)	(2,337)	Other Income & Expenditure from the Funding Analysis	(2,488)	(47)	2,065	(470)
<b>932</b>	<b>(1,057)</b>	<b>(808)</b>	<b>(933)</b>	<b>Difference between General Fund surplus or deficit and Comprehensive Income &amp; Expenditure Statements surplus or deficit</b>	<b>(98)</b>	<b>(490)</b>	<b>2,005</b>	<b>1,417</b>

## 1. Adjustments for Capital Purposes

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

- Other operating expenditure – adjusts for capital disposals with a transfer of income of assets and the amounts written off for those assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. The line is also credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

## 2. Net Change for the Pensions Adjustments

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

- For services this represents the removal of the employer pension contributions made by the Council as allowed by state and the replacement with the current service costs and past service costs.
- For financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

## 3. Other Difference

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

- The charge under Taxation and non-specific grant income and expenditure represents that difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.
- For financing and investment income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

## Notes to the Core Accounting Statements (continued)

## Note 7a: Note to the Expenditure and Funding Analysis (continued)

## 4. Other Non-Statutory Adjustments

Other non-statutory adjustments represent amounts debited / credited to service segments that need to be adjusted against the 'other income and expenditure from the expenditure and funding analysis' line to comply with the presentational requirements in the comprehensive income and expenditure statement:

- For financing and investment income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for interest income and expenditure and changes in the fair values of investment properties.
- For taxation and non-specific grant income and expenditure – the other non-statutory adjustments column recognises adjustments to service segments, e.g. for un-ringfenced government grants.

## Note 7c: Expenditure &amp; Income Analysed by Nature

2023/24		2024/25
£'000		£'000
	<b>Expenditure</b>	
10,341	Employee benefits expenses	10,703
19,893	Other services expenses	21,206
1,416	Depreciation, amortisation and impairment	1,306
240	Revaluation loss	
1,665	Precepts and levies	1,794
-		0
-		-
<b>33,555</b>	<b>Total expenditure</b>	<b>35,009</b>
	<b>Income</b>	
(437)	Interest Income	(44)
(7,617)	Fees, charges and other service income	(7,430)
(1,445)	Interest and investment income	(1,487)
(11,356)	Income from council tax, non-domestic rates, district rate income	(12,774)
(197)	Revaluation Gain on long term Investment and Investment assets	(153)
(24)	Gain on the disposal of assets	(39)
(12,959)	Government grants and contributions	(14,679)
<b>(34,035)</b>	<b>Total income</b>	<b>(36,606)</b>
<b>(480)</b>	<b>(Surplus) or Deficit on the Provision of Services</b>	<b>(1,597)</b>

**Note 7d: Revenue from Contracts with Service Recipients**

IFRS 15 is a standard drafted for the commercial entities, where the recognition of revenue is normally of paramount importance for the financial performance in the financial statements. Therefore the Council shall consider the level of detail necessary to satisfy the disclosure objective and how much emphasis to place on each of the various requirements and shall consider the concept of materiality set out in paragraph 2.7.1.1 of the Code for the users of local Council financial statements. A Council shall aggregate or disaggregate disclosures so that useful information is not obscured by either the inclusion of a large amount of insignificant detail or the aggregation of items that have substantially different characteristics.

The objective of the disclosure requirements is for an Council to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with service recipients.

Paragraph 2.7.4.7 of the Code requires an indication of how the figures relate to segmental reporting. The Council considers the disclosure of Note 7A on expenditure and income analysed by nature provides sufficient information for readers regarding the nature of such revenues.

**Note 7e: Other Operating Expenditure**

2023/24		2024/25
£'000		£'000
1,665	Parish & Town Precepts	1,794
(24)	Net gains/losses on disposal of PPE	(39)
(87)	Other Capital Receipts	(9)
<b>1,554</b>	<b>Total</b>	<b>1,746</b>

**Note 7f: Financing and Investment Income & Expenditure**

2023/24		2024/25
£'000		£'000
(1,445)	Interest on investments	(1,340)
138	Revaluation Gain on Investment Assets	(69)
(437)	Net interest on the net defined benefit liability	(44)
102	Revaluation of Long Term Investment	(84)
(197)	Rental Income from Investment Assets	(147)
<b>(1,839)</b>	<b>Total</b>	<b>(1,684)</b>



## Notes to the Core Accounting Statements (continued)

**Note 7g: Taxation & Non-Specific Grant Income**

2023/24		2024/25
£'000		£'000
(7,509)	Council Tax Income	(7,947)
(1,194)	Government Grants (not attributable to specific services)	(1,321)
(3,847)	Non-Domestic Rates	(4,827)
(862)	Capital Grants and Contributions	(2,357)
<b>(13,412)</b>	<b>Total</b>	<b>(16,452)</b>

**Note 8: Adjustments between Accounting Basis and Funding****Basis Under Regulations**

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

**General Fund Balance**

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

**Capital Receipts Reserve**

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

**Capital Grants Unapplied**

The capital grants unapplied account (reserve) holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure.

The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

## Notes to the Core Accounting Statements (continued)

## Note 8: Adjustments between Accounting Basis and Funding (continued)

2024/25	Usable Reserves			Unusable Reserves	Corresponding Unusable Reserves
	General Fund Balance	Capital Receipts Reserves	Capital Grants Unapplied		
	£'000	£'000	£'000	£'000	
Adjustment to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Amortisation of intangible fixed assets	(113)	-	-	113	Capital adjustment Account
Depreciation of non-current assets	(1,193)		-	1,193	Capital adjustment Account
Loss on Revaluation				-	Capital adjustment Account
Revaluation gain on non-current assets	4			(4)	Capital adjustment Account
Reversal of Capital Grants & Contributions Credited straight to services	2,467			(2,467)	Capital adjustment Account
Revenue expenditure funded from capital under statute	(1,088)			1,088	Capital adjustment Account
Reversal of NBV of non-current assets written off on disposal	(5)			5	Capital adjustment Account
Revaluation of investment assets	69			(69)	Capital adjustment Account
Transfer of Capital Contribution to Capital Grants Unapplied Account	(110)	-	110	-	Capital Grants Unapplied Account
Insertion of Items Not Debited or Credited to the Comprehensive Income & Expenditure Statement					
Statutory provision for the repayment of debt (transfer from the Capital Adjustment Account)	14	-	-	(14)	Capital adjustment Account
Adjustments relating to the Capital Receipts Reserve					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	53	(53)	-	-	
Capital receipts applied		506		(506)	Capital adjustment Account
Pension Adjustment					
Adjustments relating to the Pension Reserve	490			(490)	Pensions Reserve
Net charges made for retirement benefits in accordance with IAS19				-	
Employer's contributions payable to the pension fund and retirement benefits payable direct to pensioners				-	
Adjustments Relating to the Collection Fund Adjustment Account					
Transfers to (from) Collection Fund Adjustment Accounts	(2,149)	-	-	2,149	Collection Fund Adj Account
Adjustments Relating to the Available for Sale Reserve					
Transfers to (from) Financial Instruments Revaluation Reserve	84	-	-	(84)	Financial Instru. Reval Reserve
Adjustments Relating to the Accumulated Absences Account					
Employee benefits accrued (prior year adjustment)	-	-	-	-	
Employee benefits accrued (current year adjustment)	60	-	-	(60)	Accumulated Absences Account
Total Adjustments Between Accounting Basis & Funding Basis Under Regulations	(1,417)	453	110	854	

## Notes to the Core Accounting Statements (continued)

## Note 8: Adjustments between Accounting Basis and Funding (continued)

2023/24	Usable Reserves			Unusable Reserves	Corresponding Unusable Reserves
	General Fund Balance	Capital Receipts Resaves	Capital Grants Unapplied		
	£'000	£'000	£'000	£'000	
Adjustment to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Amortisation of intangible fixed assets	(167)	-	-	167	Capital adjustment Account
Depreciation of fixed assets	(1,249)	-	-	1,249	Capital adjustment Account
Loss on Revaluation	64	-	-	(64)	Capital adjustment Account
Revaluation gain on non-current assets	-	-	-	-	Capital adjustment Account
Reversal of capital grants & contributions credited straight to services	679	-	-	(679)	Capital adjustment Account
Revenue expenditure funded from capital under statute	(641)	-	-	641	Capital adjustment Account
Reversal of NBV of non-current assets written off on disposal	(8)	-	-	8	
Revaluation of investment assets	(138)	-	-	138	Capital adjustment Account
Net gain / loss on sale of fixed assets	183	-	(183)	-	
Insertion of Items Not Debited or Credited to the Comprehensive Income & Expenditure Statement					
Statutory provision for financing	226	-	-	(226)	Capital adjustment Account
Investment Assets Fair Value Gain					
Adjustments relating to the Capital Receipts Reserve					
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	119	(119)	-	-	
Capital receipts applied	-	194	-	(194)	Capital adjustment Account
Utilisation of Capital Grants Unapplied					
Pension Adjustment					
Adjustments relating to the Pension Reserve	1,057	-	-	(1,057)	Pensions Reserve
Net charges made for retirement benefits in accordance with IAS19	-	-	-	-	
Employer’s contributions payable to the pension fund and retirement benefits payable direct to pensioners	-	-	-	-	Capital Receipts Received
Adjustments Relating to the Collection Fund Adjustment Account					
Transfers to (from) Collection Fund Adjustment Accounts	941	-	-	(941)	Collection Fund Adj Account
Adjustments Relating to the Available for Sale Reserve					
Transfers to (from) Financial Instruments Revaluation Reserve	(102)	-	-	102	Financial Instru. Reval Reserve
Adjustments Relating to the Accumulated Absences Account					
Employee benefits accrued (prior year adjustment)	-	-	-	-	Accumulated Absences Account
Employee benefits accrued (current year adjustment)	(31)	-	-	31	Accumulated Absences Account
Total Adjustments Between Accounting Basis & Funding Basis Under Regulations	933	75	(183)	(825)	

## Notes to the Core Accounting Statements (continued)

## Note 9a: Transfers to/from Earmarked Reserves

The following table details the amounts set aside from the General Fund balance in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from the earmarked reserve to meet General Fund expenditure during 2024/25

Balances as at 31-March-2025	31-March-2024 (as previously stated)			31-March-2025			
	Balance	Transfers Out	Transfers (In)	Balance	Transfers Out	Transfers (In)	Total
	01-April-2023	2023/24	2023/24	31-March-2024	2024/25	2024/25	31-March-2025
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Business Continuity	(10)	-	-	(10)	10	-	-
Community grants	(1)	-	-	(1)	1	-	-
Community Housing Fund Grant	(116)	13	-	(104)	11	-	(93)
Community Infrastructure Levy & LDP review	(830)	368	(212)	(674)	168	-	(506)
Community Safety	(78)	-	-	(78)	3	-	(75)
Community Sports Network/Health & Wellbeing	(41)	26	-	(15)	15	-	-
Council Tax and Business Rates equalisation	-	-	(261)	(260)	-	(2,671)	(2,931)
Domestic Abuse Support reserve	-	-	(84)	(84)	-	-	(84)
Economic Development	(47)	9	-	(38)	8	-	(30)
Electoral Registration	(102)	-	(19)	(121)	-	-	(121)
FDO external funding from Plume	(1)	-	-	(1)	1	-	-
Feasibility Study reserve	(74)	57	-	(18)	18	-	(1)
Heritage projects	(8)	-	-	(8)	-	-	(8)
HMLR Project reserve	-	-	(153)	(153)	153	-	-
Homeless reduction Act Grant	(57)	-	-	(57)	-	-	(57)
Insurance liability	(51)	-	-	(51)	-	-	(51)
Neighbourhood Plan Applications	(29)	-	-	(29)	-	-	(29)
Income & Expenditure Budget Equalisation	(49)	-	(197)	(246)	246	-	-
Repairs & renewals fund	(222)	57	-	(165)	3	-	(162)
Revenue commitments	(1,183)	1,341	(816)	(659)	658	(132)	(133)
Revenues & Benefits Staffing reserve	-	-	(468)	(468)	-	-	(468)
Sports Development	(30)	-	-	(31)	-	-	(31)
Corporate Delivery Reserve	(128)	-	-	(127)	3	-	(124)
Transformation	(835)	40	-	(795)	360	(492)	(927)
Waste Contract Implementation	(15)	-	-	(15)	15	-	-
Triennial Pensions Payment	(1,040)	315	-	(725)	605	(120)	(240)
Local Government Reorganisation	0	0	0	0	0	(500)	(500)
<b>Total Specific Reserves</b>	<b>(4,948)</b>	<b>2,226</b>	<b>(2,210)</b>	<b>(4,933)</b>	<b>2,278</b>	<b>(3,915)</b>	<b>(6,570)</b>
General Fund balance	(7,696)	437	-	(7,260)	(873)	(503)	(8,636)
<b>Total Revenue Reserves</b>	<b>(12,644)</b>	<b>2,663</b>	<b>(2,210)</b>	<b>(12,193)</b>	<b>1,405</b>	<b>(4,418)</b>	<b>(15,206)</b>

## Notes to the Core Accounting Statements (continued)

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

**Business Continuity** – to provide funding for emergency requirements such as salt, sand bags or other business continuity requirements.

**Community Grants** – the time limits on these grants exceed the financial year in which the budget provision was made, necessitating a reserve to cover the outstanding liabilities.

**Community Housing Fund Grant** – reserve to support community led housing delivery. Objective is to help deliver affordable housing aimed at first time buyers in response to the problem second homes can cause in reducing supply.

**Community Infrastructure Levy & LDP Review** – following the adoption of the Local Development Plan, this reserve will now fund the work to enable implementation of the CIL, and also to meet the regulations to ensure that the LDP is reviewed regularly.

**Community Safety** – reserve set aside to fund community safety activities.

**Community Sports Network / Health & Wellbeing** – a grant was received from the government in 2011/12 to support sports networks; this is being utilised year by year as necessary.

**Council Tax & Business Rates Equalisation** – this reserve is to counter the timing differences seen in business rates funding.

**Economic Development** – reserve set aside to support economic development activities in the District.

**Electoral Registration** – reserve set aside to support electoral works.

**Feasibility Study Reserve** – Monies to be utilised in the one off costs incurred during a commercial projects feasibility assessment. The scale of the project will quantify what level of feasibility and/or viability assessments are required to enable robust council decision making and risk management

**Heritage Projects: Environmental Imps** – the Council gives grants in support of environmental initiatives and historic buildings. The time limits on these grants exceed the financial year in which budget provision is made, necessitating a reserve to cover outstanding liabilities.

**Homeless Reduction Act Grant** – reserve set up to use three years of grant funding for Homelessness Reduction Officer.

**Insurance Liability** – the Council maintains external insurance policies to cover major risks. In many cases the policies have excess clauses that require the Council to meet the first part of each claim. The Council has established this reserve to cover its liabilities under policy excesses and finance any claims for small risks not insured externally.

**Local Government Reorganisation - LGR and other related costs**

**Neighbourhood Plan Applications** – funding to be utilised in supporting the preparation of neighbourhood plans.

**Notes to the Core Accounting Statements (continued)****Note 9b: Transfers to/from Earmarked Reserves (continued)**

**Pensions Reserve** – to provide a reserve to enable the Council to forward fund the pension deficit.

**Repairs & Renewals Fund** – to provide funds to support additional revenue / capital costs arising from the need to maintain the Council's asset base.

**Revenue Commitments** – this reserve exists to smooth out the timing differences between monies being earmarked to expenditure from the Annual Revenue Budget and the expenditure actually occurring.

**Sports Development** - reserve set aside to fund sports development activities.

**FDO External Funding from the Plume** – specific external funding towards the post of Football Development Officer.

**Strategic Priorities Reserve** – The Council had some surplus funds after the Bradwell Power Station project was put on hold earlier this year. Corporate Leadership Team decided to put these funds in a reserve to fund projects towards delivering its strategic priorities.

**Transformation** – to provide funds to meet the one-off investment costs of efficiency savings or service reductions to be realised in future years. Also to enable the upfront costs of potential income generating projects.

**Waste Contract Implementation** – contributions towards the procurement and mobilisation of the new Waste Contract.

## Notes to the Core Accounting Statements (continued)

**Note 10: Property, Plant and Equipment****Note 10A: Property, Plant and Equipment**

Movements to 31-March-2025	Land and Buildings	Vehicles, plant and equipment	Right of use assets	Community assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 01-April-2024</b>	<b>28,984</b>	<b>5,883</b>	<b>1,897</b>	<b>624</b>	<b>-</b>	<b>37,388</b>
Additions	689	4,613		202	-	5,504
Disposals					-	-
Reclassifications					-	-
Revaluation increases recognised in the revaluation reserve	950				-	950
Revaluation decreases recognised in the revaluation reserve	(569)				-	(569)
Revaluation increases recognised in the surplus/deficit on the provision of services	80				-	80
Revaluation decreases recognised in the surplus/deficit on the provision of services	(125)				-	(125)
<b>At 31-March-2025</b>	<b>30,009</b>	<b>10,496</b>	<b>1,897</b>	<b>826</b>	<b>-</b>	<b>43,228</b>
<b>Accumulated Depreciation and Impairment at 01-April-2024</b>	<b>(641)</b>	<b>(4,982)</b>	<b>(1,632)</b>		<b>-</b>	<b>(7,255)</b>
Depreciation for year	(680)	(169)	(210)	-	-	(1,060)
Reclassifications				-	-	-
Restatement of Depreciation upon Revaluation Upward to Revaluation Reserve	603			-	-	603
Restatement of Depreciation upon Revaluation Upward to I&E	27			-	-	27
Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve	17			-	-	17
Restatement of Depreciation upon Revaluation Downward to I&E	23			-	-	23
<b>At 31-March-2025</b>	<b>(652)</b>	<b>(5,151)</b>	<b>(1,842)</b>	<b>-</b>	<b>-</b>	<b>(7,645)</b>
<b>Net Book Value</b>						
<b>At 31-March-2025</b>	<b>29,357</b>	<b>5,345</b>	<b>55</b>	<b>826</b>	<b>-</b>	<b>35,582</b>
<b>At 31-March-2024</b>	<b>28,516</b>	<b>1,355</b>	<b>367</b>	<b>628</b>	<b>-</b>	<b>30,866</b>

## Notes to the Core Accounting Statements (continued)

## Note 10a: Property, Plant and Equipment (continued)

Movements to 31-March-2024	Land and Buildings	Vehicles, plant and equipment	Right of use assets	Community assets	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or Valuation at 01-April-2023</b>	<b>29,043</b>	<b>5,752</b>	<b>1,810</b>	<b>624</b>	-	<b>37,229</b>
Additions	38	162	87	-	-	287
Disposals	-	(7)	-	-	-	(7)
Reclassifications from Infrastructure	-	-	-	-	-	-
Revaluation increases recognised in the revaluation reserve	424	-	-	-	-	424
Revaluation decreases recognised in the revaluation reserve	(531)	-	-	-	-	(531)
Revaluation increases recognised in the surplus/deficit on the provision of services	29	-	-	-	-	29
Revaluation decreases recognised in the surplus/deficit on the provision of services	(7)	-	-	-	-	(7)
<b>At 31-March-2024</b>	<b>28,996</b>	<b>5,907</b>	<b>1,897</b>	<b>624</b>	-	<b>37,424</b>
<b>Accumulated Depreciation and Impairment at 01-April-2023</b>	<b>(527)</b>	<b>(4,763)</b>	<b>(1,443)</b>		-	<b>(6,733)</b>
Reclassification of Depreciation from Infrastructure	(660)	(237)	(189)		-	(1,086)
Depreciation for year	-	-	-	-	-	-
Depreciation on disposals	-	-	-	-	-	-
Restatement of Depreciation upon Revaluation Upward to Revaluation Reserve	442	-	-	-	-	442
Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve	62	-	-	-	-	62
Restatement of Depreciation upon Revaluation Upward to I&E	41	-	-	-	-	41
Restatement of Depreciation upon Revaluation Downward to Revaluation Reserve	1	-	-	-	-	1
<b>At 31-March-2024</b>	<b>(641)</b>	<b>(5,000)</b>	<b>(1,632)</b>	-	-	<b>(7,273)</b>
<b>Net Book Value</b>						
<b>At 31-March 2024</b>	<b>28,355</b>	<b>907</b>	<b>265</b>	<b>624</b>	-	<b>30,151</b>
At 31 March 2023	28,516	989	367	622	-	30,494



## Notes to the Core Accounting Statements (continued)

## Note 10: Property, Plant and Equipment (continued)

## Note 10b: Infrastructure Assets

2023/24	Description	2024/25
£'000		£'000
2,260	Net book value (modified historical cost) at 1 April	2,097
-	Additions	276
(163)	Depreciation	(155)
<b>2,097</b>	<b>Net book value at 31 March</b>	<b>2,217</b>

## Note 10c: Capital Commitments

At 31 March 2025 the Council has the following outstanding contracts for the construction or enhancement of Property, Plant and Equipment.

2023/24	Description	2024/25
£'000		£'000
-	Prom park - Amphitheatre Strengthening works	18
-	Scout hut Brickhouse farm flooring works	26
-	Riverside Park - skate park and equipment	186
-	Skate Park Prom park	617
-	<b>Total</b>	<b>847</b>

## Notes to the Core Accounting Statements (continued)

## Note 10: Property, Plant and Equipment (continued)

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years with the remainder indexed where possible. Valuation office undertook valuations on behalf of the Council in 2024/25 for operational property and investment property. The valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on cost prices.

## Note 10d Property, Plant and Equipment Revaluations

Balances as at 31-March-2025	Other land and buildings	Vehicles, plant and equipment	Infrastructure assets	Community assets	Total
	£'000	£'000	£'000	£'000	£'000
Carried at historical cost		5,411	2,217	826	8,454
Valued at current value as at:					
31-Mar-25	20,680				20,680
31-Mar-24	2,430				2,430
31-Mar-23	1,047				1,047
31-Mar-22	2,600				2,600
31-Mar-21	2,600				2,600
<b>Total cost or valuation</b>	<b>29,357</b>	<b>5,411</b>	<b>2,217</b>	<b>826</b>	<b>37,811</b>

## Non-operational property, plant and equipment (surplus assets)

The Council does not have material surplus assets.

## Notes to the Core Accounting Statements (continued)

**Note 11: Investment Properties**

The following items of income and expense have been accounted for in the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

2023/24	Investment Property Income and Expenditure	2024/25
£'000		£'000
(197)	Rental income from investment property	(147)
(197)	<b>Net (gain)/loss</b>	<b>(147)</b>

The Council's ability to realise the values inherent in investment property are restricted by tenants security under the Landlords and Tenant Act 1954 and long lease terms with commercial tenants. The Council also has obligations to maintain the fabric of the buildings along with road ways and drainage on two investment properties.

All investment properties are subject to operating leases and rental income is received as above.

The value of a leased investment is determined based on the Fair Value which is reviewed each year.

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

**Movement in the fair value of investment properties over the year:**

2023/24	Investment Property Movements in Year	2024/25
£'000		£'000
3,957	Balance at start of year	3,819
(138)	Net gains/losses from fair value adjustments	69
-	Reclassification of Assets	
<b>3,819</b>	<b>Balance at the end of the year</b>	<b>3,888</b>

## Notes to the Core Accounting Statements (continued)

## Note 11: Investment Properties (continued)

Details of the authority's investment properties and information about the fair value hierarchy as at 31 March 2025 are as follows:

## Fair value measurement

The fair value for the commercial properties (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

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

The pandemic and the measures taken to tackle COVID-19 continue to affect economies and real estate markets globally. Nevertheless, as at the valuation date some property markets have started to function again, with transaction volumes and other relevant evidence returning to levels where an adequate quantum of market evidence exists upon which to base opinions of value. Accordingly, and for the avoidance of doubt, our valuation is not reported as being subject to 'material valuation uncertainty' as defined by VPS 3 and VPGA 10 of the RICS Valuation – Global Standards.

Fair values are measured annually at each reporting date. The valuations were carried out by a Senior Surveyor being an RICS Registered Valuer employed by DVS East, Property Specialists for the Public Sector, a commercial arm of the Valuation Office Agency.

## Fair value hierarchy

Details of the Council's investment properties and information about the fair value hierarchy as at 31 March 2025 and 2024 are as follows:

## Fair value as at 31-March-2025

Recurring fair value measuring usage:	Other significant observable inputs (Level 2)	Fair value as at 31-March-2025
	£'000	£'000
Commercial Units	3,888	3,888
	<b>3,888</b>	<b>3,888</b>

## Fair value as at 31-March-2024

Recurring fair value measuring usage:	Other significant observable inputs (Level 2)	Fair value as at 31-March-2024
	£'000	£'000
Commercial Units	3,819	3,819
	<b>3,819</b>	<b>3,819</b>

**Notes to the Core Accounting Statements (continued)****Note 11: Investment Properties (continued)****Transfers between Levels of the Fair Value Hierarchy**

There were no transfers between Levels during the year.

**Valuation Techniques used to Determine Level 2 Fair Values for Investment Properties****Significant Observable Inputs – Level 2**

The fair value for the commercial units located in the local Council area (at market rents) has been based on the market approach using current market conditions and recent sales prices and other relevant information for similar assets in the local Council area. Market conditions are such that similar properties are actively purchased and sold and the level of observable inputs are significant, leading to the properties being categorised at Level 2 in the fair value hierarchy.

**Highest and Best Use of Investment Properties**

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

**Valuation Techniques**

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

**Reconciliation of fair value measurements**

There has been no transfer between levels of the fair value hierarchy during the year.

**Gains or losses**

Gains or losses arising from changes in the fair value of the investment property are recognised in the surplus or deficit on the provision of services – financing and investment income and expenditure line

**Valuation Process for Investment Properties**

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

**Note 12: Financial Instruments**

Where an instrument will mature within the next 12 months the carrying amount is assumed to be approximate to fair value.

For all other financial assets and liabilities the carrying amount is considered to be an appropriate measure of fair value.

**Classifications**

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

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

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

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

- trade payables for goods and services received
- finance leases

**Financial Assets**

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

Amortised cost where cash flows are solely payments of principal and interest and the Council's strategy is to collect those cash flows comprising:

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

- cash in hand
- bank current and deposit accounts with NatWest bank
- fixed term deposits with banks
- loans to divested organisations
- trade receivables for goods and services delivered

Fair value through profit and loss (all other financial assets) comprising

- money market funds managed by fund managers
- certificates of deposit and covered bonds issued by banks and building societies
- pooled property funds managed by CCLA fund managers

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

## Notes to the Core Accounting Statements (continued)

## Note 12: Financial Instruments (continued)

## (a) Categories of Financial Instruments

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

2023/24			Financial Assets	2024/25		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
			<b>Investments, Cash and Cash Equivalents</b>			
4,430	20,742	25,172	Financial Assets at Amortised Cost	4,512	14,653	19,165
<b>4,430</b>	<b>20,742</b>	<b>25,172</b>	<b>Total Investments</b>	<b>4,512</b>	<b>14,653</b>	<b>19,165</b>
-	-	-				
-	-	-	<b>Debtors</b>			
-	1,611	1,611	Financial Assets at Amortised Cost	-	1,162	1,162
24	-	24	Loans and Receivables at Amortised Cost	24	-	24
<b>24</b>	<b>1,611</b>	<b>1,635</b>	<b>Total Debtors</b>	<b>24</b>	<b>1,162</b>	<b>1,185</b>

2023/24			Financial Liabilities	2024/25		
Non-Current	Current	Total		Non-Current	Current	Total
£'000	£'000	£'000		£'000	£'000	£'000
			<b>Creditors</b>			
33	1,869	1,902	Financial Liabilities at Amortised Cost	20	2,263	2,283
<b>33</b>	<b>1,869</b>	<b>1,902</b>	<b>Total Creditors</b>	<b>20</b>	<b>2,263</b>	<b>2,283</b>

## Offsetting Financial Assets and Liabilities

Financial assets and liabilities are set off against each other where the Council has a legally enforceable right to set off and its intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Council had no other financial assets or liabilities subject to an enforceable master netting arrangement or similar agreement.

2023/24		Financial Assets held at Amortised Cost	2024/25	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
4,430	4,430	Long-term Investments	4,512	4,512
24	24	Long-term Debtors	24	24
1,611	1,611	Short-term Debtors	1,162	1,162
14,742	14,742	Cash & Cash Equivalents	14,653	14,653
6,000	6,000	Short-term Investments	-	-
<b>26,807</b>	<b>26,807</b>	<b>Total</b>	<b>20,351</b>	<b>20,351</b>



## Notes to the Core Accounting Statements (continued)

## Note 12: Financial Instruments (continued)

## (c) Financial Instruments – Fair Values and Carry Amounts

Financial assets classified as loans and receivables and all non-derivative financial liabilities are carried in the Balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31 March 2025, using the following methods and assumptions:

- The fair value of long term loans and investments would have been discounted at the market rates for similar instruments with similar remaining terms to maturity.
- No early repayment or impairment is recognised for any financial instrument.
- Where an instrument will mature in the next 12 months, the carry amount is assumed to be fair value.
- Finance lease liabilities are measured at their present value discounted using the interest rate implicit within the lease agreement.
- The fair value of short term instruments, including trade payables and receivables is assumed to approximate to the carrying value (the invoiced or billed amount)

2023/24		Financial Assets	2024/25	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£'000	£'000		£'000	£'000
		Long Term Investments	4,512	4,512
		Available for Sale	-	-
19,500	19,775	Short-term Investments	12,000	12,051
<b>19,500</b>	<b>19,775</b>		<b>16,512</b>	<b>16,563</b>

## (d) Nature and Extent of Risks arising from Financial Instruments

The Council has adopted CIPFA's Code of Practice on Treasury Management and complies with The Prudential Code of Capital Finance for Local Authorities.

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

The Treasury Management Strategy includes an Annual Investment Strategy in compliance with the Government's Investment Guidance to local authorities. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Strategy, together with its Treasury Management Practices are based on seeking the highest rate of return consistent with the proper levels of security and liquidity.

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

- Credit Risk: The possibility that one party to a financial instrument will fail to meet their contractual obligations, causing a loss to the other party.
- Liquidity Risk: The possibility that a party will be unable to raise funds to meet the commitments associated with Financial Instruments.
- Market Risk: The possibility that the value of an instrument will fluctuate because of changes in interest rates, market prices etc.

The Council's overall risk management procedures focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on resources available to fund services. Risk Management is carried out by the exchequer team under the direction of the Director of Resources

## Notes to the Core Accounting Statements (continued)

## Note 12: Financial Instruments (continued)

## Credit Risk: Investments

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

The table below summarises the fair value of the Council's investment portfolio at the end of each financial year:

As at 31-March-2024				As at 31-March-2025		
Credit Rating	Short Term Balance	Long Term Balance Invested		Credit Rating	Short Term Balance	Long Term Balance Invested
	£'000	£'000			£'000	£'000
			<b>Long Term Investments</b>			
Unrated	-	1,870	Local Authorities Property Fund	Unrated		1,748
Unrated	-	2,560	Investec Diversified Income Fund	Unrated		2,764
			<b>Short Term Investments</b>			
Unrated	2,036	-	Wirral Council	Unrated	-	
Unrated	2,036	-	Cheshire East Council	Unrated	-	
Unrated	2,036	-	Telford and Wrekin Council	Unrated	-	
Unrated	-	-	Denbighshire County Council	Unrated	-	
Unrated	-	-	Aberdeen City Council	Unrated	-	
Unrated	-	-	Surrey County Council	Unrated	-	
Unrated	-	-	South Somerset Council	Unrated	-	
Unrated	-	-	Eastleigh Borough Council – Eastleigh	Unrated	-	
Unrated	-	-	Blackpool Council	Unrated	-	
Unrated	-	-	Royal Borough Of Windsor And Maidenhead	Unrated	-	
AAA	4,520	-	Deutsche Money Market Fund	AAA	5,010	
AAA	-	-	Goldman Sachs MMF	AAA	4	
AAA	5,022	-	Federated Money Market Fund	AAA	3,015	
			<b>Building Society</b>			
A-	2,026	-	Nationwide	A	2,022	
			<b>Banks</b>			
A-	2,099	-	Barclays	A+	2,244	
	<b>19,775</b>	<b>4,430</b>	<b>Total Investments</b>		<b>12,295</b>	<b>4,512</b>

## Notes to the Core Accounting Statements (continued)

## Note 12: Financial Instruments (continued)

A limit of £2m is placed on the amount of money that can be invested with a single counterparty (other than the UK government or Money Market Funds) The Council also sets limits on investments in certain sectors. No more than £5m in total can be invested for a period longer than one year.

The Council's maximum exposure to credit risk in relation to its investments in banks and building societies of £2m cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of recoverability applies to all of the Councils deposits, but there was no evidence at the 31 March 2025 that this was likely to crystallise.

The table below summarises the credit risk exposure of the Council's investment portfolio by credit rating.

2023/24		Credit Rating	2024/25	
Short Term	Long Term		Short Term	Long Term
£'000	£'000		£'000	£'000
4,125	-	A-	-	-
-	-	A	2,022	-
-	-	A+	2,244	-
9,542	-	AAA	8,029	-
6,108	4,430	Unrated Funds	-	4,512
<b>19,775</b>	<b>4,430</b>	<b>Total Investments</b>	<b>12,295</b>	<b>4,512</b>

The Council has no historical experience of counterparty default.

No breaches of the Council's counterparty criteria occurred during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits.

## Liquidity

Liquidity risk is managed by cash flow forecasting of the current financial year, combined with limits on fixed investments for periods of more than a year and an authorised borrowing limit for unforeseen emergencies. Both are specified annually in accordance with the prudential indicator requirements.

The Council does not currently have any borrowing, but should it be needed can access funds from the Public Works Loan Board (PWLb). There is no significant risk that the Council will be unable to raise finance to meet its commitments under financial instruments.

## Market Risk

## (1) Interest Rate Risk:

The Council is exposed to risk in terms of its exposure to investment interest rate movements. Most investments are made for fixed periods and therefore changes in market rates during the investment period can lead to the fair value of an investment being higher or lower than its carrying value. Investment decisions through Treasury Management activity seek to manage this risk as much as possible by taking a view on investment interest rate trends. Investment deposits are committed only for short term thus minimising this risk.

**Notes to the Core Accounting Statements (continued)****Note 12: Financial Instruments (continued)****(2) Price Risk:**

The Council does not invest in equity shares or gilts and therefore is not subject to any price risk (i.e., the risk that the Council will suffer loss as a result of adverse movements in the price of financial instruments).

**(3) Foreign Exchange Risk:**

The Council has no financial asset or liabilities denominated in a foreign currency. It therefore has no exposure to loss arising as a result of adverse movements in exchange rates.

**Note 13: Debtors**

An analysis of the debtors balance is shown below

2023/24		31-March-2025
£'000		£'000
4,217	Trade Receivables	2,950
684	Prepayments	408
587	Other receivable amounts	961
(1,030)	Impairment Allowance	(1,181)
<b>4,458</b>	<b>Total</b>	<b>3,138</b>
562	Central government bodies	1,251
585	Other local authorities	387
-	<b>- Other entities and individuals:</b>	-
2,328	Council tax and NDR	801
741	Housing benefit recoveries	511
684	Prepayments	408
552	Service debtors	919
35	Other debtors	42
(1,030)	Impairment Allowance	(1,181)
<b>4,458</b>	<b>Total</b>	<b>3,138</b>

**Note 14:     Cash and Cash Equivalents**

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

2023/24		2024/25
£'000		£'000
933	Cash and Bank Balances	2,358
13,809	Short Term Investments	12,295
14,742	<b>Total Cash and Cash Equivalents</b>	<b>14,653</b>



## Notes to the Core Accounting Statements (continued)

## Note 15: Creditors

The table below provides details on the level of creditor balances set out in the Balance Sheet:

31-March-2024		31-March-2025
£'000		£'000
(8,923)	Trade Payables	(6,936)
(1,662)	Other Payables	(7,092)
<b>(10,585)</b>	<b>Total Creditors</b>	<b>(14,028)</b>
(6,895)	Central government bodies	(3,811)
(2,028)	Other local authorities	(1,567)
-	<b>Other entities and individuals:</b>	-
(160)	Supplier creditors	(436)
(1,355)	Receipts in advance	(1,122)
(147)	Other creditors	(78)
<b>(10,585)</b>		<b>(7,014)</b>

## Notes to the Core Accounting Statements (continued)

**Note 16: Provisions**

Description	2023/24	Additional provision	Amounts Utilised	Amounts Released	2024/25
	£'000	£'000	£'000	£'000	£'000
<b>Short Term: &lt;1 year</b>					
Planning Appeals	(7)	(22)	8	-	(20)
Tree Root Damage Appeals	(111)	-	4	12	(94)
Business Rate Appeals	(652)	(252)	78	-	(826)
<b>Total Short Term</b>	<b>(769)</b>	<b>(274)</b>	<b>90</b>	<b>12</b>	<b>(940)</b>
<b>Long Term: &lt;1 year</b>					
Insurance	(100)	-	-	-	(100)
<b>Total Long Term</b>	<b>(100)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(100)</b>
<b>Total Provisions</b>	<b>(869)</b>	<b>(274)</b>	<b>90</b>	<b>12</b>	<b>(1,040)</b>

- Insurance**

This provision is for the coverage of probable insurance claims under the Municipal Mutual Insurance Scheme

- Planning Appeals**

See also above, provision is made where there is a probable obligation.

- Business Rates Appeals**

Provision is made for outstanding rating appeals based on information supplied by the Valuation Office, as well as for appeals which are as yet unlodged.

- Tree Root Damage Appeals**

Compensation for refusal to approve consent for felling of tree.

**Note 17: Usable Reserves**

Movements in the Council's usable reserves are detailed in the movement in reserves statement.



## Notes to the Core Accounting Statements (continued)

**Note 18: Unusable Reserves**

Opening and closing balances for all the Unusable Reserves detailed below are disclosed on the face of the Balance Sheet while full movements for the year are detailed in the Movement in Reserves Statement.

31-March-2024		31-March-2025
£'000		£'000
(15,711)	Revaluation Reserve	(16,367)
572	Financial Instruments Revaluation Reserve	488
(20,687)	Capital Adjustment Account	(21,692)
1,581	Pension Reserve	770
(2,325)	Collection Fund Adjustment Account	(176)
172	Accumulated Absences Account	112
<b>(36,398)</b>	<b>Total</b>	<b>(36,865)</b>

**Revaluation Reserve**

The revaluation reserve holds individual balances for each asset where an increase in value has occurred. These balances are reduced when the assets are revalued downwards, impaired, used in the provision of services or disposed of and the balance realised. The revaluation reserve only contains gains accumulated since 1 April 2007, the date it was created. Gains before this date are consolidated into the Capital Adjustment Account. This reserve is not available to support spending.

31-March-2024		31-March-2025
£'000		£'000
<b>(15,645)</b>	<b>Balance 1 April</b>	<b>(15,711)</b>
(928)	Upward revaluation of assets	(1,569)
531	Downward revaluation of assets and impairment losses not charged to the Surplus or Deficit on the Provision of Services	569
<b>(397)</b>	<b>Surplus or deficit on revaluation of non-current assets not charged to the Surplus or Deficit on the Provision of Services</b>	<b>(1,000)</b>
331	Difference between fair value depreciation and historical cost depreciation	344
-	Accumulated gains on assets sold or scrapped	
<b>331</b>	<b>Amount written off to the Capital Adjustment Account</b>	<b>344</b>
<b>(15,711)</b>	<b>Balance at 31 March</b>	<b>(16,367)</b>

## Notes to the Core Accounting Statements (continued)

## Note 18: Unusable Reserves (continued)

## Capital Adjustment Account

The Capital adjustment account contains the difference between amounts provided for depreciation and impairment of assets and the capital expenditure financed from capital receipts. It also contains revaluation gains accumulated prior to 1 April 2007, the date the revaluation reserve was created. The Capital Adjustment Account is not available to support spending.

The movements on the Capital Adjustment Account for the year are:

31-March-2024		31-March-2025
£'000		£'000
(21,396)	<b>Balance 1 April</b>	<b>(20,687)</b>
1,249	Charges for depreciation and impairment of non-current assets	1,193
(64)	Revaluation losses on non-current assets	(4)
167	Amortisation of intangible assets	113
641	Revenue expenditure funded from capital under statute	1,088
8	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	5
-	Other Adjustments	-
<b>2,001</b>	<b>Reversal of Items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</b>	<b>2,395</b>
(331)	Adjusting Amounts written out of the Revaluation Reserve	(344)
<b>1,670</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>2,051</b>
(194)	Use of Capital Receipts Reserve to finance new capital expenditure	(506)
(679)	Capital Grants and Contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	(2,467)
(226)	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	(14)
-	Capital expenditure charged against the General Fund	
<b>(1,099)</b>	<b>Capital financing applied in year:</b>	<b>(2,987)</b>
138	Movements in the market value of Investment Properties debited or credited to the Comprehensive Income and Expenditure Statement	(69)
-	Other movements	
<b>(20,687)</b>	<b>Balance at 31 March</b>	<b>(21,692)</b>

## Notes to the Core Accounting Statements (continued)

## Note 18: Unusable Reserves (continued)

## Collection Fund Adjustment Account

Replaces the collection fund surplus balance attributable to this Council and reflects the adjustment needed to allow accounting requirements to be reconciled to statutory requirements.

31-March-2024		31-March-2025
£'000		£'000
(1,384)	Balance at 1 April	(2,325)
(941)	Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	2,149
(2,325)	Balance at 31 March	(176)

## Pensions Reserve

The Pensions Reserve is an adjustment account that manages the effects of IAS19 charges made to the Comprehensive Income and Expenditure Statement against the statutory requirements for meeting the cost of retirement benefits from local taxes, as well as absorbing the impact of actuarial gains and losses.

31-March-2024		31-March-2025
£'000		£'000
(8,179)	Balance at 1 April	1,581
10,817	Remeasurements of the net defined benefit liability/(asset)	(321)
-	Reversal of items relating to retirement benefits debited or credited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement	-
885	Net charges made for retirement benefits in accordance with IAS19	1,201
(1,942)	Employer's contributions payable to the pension fund and retirement benefits payable direct to pensioners	(1,691)
1,581	Balance at 31 March	770

## Notes to the Core Accounting Statements (continued)

## Note 18: Unusable Reserves (continued)

## Financial Instruments Revaluation Reserve

Changes in the Fair Value of Available for Sale Assets are balanced by an entry in the Available for Sale Reserve.

31-March-2024		31-March-2025
£'000		£'000
470	Balance at 1 April	572
102	(Upward) / Downward revaluation of investment	(84)
572	Balance at 31 March	488

## Accumulated Absences Account

This account holds the balance of leave/lieu time earned by employees but not taken at 31 March 2025. Accounting arrangements require leave due to employees to be charged to the Comprehensive Income and Expenditure Statement but not the General Fund.

31-March-2024		31-March-2025
£'000		£'000
141	Balance at 1 April	172
(141)	Employee Benefits Accrued (prior year adjustment)	(172)
172	Employee Benefits Accrued (current year adjustment)	112
172	Balance at 31 March	112

## Notes to the Core Accounting Statements (continued)

**Note 19: Cash Flow Statement – Cash Flow Adjustments to Net Deficit On The Provision Of Services**

2023/24		2024/25
£'000		£'000
	<b>Cash Flow Adjustments to Net Deficit on the Provision of Services</b>	
(1,249)	Depreciation of non current assets	(1,193)
64	Impairment of non current assets	4
(167)	Amortisation of intangible fixed assets	(113)
-	Revaluation gains on the value of non-current assets	
1,057	Pension Fund adjustments	490
(2)	Increase / (Decrease) in Inventories	2
(3,835)	Increase / (Decrease) in Debtors	4,711
4,361	(Increase)/ Decrease in Creditors	(1,906)
-	Capital Grants credited to Surplus or deficit on the provision of services	
119	Other non-cash movement	484
<b>348</b>	<b>Total adjustments to net deficit on the provision of services</b>	<b>2,479</b>

2023/24		2024/25
£'000		£'000
(2,028)	Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	(6,000)
32	Proceeds from the sale of property, plant and equipment, investment property and intangible assets.	44
949	Any other items for which the cash effects are investing or financing cash flows	2,478
<b>(1,047)</b>		<b>(3,478)</b>

The cash flows for operating activities include the following items:

2023/24		2024/25
£'000		£'000
	<b>Cash Flow from Operating Activities includes the following</b>	
(320)	Interest (received)/paid	(574)
<b>(320)</b>	<b>Total adjustments to net deficit on the provision of services</b>	<b>(574)</b>

**Note 20: Cash Flow Statement – Investing Activities**

2023/24		2024/25
£'000		£'000
	<b>Cash Flow Statement – Investing Activities</b>	
232	Purchase of PP&E, investment property and intangible assets	5,780
(32)	Proceeds from the sale of PP&E, investment property and intangible assets	(44)
(1,178)	Other receipts from investing activities	(1,930)
-		-
(978)	<b>Net cash flows from investing activities</b>	<b>3,806</b>

**Note 21: Cash Flow Statement – Financing Activities**

2023/24		2024/25
£'000		£'000
	<b>Cash receipts of short and long-term borrowing</b>	
237	Cash payments for the reduction of outstanding liabilities relating to finance leases and on balance sheet PFI contracts	12
2,773	Other receipts for financing activities	(1,131)
-		-
3,010	<b>Net cash flows from investing activities</b>	<b>(1,119)</b>

**Note 22: Members' Allowances**

31-March-2024		31-March-2025
£'000		£'000
226	Allowances	245
7	Other Allowance	7
2	Expenses	4
<b>235</b>	<b>Total Members' Allowances</b>	<b>256</b>

## Notes to the Core Accounting Statements (continued)

**Note 23: Remuneration of Senior Staff**

The following table shows the remuneration for the Council's Senior Officers:

2024/25	Total Remuneration excluding Pension costs	Pension Contributions	Total Remuneration including Pension Contributions
	£'000	£'000	£'000

**Post holder information**

Doug Wilkinson - Chief Executive	65	13	78
Richard Holmes - Director of Service Delivery	140	16	156
Director of Strategy, Performance and Governance / Director of Service Delivery & Deputy Chief Executive	102	21	124

2023/24	Total Remuneration excluding Pension costs	Pension Contributions	Total Remuneration including Pension Contributions
	£'000	£'000	£'000

**Post holder information**

Richard Holmes - Director of Service Delivery	100	21	121
Paul Dodson - Director of Strategy, Performance and Governance	100	21	121
Director of Resources	29	5	34

The number of employees - other than senior officers shown in the table above - whose remuneration was in excess of £50,000 was as follows:

Remuneration band	Number of employees	
	2023/24	2024/25
£ 50,000 - £ 54,999	9	17
£ 55,000 - £ 59,999	5	4
£ 60,000 - £ 64,999	6	3
£ 65,000 - £ 69,999	4	8
£ 70,000 - £ 74,999	2	4
£ 75,000 - £ 79,999	3	5
£ 80,000 - £ 84,999	-	1
£ 85,000 - £ 89,999	-	-
£ 90,000 - £ 94,999	-	-
£ 95,000 - £ 99,999	2	-
£ 100,000 - £ 104,999	-	1
£ 130,000 - £ 140,000	-	1
<b>Total</b>	<b>31</b>	<b>44</b>

For this purpose 'remuneration' means all amounts paid to or receivable by an employee excluding employer pension contributions and including sums due by way of expenses allowance (so far as those sums are chargeable to UK income tax) and the estimated money value of any other benefits received by an employee other than in cash. Part time or temporary posts would be included at annualised cost.



## Notes to the Core Accounting Statements (continued)

**Note 24: Termination Benefits**

Termination benefits are amounts payable as a result of either an employer's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept voluntary redundancy in exchange for those benefits.

There were termination packages totalling £110,913 in 2024/25. There were no termination payments made in 2023/24.

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the table below:

(a)			(b)		(c)		(d)		(e)	
Exit Package costs band (including special payments)			Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band (b + c)		Total cost of exit packages in each band	
			2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£ 0	-	£ 20,000	-	1	-	-	-	-	-	1,612
£ 20,001	-	£ 40,000	-	-	-	-	-	-	-	-
£ 100,000	-	£ 150,000	-	1	-	-	-	-	-	109,301
<b>Total cost included in bandings and in the CIES</b>			-	<b>2</b>	-	-	-	-	-	<b>110,913</b>

**Note 25: External Audit Costs**

The Council has incurred the following costs in relation to the audit of the statement of accounts. The appointed auditors were KPMG LLP.

2023/24		2024/25
£'000		£'000
144	Fees payable to external auditors with regard to external audit services carried out by the appointed auditor for the year	158
39	Fees payable in respect of other services provided by external auditors during the year	
<b>183</b>	<b>Total</b>	<b>158</b>

## Notes to the Core Accounting Statements (continued)

**Note 26: Grant Income**

The Council credited the following Capital grants and contributions to the Comprehensive Income and Expenditure Statement - Taxation and Non Specific Grant Income:

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

2023/24		2024/25
£'000		£'000
-		
	<b>Note 32b Credited to services</b>	
(96)	NNDR Administration Grant	(96)
(496)	ECC Contribution to Food Waste	(520)
(107)	Housing Benefit Admin Grant	(106)
(8,992)	Housing Benefits	(8,918)
(60)	COVID 19 Grants	(207)
(136)	Council Tax & NNDR Specific grants	-
(235)	DLUHC Homelessness Grant	(242)
(781)	Other	(903)
<b>(10,903)</b>		<b>(10,991)</b>
	<b>Note 32c Revenue Grants Credited to Taxation and Non-Specific Grant Income</b>	
(474)	New Homes Bonus	(495)
(78)	Lower Tier Services Grant	(11)
(642)	Other Grants Credited to Taxation and Non-Specific Grant Income	(816)
<b>(1,194)</b>	<b>Total Revenue Grants Credited to Taxation and Non-Specific Grant Income</b>	<b>(1,321)</b>
	<b>Note 32d Capital Grants and Contribution Credited to Taxation and Non-Specific Grant Income</b>	
(862)	Capital Grants and Contributions	(2,366)
<b>(862)</b>	<b>Total Capital Grants Credited to Taxation and Non-Specific Grant Income</b>	<b>(2,366)</b>

## Notes to the Core Accounting Statements (continued)

## Note 26: Grant Income (continued)

2023/24		2024/25
£'000		£'000
	<b>Note 32d Receipts in Advance (Revenue Grants)</b>	
(90)	Homelessness grant	(92)
-	- Domestic Abuse grant	(29)
(170)	Test and Trace Grant	-
(42)	Essex Public Health Accelerator Bid	-
-	- Cyber Support grant	(35)
(129)	Air Quality Grant	-
(127)	Other Grants	(249)
(70)	Health and Wellbeing post grant	(110)
<b>(628)</b>	<b>Total Receipts in Advance (Revenue Grants)</b>	<b>(516)</b>

**Notes to the Core Accounting Statements (continued)****Note 27: Related Party Transactions**

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

The most significant related party transactions with these bodies are disclosed in the precepting bodies in the Collection Fund. Details of financial transactions with these bodies are disclosed in the Comprehensive Income and Expenditure Statement and associated notes.

Members of the Council have direct control over the Council's financial and operating policies. The total of members' allowances paid in 2024/25 is shown in Note 23.

Senior managers have control over Council's operation. Their salaries are disclosed in Note 24.

There were no related party transactions in 2024/25 from the returns received.

A Register of Members Interests is held by the Council; in this document members set out details of their interests, as required by the Localism Act 2011 and also by the Council's Code of Conduct.

This information is published on the Council's website (see link below), using the search term 'Register of Interests'.

<http://www.maldon.gov.uk>

## Notes to the Core Accounting Statements (continued)

**Note 28: Capital Expenditure**

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

2023/24		2024/25
£'000		£'000
226	<b>Opening capital financing requirement</b>	<b>55</b>
	<b>Capital investment</b>	
287	Property, plant and equipment	5,492
-	Infrastructure	276
641	Revenue expenditure funded from capital under statute	1,145
<b>928</b>	<b>Total Capital investment</b>	<b>6,913</b>
	<b>Sources of finance</b>	
(194)	Capital receipts	(506)
(38)	Capital Grants and Contributions	(1,322)
(641)	REFCUS	(1,145)
(226)	Minimum Revenue Payment (MRP)	(14)
<b>(1,099)</b>	<b>Total internal financing</b>	<b>(2,987)</b>
<b>55</b>	<b>Closing capital financing requirement</b>	<b>3,981</b>

Significant increase came from Waste vehicle and funded by internal borrowing, the rest of the increase came from capital program and things are picking up after Covid 19. The rest funded from Capital Receipts, Capital grants and contributions.

## Notes to the Core Accounting Statements (continued)

## Note 29: Leases

## Council as Lessee - Right of Use Assets

The Council has limited involvement in arrangements that are required to be accounted for as leases. The Council effectively leased refuse vehicles indirectly through its contract with Suex as they used their own vehicles solely on the Council's behalf. The contract ended in 2023/24. During 2023/24 the Council entered into a lease for the use of a tractor.

The following amounts have been included in the Property, Plant and Equipment balance for the right-of-use assets acquired under these leases:

	31-March-2024	31-March-2025
	£'000	£'000
Amounts recognised upon implementation of new accounting policies at 1 April 2024	226	45
Additions	45	
Principal repaid in year	(226)	(11)
<b>Carrying amount at 31 March 2025</b>	<b>45</b>	<b>34</b>

The interest charged to the Surplus/Deficit on the Provision of Services for these leases in 2024/25 was £2k.

At 31 March 2025, the outstanding payments under the leases were:

31-March-2024		31-March-2025
£'000		£'000
11	Not later than one year	11
34	Later than one year and not later than five years	23
<b>45</b>		<b>34</b>

The Council also leases photocopiers and printers, but no right-of-use assets or liabilities are recognised for these items as they are deemed to be of low value. The rents charged to the Surplus/Deficit on the Provision of Services for these leases in 2024/25 was £126k.

## Notes to the Core Accounting Statements (continued)

## Note 29: Leases (continued)

## Operating Leases

The Council has acquired plant and equipment and its IT and Telecommunications System by entering into operating leases, with lives of 2 to 5 years.

## Authority as Lessee - Operating Leases

The future minimum lease payments due under non-cancellable operating leases in future years are set out below:

31-March-2024		31-March-2025
£'000		£'000
84	Not later than one year	126
326	Later than one year and not later than five years	227
-	Later than five years	
<b>410</b>	<b>Total</b>	<b>353</b>

The expenditure charged to the business change line in the comprehensive income and expenditure statement.

The expenditure charged to services in the CIES during the year in relation to these leases was:

31-March-2024		31-March-2025
£'000		£'000
410	Minimum lease payments	353
<b>410</b>	<b>Total</b>	<b>353</b>

The Council has no finance leases as lessor

## Notes to the Core Accounting Statements (continued)

## Note 29: Leases (continued)

Council as lessor

## Operating Leases

The Council leases out property and equipment under operating leasing for the following purposes:

- For economic development purposes to provide suitable affordable accommodation for local businesses
- For the provision of community services such as river leases

Income the Council is expecting to receive from minimum lease rental payments is analysed as:

31-March-2024 £'000		31-March-2025 £'000
547	Not later than one year	594
1,899	Later than one year and not later than five years	2,011
10,471	Later than five years	8,845
<b>12,917</b>	<b>Total</b>	<b>11,449</b>



**Notes to the Core Accounting Statements (continued)****Note 30: Defined Benefit Pension Scheme****Participation in Pension Schemes**

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

The Council participates in the Local Government Pension Scheme, administered by Essex County Council. This is a funded defined benefits final salary/career average scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

**Transactions Relating to Post-employment Benefits**

The cost of retirement benefits are recognised in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge that is required against Council Tax is based on the cash contributions payable to the Pension Fund in the year, so the real cost of employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

## Notes to the Core Accounting Statements (continued)

## Note 30: Defined Benefit Pension Scheme (continued)

The following transactions have been made in the Comprehensive Income and Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:

	2023/24	2024/25
	£'000	£'000
<b>Comprehensive Income &amp; Expenditure Statement</b>		
<b>Cost of Services:</b>		
Current Service Cost	1,221	1,199
Past Service Cost/(Gain) – Including Curtailments	101	43
Administration Expense		46
<b>Financing and Investment Income and Expenditure:</b>	-	
Net Interest Expense	(437)	(44)
<b>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</b>	<b>885</b>	<b>1,244</b>
<b>Other Comprehensive Income &amp; Expenditure:</b>		
Return on Plan Assets (excluding amounts included in net interest expense)	5,162	25
Actuarial (Gains) & Losses Arising on Changes in Demographic Assumptions	851	161
Actuarial (Gains) & Losses Arising on Changes in Financial Assumptions	525	8,628
Experience (Gains) & Losses on Defined benefit obligations	(185)	169
Impact of asset ceiling	(17,170)	(8,662)
<b>Total remeasurements recognised in the Comprehensive Income &amp; Expenditure Statement</b>	<b>(10,817)</b>	<b>321</b>
<b>Expenditure Statement</b>	<b>(9,932)</b>	<b>1,565</b>
<b>Movement in Reserves Statement:</b>		
Reversal of net charges made to the Surplus or Deficit for the Provision of Services for Post-employment Benefits in accordance with the Code	(885)	(1,201)
Employer's Contributions Payable to the Pension Scheme	1,942	1,691
<b>Total</b>	<b>1,057</b>	<b>490</b>

Future Employer contributions will be subject to the triennial review that is currently underway.

## Notes to the Core Accounting Statements (continued)

## Note 30: Defined Benefit Pension Scheme (continued)

## Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the Council's obligation in respect of its defined benefit plan is as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	2023/24	2024/25
	£'000	£'000
Present value of the defined benefit obligation	(60,666)	(53,483)
Fair value of plan assets	77,162	80,184
<b>Sub-total</b>	<b>16,496</b>	<b>26,701</b>
Present value of unfunded liabilities	(907)	(770)
Impact of asset ceiling	(17,170)	(26,701)
<b>Net (liability)/asset arising from defined benefit obligation</b>	<b>(1,581)</b>	<b>(770)</b>

## Assets and Liabilities in relation to Retirement Benefits

Reconciliation of Present Value of Scheme Liabilities	2023/24	2024/25
	£'000	£'000
Liabilities as of the Beginning of the Period	60,650	61,573
Current Service Cost	1,221	1,156
Interest Cost	2,865	2,971
Contributions by Scheme Participants	481	498
Change in financial assumptions	(525)	(8,628)
Change in demographic assumptions	(851)	(161)
Other	185	(169)
Benefits Paid	(2,506)	(3,030)
Past Service Costs	53	43
<b>Liabilities as of the End of the Period</b>	<b>61,573</b>	<b>54,253</b>

## Notes to the Core Accounting Statements (continued)

## Note 30: Defined Benefit Pension Scheme (continued)

Reconciliation of Fair Value of Scheme Assets	2023/24	2024/25
	£'000	£'000
Assets as of the Beginning of the Period	68,829	77,162
Interest on Assets	3,302	3,884
Return assets less interest	5,162	25
Actuarial Gains/(Losses)	-	-
Administration expenses	(48)	(46)
Employer Contributions	1,942	1,691
Contributions by Scheme Participants	481	498
Benefits Paid	(2,506)	(3,030)
<b>Assets as of the End of the Period</b>	<b>77,162</b>	<b>80,184</b>

## Defined Benefit Pension Scheme Risks

In general, participating in a defined benefit pension scheme means that the Council is exposed to a number of risks:

**Investment risk:**

The Fund holds investment in asset classes, such as equities, which have volatile market values and while these assets are expected to provide real returns over the long-term, the short-term volatility can cause additional funding to be required if a deficit emerges.

**Interest rate risk:**

The Fund's liabilities are assessed using market yields on high quality corporate bonds to discount the liabilities. As the Fund holds assets such as equities the value of the assets and liabilities may not move in the same way.

**Inflation risk:**

All of the benefits under the Fund are linked to inflation and so deficits may emerge to the extent that the assets are not linked to inflation.

**Longevity risk:**

On the event that the members live longer than the assumed a deficit will emerge on the Fund. There are also other demographic risks.

In addition, as many unrelated employers participate in the Essex Pension Fund, there is an orphan liability risk where employers leave the Fund with insufficient assets to cover their pension obligations so that the difference may fall on the remaining employers.

All of the above may also benefit the Council e.g. higher than expected investment returns or employers leaving the Fund with excess assets which eventually get inherited by the remaining employers.

## Notes to the Core Accounting Statements (continued)

## Note 30: Defined Benefit Pension Scheme (continued)

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. Both the Local Government Pension Scheme and Discretionary Benefits liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, estimates for the Essex County Council Fund being based on the latest valuation of the scheme.

The principal assumptions used by the actuary have been:

Mortality assumptions:	LPFA	
	2023/24	2024/25
<i>Long term expected rate of return on assets in the scheme:</i>		
<b>Longevity at 65 for current pensioners:</b>		
Men	20.8 Years	20.7 Years
Women	23.3 Years	23.3 Years
<b>Longevity at 65 for future pensioners:</b>		
Men	22 Years	22 Years
Women	24.7 Years	24.7 Years
<i>Financial assumptions:</i>		
RPI increases	3.30%	3.20%
CPI increases	0.00%	2.60%
Rate of increase in salaries	4.00%	3.90%
Rate of increase in pensions	3.00%	2.90%
Rate for discounting scheme liabilities	4.90%	5.80%

The Discretionary Benefit arrangements have no assets to cover its liabilities.

The scheme's assets consist of the following categories, by proportion of the total assets held:

2023/24			2024/25	
£'000	%		£'000	%
39,353	51%	Equities	40,894	50%
1,389	2%	Gilts	1,604	2%
-	0%	Other Bonds	-	0%
5,324	7%	Property	7,217	9%
1,852	2%	Cash	1,604	2%
25,926	34%	Alternative Assets	26,461	33%
3,318	4%	Other	3,207	4%
<b>77,162</b>	<b>100%</b>	<b>Total</b>	<b>80,987</b>	<b>100%</b>

Based on the above, Maldon District Council's share of the assets of the total Essex Pension Fund is approximately 1%.

## Notes to the Core Accounting Statements (continued)

## Note 30: Defined Benefit Pension Scheme (continued)

## Sensitivity Analysis: present value of total obligation

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

The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

2023/24			Adjustment to:	2024/25		
£'000	£'000	£'000		£'000	£'000	£'000
+ 0.1%	0.0%	-0.1%	Discount Rate	+ 0.1%	0.0%	-0.1%
60,641	61,573	62,530		53,503	54,253	55,021
+ 0.1%	0.0%	-0.1%	Long Term Salary Increase	+ 0.1%	0.0%	-0.1%
61,651	61,573	61,496		54,316	54,253	54,190
+ 0.1%	0.0%	-0.1%	Pension Increases & Deferred Revaluation	+ 0.1%	0.0%	-0.1%
62,469	61,573	60,700		54,978	54,253	53,544
+ 1 Year	None	- 1 Year	Mortality Age Rating Assumption	+ 1 Year	None	- 1 Year
64,182	61,573	59,086		56,336	54,253	52,259

## Note 31: Contingent Liabilities

At 31 March 2025, the Council has one contingent liability:

There is a possible claim against the council regarding a noise abatement notice which has been issued. Estimate for this case is £10,000 but the outcome of the case is uncertain at this time.

## Note 32: Short Term Investments

31-March-2024		31-March-2025
£'000		£'000
6,000	Short Term Investments	-
6,000	Total Short Term Investments	-

This comprises non property investments and is treated as short-term investments. Where investments maturity date is more than three months of the year end date (31 March 2025) it will be treated as short-term investments. If the maturity date is less than three months it will be treated as cash and cash equivalent.

Note 33: Grants Receipts in Advance - Capital

	01-April-2024	Moved to EMR	Additions	Conditions Met	31-March-2025
	£000	£000	£000	£000	£000
Changing Places	(74)			74	-
S106 Receipts	(1,656)	(110)	(123)	543	(1,346)
Other	(341)		(1,148)	1,203	(286)
Total	(2,071)	(110)	(1,271)	1,820	(1,632)



SECTION – 4

SUPPLEMENTARY FINANCIAL STATEMENTS

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• Notes to the Collection Fund	98





## COLLECTION FUND STATEMENT

The Collection Fund statement reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

31-March-2024				31-March-2025		
Business Rates	Council Tax	Total		Business Rates	Council Tax	Total
£'000	£'000	£'000		£'000	£'000	£'000
			<b>INCOME</b>			
-	(54,756)	(54,756)	Council Tax Receivable	-	(58,399)	(58,399)
-	-	-	Transfer from General Fund	-	(10)	(10)
(15,898)	-	(15,898)	Business Rates Receivable	(16,527)	-	(16,527)
<b>(15,898)</b>	<b>(54,756)</b>	<b>(70,654)</b>	<b>Total income</b>	<b>(16,527)</b>	<b>(58,409)</b>	<b>(74,936)</b>
			<b>Expenditure</b>			
			<b>Precepts Demands &amp; Shares:</b>			
6,864	-	6,864	Central Government	7,505	-	7,505
1,236	37,548	38,784	Essex County Council	1,351	40,195	41,546
-	6,045	6,045	PFCC for Essex Policing & Community Safety****		6,506	6,506
137	2,079	2,216	Essex PFCC Fire & Rescue Council****	150	2,181	2,331
5,491	7,317	12,808	Maldon DC & Parishes	6,004	7,739	13,743
			<b>Redistributed Collection Fund Previous Year Surplus/(Deficit):</b>			
(952)	-	(952)	Central Government	2,994		2,994
(171)	905	734	Essex County Council	539	1,411	1,950
-	142	142	PFCC for Essex Policing & Community Safety****		227	227
(19)	48	29	Essex PFCC Fire & Rescue Council****	60	78	138
(761)	180	(581)	Maldon DC & Parishes	2,396	275	2,671
<b>11,825</b>	<b>54,264</b>	<b>66,089</b>	<b>Total expenditure</b>	<b>20,999</b>	<b>58,612</b>	<b>79,611</b>
			<b>Charges to Collection Fund:</b>			
79	369	448	Increase / Decrease (-) in Bad Debt Provision	46	268	314
39	-	39	Increase / Decrease (-) in Provision for Appeals	435	-	435
91	-	91	Costs of Collection	91	-	91
839	-	839	Disregarded Amounts	1,004	-	1,004
<b>1,048</b>	<b>369</b>	<b>1,417</b>	<b>(Surplus)/Deficit carried forward</b>	<b>1,576</b>	<b>268</b>	<b>1,844</b>
(3,025)	(123)	(3,148)	<b>(-) Surplus / Deficit Arising During the Year</b>	6,048	471	6,519
(2,705)	(2,207)	(4,912)	(-) Surplus / Deficit B/Fwd as at 01 April	(5,730)	(2,330)	(8,060)
<b>(5,730)</b>	<b>(2,330)</b>	<b>(8,060)</b>	<b>(-) Surplus / Deficit C/Fwd 31 March</b>	<b>318</b>	<b>(1,859)</b>	<b>(1,541)</b>

\*\*\*\*PFCC is the abbreviation for Police, Fire & Rescue Council and Crime Commissioner

## Notes to the Collection Fund

### COL - 1: General

This account represents the statutory requirement for billing authorities to maintain a separate Collection Fund, which shows the transactions of the billing authority in relation to Non-Domestic Rates, council tax and the distribution to the major preceptors and the General Fund. The account is consolidated with other accounts of the Council.

In 2013/14 there was a change to the method for distributing and accounting for business rates income. Prior to 1st April 2013 Non-Domestic Rates were collected by the Council and then completed paid over to the Government, who then redistributed these sums across the country in the form of the Non-Domestic rates grant.

From 1st April 2013 Business Rates Retention applies, whereby local authorities Maldon District Council (40%), Essex County Council (9%) and Essex County Fire & Rescue Service (1%) retain 50% of the business rates collected for the area and pay the remaining 50% to central government. In addition the government has set a level of business rates funding deemed to be applicable to each area and every Council receives a top-up (if business rates collected are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

With the introduction of business rates retention if a local authority increases its business rates base, and thereby increases its business rate income, it is allowed to retain a proportion of this increased income, whilst paying up to a maximum of 50% across to central government. This payment where it occurs is known as a levy payment. However, as Maldon District Council is part of a business rates pool, the levy is distributed to the members as per the pooling arrangements with 0.72% paid to central government as a levy payment.

### COL - 2: Business Rates

Business Rates is a local tax that is paid by the occupiers of all non-domestic/business property.

Business rates are calculated and collected by the Council. The Government specifies an amount (54.6p in 2024/25; 49.9p for small businesses) and, subject to the effects of transitional arrangements, local businesses pay NDR calculated by multiplying their rateable value by that amount. The income raised in Maldon is distributed between Maldon District Council, Essex County Council and Central Government in line with the distribution rules set out in Business Rates legislation.

NNDR income was £16.5m in 2024/25 (2023/24: £15.9m). The rateable value for the Council's area was £46.68m as at 31 March 2025 VOA valuation

## Notes to the Collection Fund (continued)

## COL - 4a: Council Tax Income

The average Band D Council Tax for the year 2024-25 was £2,076.84 excluding parish element (£1,982.67 in 2023-24).

## COL - 4b: Council Tax Base

The Council's tax base for 2024-25 i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, was calculated as follows:

The figures for 2024/25 are:

Valuation Band	Chargeable Dwellings	Estimated Properties After Discounts, Exemptions etc.	Ratio to Band D	Band D equivalent dwellings
A*	-	1.1	5/9	0.6
A	2,452.0	1,463.5	6/9	975.7
B	3,901.0	2,861.1	7/9	2,225.3
C	8,524.0	6,948.0	8/9	6,176.0
D	5,548	4,953.3	9/9	4,953.3
E	4,635.0	4,297.2	11/9	5,252.2
F	3,079.0	2,926.0	13/9	4,226.5
G	1,669.0	1,586.0	15/9	2,643.4
H	186.0	172.8	18/9	345.5
<b>Total</b>	<b>29,994.0</b>	<b>25,209.0</b>		<b>26,798.5</b>
Add Expected growth and rounding's				195.6
Less Adjustment for collection rate				(593.9)
<b>Council Tax Base</b>				<b>26,400.2</b>

The Council tax payable at each band is shown below. This does not include parishes.

Band	Multiplier	Maldon District	Essex County Council	Essex Police Fire and Crime Commissioner	Essex Fire	Total
A	6/9ths	150.18	1,015.02	164.28	55.08	<b>1,384.56</b>
B	7/9ths	175.21	1,184.19	191.66	64.26	<b>1,615.32</b>
C	8/9ths	200.24	1,353.36	219.04	73.44	<b>1,846.08</b>
D	9/9ths	225.27	1,522.53	246.42	82.62	<b>2,076.84</b>
E	11/9ths	275.33	1,860.87	301.18	100.98	<b>2,538.36</b>
F	13/9ths	325.39	2,199.21	355.94	119.34	<b>2,999.88</b>
G	15/9ths	375.45	2,537.55	410.70	137.70	<b>3,461.40</b>
H	18/9ths	450.54	3,045.06	492.84	165.24	<b>4,153.68</b>

## Notes to the Collection Fund (continued)

## COL - 4b: Council Tax Base (continued)

## Non Domestic Rates

	2023/24	2024/25
Multiplier: Business Rate Relief	51.2	54.6
Small Business Rate Relief	49.9	49.9

The multiplier is set by Central Government.

A Business Rates Retention Scheme was introduced in April 2013.

The Local Council retains 100% of NDR income for their Renewable Energy Sites then, after allowances and expenditure, retains 40%, with 50% being paid to Central Government, 9% to Essex County Council and 1% to Essex County Fire & Rescue Service.

## Collection Fund Balances

	31-March-2024		Movement	31-March-2025
	£'000		£'000	£'000
(Surplus) / Deficit (CT)	(2,330)		471	(1,859)
(Surplus) / Deficit (NNDR)	(5,730)		6,048	318

Attributable to:	NNDR		CT	
	%	£'000	%	£'000
Central Government	50.0%	159	0.0%	-
Maldon District Council	40.0%	127	13.6%	(253)
Essex County Council	9.0%	29	70.8%	(1,316)
PFCC for Essex Policing & Community Safety	0.0%	-	11.6%	(216)
Essex PFCC Fire & Rescue Council	1.0%	3	4.0%	(74)
	100.0%	318	100.0%	(1,859)

**SECTION – 5****Independent Auditors Report to Maldon District Council****INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MALDON DISTRICT COUNCIL ON THE AUTHORITY'S FINANCIAL STATEMENTS**









**SECTION – 6****ANNUAL GOVERNANCE STATEMENT**

Annual Governance Statement 2024/25, Maldon District Council

Achievements for 2024/25

Over the financial year, the following governance framework improvements have taken place:



- Improvement on volume of deferred decisions from 23/24 (possibly supported by the additional member briefings that have taken place in the year)
- Decision to implement a Chief executive post and Deputy Chief Executive, with agreement of associated constitutional updates allowing for transition of [delegated](#) power on the December 'go live' date
- New Corporate plan agreed in December 2024
- Completed delivery of majority of finance peer review actions
- Improvements to performance reporting to allow for greater accountability [with exceptions reported through Performance, Governance and Audit Committee](#) (PGA) (e.g. e-learning)

### Internal audit summary – supplied by BDO

The role of internal audit is to provide an opinion to the Council, through the Performance, Governance and Audit Committee, on the adequacy and effectiveness of the internal control system to ensure the achievement of the organisation's objectives in the areas reviewed. The annual report from internal audit provides an overall opinion on the adequacy and effectiveness of the organisation's risk management, internal control, and governance processes, within the scope of work undertaken by BDO LLP as outsourced providers of the internal audit service. It also summarises the activities of internal audit for the period. The basis for forming the opinion is as follows:

- An assessment of the design and operation of the underpinning Assurance Framework and supporting processes.
- An assessment of the range of individual opinions arising from risk-based audit assignments contained within internal audit risk-based plans that have been reported throughout the year
- This assessment has taken account of the relative materiality of these areas and management's progress in respect of addressing control weaknesses; and any reliance that is being placed upon third party assurances.

Overall, at the time of drafting this statement, BDO LLP can provide moderate assurance that there is a sound system of internal control, designed to meet the Council's objectives and that controls are being applied consistently. In forming this view, they have considered that:

- In the last 12 months (including three audits that were at draft report stage from the 2024/25 internal audit plan), seven out of eight audits provided either Substantial or Moderate assurance over the design of controls (Substantial: five, Moderate: two). These figures include three audits from the 2023/24 internal audit plan and five from the 2024/25 internal audit plan.
- In the last 12 months (including three audits that were at draft report stage from the 2024/25 internal audit plan), six out of eight audits provided either Substantial or Moderate assurance over the operational effectiveness of controls (Substantial: two, Moderate: four).
- During 2024/25, one audit that focused on GDPR has provided a Limited assurance opinion for both the design and operational effectiveness of controls and a Health and Safety audit provided a Limited assurance opinion on the effectiveness of the controls. Furthermore, these reviews were specifically chosen to identify areas for improvement by management.
- Generally, these outcomes are consistent with outcomes for previous years where a Moderate assurance rating is provided.
- Furthermore, during the period we have undertaken one advisory Strategic Fraud review at the request of management. While findings were raised as part of this review, they are advisory in nature and offer actions to support the Council to enhance current controls.

Some areas of weakness have been identified through our reviews, including opportunities for improvement in areas of GDPR, specifically relating to the Record of Processing Activities and Third-Party Data Sharing as well as Health and Safety, with recommendations to address improvements relating to Risk Assessments and Inspection of Sites. However, the Council is already working to address the issues identified.

The Council have implemented most previously raised internal audit recommendations, with only one recommendation overdue from 2021/22 (this is based on our last follow up exercise conducted in December 2024). The recommendation outstanding is for Management of Property and has a revised implementation date of 31/03/2025 and work is on track to complete the actions by this date per current management updates. There are no other overdue recommendations.

There are currently four remaining reviews from the 2024/25 internal audit plan to complete (Business Continuity and Disaster Recovery, Building Control, Asset Management and Main Financial Systems). While fieldwork is yet to be complete, based on scoping and work completed to date, we do not expect to identify any significant issues, and it is unlikely that their outcomes will change the overall opinion outlined above

### Action plan for 2025/26

Based on the governance assessment in this report, the following actions will take place in 2025/ 26 to further strengthen our governance.

Action	Owner
Draw out and link all of our policies and their objectives through a review of the Local Development Plan (LDP) (e.g., corporate plan, climate change) *	MW
Build engagement and information sharing with Parish Councils as part of the Local Development Plan review work through the new Parish and Town Council Engagement Forum (Matt)*	MW
Communications and roll out of whistleblowing policy and procedure	AC

Delivery of finance peer review actions (tracked through SharePoint)	BC / CH
Review governance housekeeping matters through the Performance, Governance and Audit working group	PD
Build on member induction process and training plan in collaboration with the member training and development working group	CH
Include e-learning to balance scorecard reporting, so that completions for staff and members is clear, particularly around governance areas such as risk management.	EH / CH

### Background information

Our arrangements for Governance support



At Maldon District Council, our Governance arrangements are underpinned by a mix of business and operational management, oversight and support activities and independent assurance. The activity is fed into the PGA and then into full Council.

An analysis of this work and the plan for the following year is what forms the Annual Governance Statement.

### Progress made on last Annual Governance Statement (AGS) actions -

In the 23/24 AGS, although no significant issues were identified, we developed an action plan based on best practice for Governance arrangements. These actions have been tracked and reported to the PGA 9 Annual Governance Statement Actions Update.pdf

Some of these actions are captured in the action table above as they continue to be relevant.

CIPFA (the Chartered Institute of Public Finance and Accountancy) / SOLACE (The Society of Local Authority Chief Executives) 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance, highlights seven key areas for good corporate governance, as shown in the diagram below:





Additionally, the Financial Management Code highlights a governance best practice that 'The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control' (Financial Management code Standard C). Later in the document, we will also comment on the Council's arrangements for this practice.

This year, the following activity has taken place within the Governance Framework:

#### **A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

A committee structure as set out below has been in place in 2024/25

Membership of the Overview and Scrutiny Committee is separate from the programme committees to encourage robust scrutiny and separation. All Members are able to submit suggestions for scrutiny items. A Working Group of the committee considers these in detail and recommends back to the committee suggested workplan items and courses for scrutiny suggestions. All members of Committee sit on the Working Group, which is scheduled monthly.

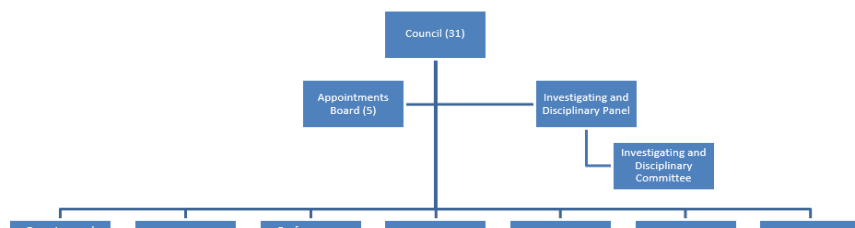
There were two direct member forms referral received (Cemeteries and Woodham Mortimer planning), and two items that rolled over (sensory garden and commercial land), as well as a referral made by the Corporate Leadership Team (CLT) (splash park Private and Confidential (P&C) action follow up). The annual report of Overview and Scrutiny activity will provide further detail on this.

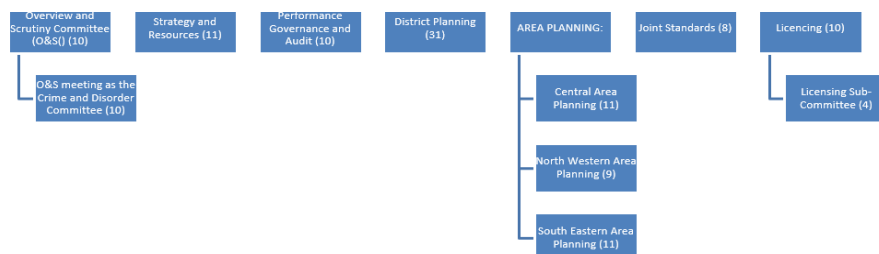
A Working Group of five members of PGA was established in March 2023 to complete detailed review work. In June 2024 this Working Group was appointed as part of the annual reset of Committees.

On 11 July 2024, an Independent Person of the PGA was appointed

Additionally in 2024/25, the Council has established a Boundary Commission Review working group, following engagement from the Boundary Commission who have commenced a review of Maldon's ward boundaries as this has not taken place since 2000. This working group also consider governance arrangements and future requirements as part of the response to the Boundary Commission.

#### **1. MALDON DISTRICT COUNCIL COMMITTEE STRUCTURE**





Of the 2023/24 of the pending decisions highlighted in previous AGS, one was found to be a breach of the code of conduct which was reported to JSC in December. The other case is still ongoing.

In 2024/25 there have been 13 complaints received to date.

Two complaints were combined (with one from 2023/24) and a breach was found which was reported to the Joint Standards Committee (JSC) in December 2024.

One complaint was investigated with no breach found which was reported to JSC in December 2024.

Four complaints no breach was found.

Three complaints didn't engage the code of conduct

Two complaints are pending. one of which looks at two complaints.

Committee meetings continued to run with a live YouTube stream, in 24/25. All previous and live streams can be viewed at Maldon District Council - YouTube.

Across all Committees, the live stream averaged around 129 views, with the public also able to view from the chamber should they wish. (This is an increase from an average of 90 views in 2023/24).

The Council has a Whistle Blowing Policy, which was refreshed and accepted by the Strategy and Resources Committee in November 2023. It sets out the arrangements for employees to disclose allegations of malpractice internally, in relation to staff, Members, contractors, suppliers or consultants in the course of their work for the Council, without fear of victimisation, discrimination or disadvantage.

The Council launched an Annual Staff survey in December 2019, and ran this for the fifth time in November 2024, with a response rate of 65%, this is a decrease of 1% on the previous year. The survey gives honest areas of staff feedback for management to address and allows the organisation to review areas of improvement or reduction in satisfaction between years. As part of the launch of the 2024 survey, we also highlighted the specific actions that have been put in place off the back of previous year's feedback.

The Council has adopted a number of codes and protocols which set out the parameters for the way in which it operates, in particular a Member / Officer Relations Protocol intended to clarify roles and promote effective communication. As part of the May 2023 all member Onboarding process, we included digital copies of these codes in the induction pack and covered them as part of the member onboarding day. The induction pack has been added to all member desktops in 2023/24, as a reference guide.

The Council's Financial Regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of the Council, the Committees, and key officers. The Section 151 Officer (S151) (under the Local Government Act 1972) is responsible for ensuring that sound financial management systems are maintained, and expenditure is lawful and appropriate. On 28 May 2024 the Council agreed to a Corporate Structure review, with a Chief Executive, Deputy Chief Executive and Chief Finance Officer/ S151 in place instead of previously listed Director posts.

On Thursday 30 July 2024 the Council agreed appointment of a Chief Executive, and on Thursday 14 November 2024 the Constitutional delegations were updated at the Council meeting, allowing the new structure to go live in December.

The Council's constitutional arrangements include a Code of Conduct for elected Members based on the Principles of Public Life (the Nolan Principles). The LGA model code of conduct was adopted by Maldon District Council (MDC) in June 2022.

Officers are subject to a Code of Conduct, the policy for which was adopted with effect from 18 November 2013 and last revised in April 2018.

Registers of gifts and hospitality are maintained for both Members and Officers. A statutory register of interests is maintained for Members, and the staff Code of Conduct requires staff to disclose interests. Periodic reminders are issued about the need to avoid potential conflicts of interest and protocols for the acceptance of gifts and hospitality.

The Council has a series of approved policies and strategies relating to good governance, including, for example, the Code of Corporate Governance, anti-fraud and corruption, whistle-blowing, data quality, Freedom of Information, and corporate equality policies, all of which are accessible via the Council's SharePoint system.

BDO LLP under their remit of Internal Auditors consider fraud as part of their audit workplan. This ensures we conform to the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA 2014).

A set of corporate values are in place for staff which include to 'act ethically and with integrity'.



### B. Ensuring openness and comprehensive stakeholder engagement

We ran the annual residents survey in October, which was available online, and promoted through communications. Specific questions in the survey are used to measure the delivery of the corporate plan outcomes. A key concern in 2021/22 was the low response rate to this survey, we have built on this in the years since, with 350 the target for a representative sample, and in the 2024 survey we received 454 responses

The Council additionally ran the annual staff survey which gives internal stakeholder feedback and saw a response rate of 65% of staff.

Public are invited to speak at committee meetings, and with meetings held in a hybrid set up the Council has also had provision for online participation to improve access.

The Council has an internal audit plan, which reviews its controls and risk and provides opportunity for improvements to be identified and addressed. In 2024/25 two audits have been completed and a further three are at draft report stage in the areas of:

- Health and Safety
  - Capital and Commercial Project Management
  - Health and Wellbeing
  - Contract Management
  - General Data Protection Regulations (GDPR)
- Reviews are ongoing for
- Business Continuity and Disaster Recovery
  - Building Control
  - Asset Management
  - Main Financial Systems

The Council engages with the appropriate equality groups in order to ensure that it meets its obligations under the Equality Act 2010. The Council produces Equality Impact Assessments (EIA) in line with legislation. In March 2022, key officers were given refresher training around EIA documentation. All staff are required to complete mandatory Equality Diversity and Inclusion training within 3 months of induction and refresher training each year as part of the Council's commitment to equality.

An internal audit was commissioned during 2023/24 which found that the Council's EIAs were as required. Additional training on EIA's will be commissioned in 2025.26 for key managers where EIAs are required

In March 2022, a web area was developed to publish delegated decisions by officers and improve visibility both internally and externally for this area. There is an internal mechanism for officers to record decisions that are made and this area to be updated quarterly by the Programmes, Performance and Governance Team. The link to access this is [www.maldon.gov.uk/decisions](http://www.maldon.gov.uk/decisions)

### C. Defining outcomes in terms of sustainable economic, social, and environmental benefits

The Council continues its quarterly corporate performance reporting which is reported to the PGA and that measures the delivery of the outcomes in the corporate plan.

Following all Member feedback and engagement work, a revised Corporate Plan was adopted by Council in December 2024 Our Corporate Plan | Corporate Plan 2025 - 2028 | Maldon District Council.



The Council's five priorities are:

- Supporting our communities
- Investing in our district
- Growing our economy
- Protecting our environment
- Delivering good quality services

Corporate performance reporting will be further revised in 2025 to align to the priorities, and developed with PGA Member feedback.

The latest quarterly performance (tracking the previous corporate plan due to timelines) can be seen at [democracy.maldon.gov.uk/documents/s37517/Appendix 1.pdf](https://democracy.maldon.gov.uk/documents/s37517/Appendix%201.pdf)

The Corporate Plan details the vision, goals, and objectives that guide the direction, work and achievements of the authority. It is the Council's core internal strategic planning document, from which supporting strategies can be developed and published, including the Medium-Term Financial Strategy (MTFS), ICT Strategy and Workforce Development Plan, all of which underpin the Council's ambition to transform the way it delivers its services in the future.

The Committee report template has been updated in 2024/25, to ensure that the Council reflects on the impact to its corporate priorities in each report.

At an operational level, each service produces a service plan. These are not submitted to Committee but facilitate effective performance and risk management within the Directorates including the setting of individual staff objectives and completion of performance reviews. The service plans are kept in a central internal SharePoint system, and actions have monthly owner updates, and the service manager provides a monthly highlight report with exceptions for CLT, as a way to manage service plan performance issues dynamically. Exceptions to delivery are reported to the Performance Governance and Audit Committee through the Balance Scorecard exceptions report.

#### **D. Determining the interventions necessary to optimise the achievement of the intended outcomes**

In 2023/24, the LGA completed a finance peer review. Findings were reported to members and an associated action plan accepted which delivery continued against in 2024/25. Of the 42 actions identified, five currently remain open.

The PGA is provided with a quarterly performance report for delivery of the Corporate priorities. They are invited to challenge and focus delivery of these.

The CLT is committed to regular review and updating of the Corporate Risk Register to identify areas of risk to service delivery, and Risk Reporting is also quarterly reviewed and challenged by the PGA

In 2019/20, the Council established a PMO (Project Management Office) in the Council restructure, to standardise project reporting and support good quality project delivery. The Council has a monthly project board and monthly CLT steering board (which reviews project sign off and closure). There is monthly oversight and reporting of projects, and where appropriate, risks and issues can either be addressed or escalated further to Members as part of wider Risk and performance reporting. In 2024/25 further developments have been made to the Council's PMO processes and the support and guidance available to project managers, as part of its continual improvement programme. The process improvement team also produce monthly performance reporting to show the areas that have been supported, and improvements in efficiency and customer experience. As part of this, a review of the customer feedback on the Council's online forms which receive low satisfaction ratings is used to drive further improvement work and ideas

In 2024, an ICT strategy for 24-27 was adopted Appendix 2.pdf this also drives a vision for the Council's technology and processes for the next three years. In 2024/25 work continues to take place to profile the Council's IT systems and their plan for long term usage, support and data management. This will help inform a revision for the IT strategy due for revision in 2026/27

#### **E. Developing the entity's capacity, including the capability of its leadership and the individuals within it**

In 2020/21, the Council put in place a new process for linking the Corporate Plan objectives, through to delivery right down to the individual staff. Now that the Corporate Plan has been refreshed, the diagram below shows how this then links down to team service plans, and individual staff objectives. In January 2023, a refreshed service plan template was issued to the management team to reflect Corporate changes, as previously set out in section C.

In 2023/24, the Council started monthly highlight reporting processes, where the Assistant Directors are now responsible for delivery of a monthly tracker report and reporting highlights and lowlights to the CLT. Exceptions to these are reported to the PGA through the Balance Score Card exceptions.



To underpin objectives, and support staff and members in delivery of their role, the Council has also developed and delivered:

- Key strategies to define delivery that have been live in 2023/24 including a data and insight strategy, a procurement strategy, an asset management strategy, business continuity strategy and a comms, marketing and engagement plan.
- Digital access for refreshers to the full member onboarding programme following elections of our 31 Members in May 2023. Drop-in sessions for Members to address any technology queries ahead of full council meetings.
- Close work with the Member Training and Development Working Group to identify and respond to training needs.
- Member Chairperson and Vice-Chairperson training following the Annual Council meeting in May 2023.
- Regular briefings for Members, topics of which were covered in 2023/24 were: Local Government Review, Budget, commercial projects, Five-year Housing Land Supply, Local Development Plan Review and the Boundary Review.
- Structure review of the senior leadership, with new Chief Executive and Deputy Chief executive posts put into place and associated constitutional updates for transfer of powers.
- Lean Six Sigma (process improvement) training for staff.
- PMO support for project managers and the senior leadership team, including measuring project performance and outcome delivery.
- Key process support documents on our internal Freshservice system that define process steps and act as training and handover guides. A new officer exit process and sickness process put into place to strengthen business continuity.

#### **F. Managing risks and performance through robust internal control and strong public financial management**

Maldon District Council has a drive to be more performance-led. This year the Council has continued to develop its monthly internal Balance Scorecard report for Senior Management review and scrutiny, and started rebuild of Corporate performance reports which will be based on Member feedback, latest system developments and the revised Corporate Plan.

From January 2021, a six-monthly report of operational exceptions from the Balance Scorecard has been reported to the PGA. In 2024/25 this also has included e-learning statistics and compliance on corporate training has seen improvement accordingly.

The data and insight strategy was adopted in 2023, and an action plan to deliver this has been established and progressed in 2024/25. This includes actions such as:

- A review of the Council's IT systems and reporting capability.
- Close work with IT and development of revised IT strategy due in 2024.
- Development of PMO and using business improvement resource to support quantifying project delivery outcomes.
- Building resource within the Council's mapping (GIS system) to improve data access and automate processes (e.g. enforcement data access).
- Case studies and training sessions available for staff and members to improve understanding around data driven decisions.

This year the Council has worked to the Risk Management Policy that was adopted in September 2022, and will be due for revision in 2025/26.

A link to recorded risk training is provided for new staff onboarding and the Programmes, Performance and Governance team support staff with specific risk management queries and support. The team have also rolled out all staff and member e-learning.

A Quarterly Corporate Risk register review goes to the PGA

Risks are a regular item of discussion in the monthly Extended Leadership Team meetings and Service Management Meetings.

Risks to the Council's financial position could potentially arise from a number of factors including unplanned budget overspends, underachievement of income, contractual / legislative failure, a shortfall in forecast business rates growth or challenge and emergency events. Historically, the Council's outturn has been within budget; however, robust budget management, monitoring and reporting will be a key discipline for all budget managers and ensuring that savings and income assumed included within the budget are achieved, will remain an essential focus.

The level of risk posed by contractual or legislative failure and emergency events is difficult to predict, but General Balances are held to mitigate against this possibility. In addition, financial bonds / Parent Company Guarantees are being built into large contracts where appropriate.

It is important to recognise that under the Business Rates Retention Scheme, there is a considerable degree of uncertainty in the forecast for business rates growth as much of it depends on external factors including the impact of successful appeals. The Council's own economic development policies can have an impact on business rates growth and therefore it is important that the planning services, economic development services and the business rates service have a co-ordinated approach to inward investment policies.

The current cost of living crisis could affect households' and businesses' ability to pay Council Tax and National Non Domestic Rates (NNDR) respectively. This places a risk on local taxation collection rates.

The new Waste contract begins in February 2024, and will need to bed in. Waste contract income is driven by recycling tonnage and prices, which are volatile; therefore, income assumed in the MTFS for this contract is based on best known estimates.

#### **G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability**





There were a number of deferrals in Council and Committee decision making in 2023/24 and this was particularly high volume following the May 2023 election and outcome of no overall control politically. The original agenda for the Statutory Annual Council was dealt with across three meetings following the deferrals. There have also been a number of decision-making papers deferred several times at Council meetings.

The LGA has been facilitating and supporting key members and officers to support committee-based decision making in the circumstances of no overall control, as this has proved a governance challenge for Maldon in 2023/24.

The Council committed to continue to build on this in 2024/25, as Maldon has a four-year election cycle. In 2024/25 there were some deferrals again, such as with the Leisure Contract, but the volume of these has seen improvement since 2023/24.

All Committee meetings are open for the public to attend. In 2024/25 the Council also continued to live stream all committee meetings via Youtube <https://www.youtube.com/@maldondc/streams>. Since late 2021, the Council has been able to accept attendance via MS Teams and has been running hybrid meetings to support preferences of those involved. Updates to the Constitutional and procedural documents have been made to allow for these arrangements.

The Council publishes its delegated decisions, which are updated quarterly at [www.maldon.gov.uk/decisions](http://www.maldon.gov.uk/decisions)

This year the Council ran quarterly performance reporting to align it to the corporate outcomes defined in the Corporate Plan. In December 2024, a new Corporate Plan was approved, and work has started to realign Corporate Performance to the new Corporate Plan.

Members are invited to review the performance information and challenge where they feel delivery of the Corporate Plan outcomes is at risk. The internal process around producing this performance documentation also allows greater visibility for the senior managers around how staff are progressing agreed action plans.

An internal audit plan is defined according to areas of Corporate Risk. The Council has a quarterly update of internal audit progress, including audit actions due with officers, and this is reported to the PGA.

**'The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control' (Financial Management code Standard C)**

The CIPFA financial management code also highlights this point in addition to compliance with the 2016 delivering good governance in local government as set out above.

CIPFA believes that the strength of financial management within an organisation can be assessed by a hierarchy of three 'financial management (FM) styles'

- delivering accountability.
- supporting performance.
- enabling transformation.

Maldon has been working against this principle in the following ways

Delivering accountability	Supporting performance	Enabling transformation
<ul style="list-style-type: none"> <li>The introduction of Assistant Director posts in 2023/24, with clear areas of accountability linked to these.</li> <li>Additionally, a new Chief Executive and Deputy Chief executive post were agreed in 2024/25.</li> <li>Leadership development of key members and officers.</li> <li>Member training programme including specific Chairperson sessions, and close working with Member Training Working Group.</li> </ul>	<ul style="list-style-type: none"> <li>Service plan templates and monthly highlight / exceptions reporting mechanism.</li> <li>Quarterly performance reporting against corporate plan delivery.</li> <li>Monthly operational performance reporting through balance scorecard and six-monthly exceptions reports for Committee.</li> <li>Running an annual resident survey and using analysis to inform <u>Corporate</u> plan delivery.</li> <li>Running an annual staff survey to look at areas of organisational improvement.</li> </ul>	<ul style="list-style-type: none"> <li>Permanent process improvement resource to support improvement project delivery.</li> <li>Quarterly improvement reports to track progress.</li> <li>Robust project management office approach to support project delivery.</li> <li>Learning from best practice and adopting recommendations in internal audit and peer review work.</li> </ul>

## CONCLUSION

The Council is satisfied that appropriate governance arrangements have been maintained in 2024/25. These have been successfully adapted and reviewed as a response to changes in circumstance and wider governance arrangements. The Council has also continued to build on good practice around governance and will move to develop this further in 2025/26.

The Council, recognises however that these arrangements are designed only to manage risk down to a reasonable level and cannot provide absolute assurance that the Council will successfully deliver all of its policies, aims and objectives, and will continually monitor and refresh performance and risk reporting throughout the year to address issues that arise.

The Council remains committed to maintaining and where possible improving these arrangements, by:

- Addressing issues identified by Internal Audit and the small number of actions remaining from the 2023/24 Finance peer review.
- Focussing on key risks and areas for improvement.
- Continuing regular, open and transparent engagement with local people.
- Training and enabling staff and Members to work within good governance frameworks.
- Updating key governance frameworks in the year e.g. Risk Management Framework.

## APPENDIX 1





Signed on behalf of Maldon District Council:

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**Councillor Richard H Siddal**  
Leader of Council

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Date:

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**Doug Wilkinson**  
Chief Executive

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Date:



SECTION – 7

GLOSSARY OF FINANCIAL TERMS



# GLOSSARY OF FINANCIAL TERMS

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

## ACCOUNTING POLICIES

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

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

## ACCRUALS CONCEPT

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

## ACCUMULATED ABSENCES

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

## ACTUARIAL GAINS AND LOSSES

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

## ACTUARY

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

## AMORTISATION

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

## APPROPRIATIONS

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

## ASSETS HELD FOR SALE

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

## BALANCE SHEET

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

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

## GLOSSARY OF FINANCIAL TERM (continued)

### CAPITAL ADJUSTMENT ACCOUNT (CAA)

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

### CAPITAL EXPENDITURE

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

### CAPITAL FINANCING REQUIREMENT(CFR)

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

### CAPITAL RECEIPTS

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

### CAPITAL PROGRAMME

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

### CASH AND EQUIVALENTS

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

### COLLECTION FUND

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

### COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

### CONDITION

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

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

### CONTINGENT ASSET AND LIABILITY

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



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

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

**FAIR VALUE**

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

**GENERAL FUND (GF)**

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

**MATCHING**

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

**MINIMUM REVENUE PROVISION (MRP)**

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

**MOVEMENT IN RESERVES STATEMENT (MIRS)**

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

**PROVISION**

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

**PRIVATE FINANCE INITIATIVE (PFI)**

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

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

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

**RESERVES**

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

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

**GLOSSARY OF FINANCIAL TERM (continued)****STATUTORY PROVISION FOR THE FINANCING OF CAPITAL INVESTMENT**

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

**SUBSTANCE OVER FORM**

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

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