



South Cambridgeshire District Council

Draft (Unaudited) Statement of Accounts 2024-25

Please note that figures are rounded to the nearest thousand (where applicable) throughout the document and may not sum due to rounding.

A3 sized printed copies, for the visually impaired, are available upon request from; accountancy@scambs.gov.uk

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1. Introduction

This report has been compiled to provide a summary of the development and performance of the Council over the financial year, outline planned future developments in service delivery including revenue and capital investment plans and to provide assistance in understanding the financial statements and the Council's financial position.

2. Our Vision for South Cambridgeshire

Our vision is for a fairer, kinder, and greener South Cambridgeshire, where all residents will be equal partners in their communities.

We aspire to create a better district to the benefit of everyone in our communities. We recognise the many challenges that face the district and will continue to work to overcome these to help realise its full potential.

3. Our Priorities

- Healthy and supported communities
- Sustainable homes and vibrant places
- Being green to our core
- Helping businesses to thrive in South Cambridgeshire
- Financially secure and fit for the future

South Cambridgeshire is a vibrant rural district of 350 square miles surrounding Cambridge City. We are home to world-leading centres of science and technology such as Granta Park, the Babraham Institute and the Genome Campus at Hinxton. In addition to hosting some of the most renowned science parks, we are home over 8,000 businesses, the majority of whom are small to medium enterprises.

Although we are home to some of England's oldest villages, we are also developing exciting new towns such as Cambourne, Northstowe and Waterbeach. Based on our latest housing trajectory, it is anticipated that 22,749 dwellings will have been completed in Greater Cambridge (the city of Cambridge and South Cambridgeshire) between April 2011 to March 2025. This brings with it the environmental and housing-based pressures associated with one of the fastest growing areas of the UK.

The district is largely rural with most of the population of around 162,000 living in small, relatively isolated, outlying rural settlements, and with larger settlements situated on strategic routes into Cambridge such as Histon, Milton and Cambourne, along with developments on the edge of Cambridge - such as Orchard Park and Trumpington Meadows.

Between the last two censuses (held in 2011 and 2021), the population of South Cambridgeshire increased by 9%, from around 148,800 in 2011. This compares with an 8.3% population increase for the whole of the East of England and a 6.6% increase for England. According to Cambridgeshire County Council's population forecasts, the population of South Cambridgeshire is projected to grow to 222,345 by 2041.

As per the 2021 census, the number of people aged between 65 to 74 years rose by around 3,400 (an increase of 26.2%), while the number of residents between 20 and 24 years fell by around 850 (a 12.0% decrease). The average (median) age of South Cambridgeshire residents increased by one year, from 41 to 42 years of age.

Of South Cambridgeshire households, 68.9% owned their home in 2021, down from 70.3% in 2011. In 2021, 14% rented privately, compared with 12% in 2011. The percentage of South Cambridgeshire households that lived in a socially rented property increased from 14.3% to 14.5%.

Overall, South Cambridgeshire is a prosperous area with high levels of economic activity and low levels of unemployment. The district forms part of the Cambridge Sub-Region. The district is a key contributor to the growth that makes Greater Cambridge a major driver of UK economic prosperity, competing for inward investment on a global stage with areas such as Massachusetts, California, Europe and the Far East.

4. South Cambridgeshire District Council Business Plan 2019-2024

The Business Plan 2019-2024 is the document that sets out the Council's vision and strategic objectives, providing the context for the agreement of financial strategies and subsequent departmental budgets to deliver them. The Plan contains:

- Our Vision for the district;
- Four Strategic Objectives setting out how the Vision will be achieved, delivered through 20 key actions;
- What we will do to achieve each objective, and what success will look like;
- Key performance measures.

Our Strategic Objectives are as follows:

Growing Local Businesses and Economies - We will support businesses of all sizes, including rural enterprise and farming, to help create new jobs and opportunities near to where people live.

Housing that is truly affordable for everyone to live in - We will build vibrant communities in locations where people have good access to facilities and good transport links, so they can genuinely afford to live a happy and healthy life.

Being Green to our Core - We will create a cleaner, greener and zero-carbon future for our communities.

A Modern and Caring Council - We will provide our customers with high-quality services, strive to reduce costs, build on what we are good at to generate our own income, and make decisions in a transparent, open and inclusive way.

Current and Future Developments

The high level priorities are underpinned by a number of more detailed actions that set out now the priorities are being delivered.

With regard to growing local businesses and economies the immediate objective is to provide support to local business through a team of officers dedicated to providing a range of measures including skills support, trainings, promotion of tourism and the visitor economy, encouraging shopping locally and providing affordable housing for essential and key workers.

With regard to housing that is truly affordable for everyone to live in, the Council has set an ambitious house building programme to deliver up to 75 new council homes per annum in 2023/24 and improve the energy efficiency of existing dwellings. Plans also include improving liaison with Parish Councils

regarding potential housing development in their area. There are also plans to combat homelessness and be a significant partner driving the new town development at Northstowe.

The Council is committed to reducing its carbon footprint and this is driven by the green to our core priority. Key actions include improving recycling rates, trialling electric waste vehicles with a view to greening the fleet, carrying out works at the Council offices to improve energy efficiency and generate our own power through renewable energy and stemming the increasing incidence of fly tipping across the district. Longer term aims look at promoting cycling, walking and the use of public transport to, where possible, move people away from car use and further promote recycling, waste reduction and deter fly tipping.

With regard to a modern and caring council, the objectives look at increasing efficiency with more reliance on technology, streamlining processes generally, signposting customers to the use of on-line forms and generating more income from Council activities to support service delivery. Longer term aims look at supporting voluntary groups to deliver local projects and developing members to better equip them to serve their local communities.

Performance and Plans

The following link, [Performance and Plans](#), provides information on the Council’s KPI performance and business plan actions update for each quarter since 2018-19.

5. Political and Management Structure

South Cambridgeshire District Council was represented by a total of 45 Councillors. At 31st March 2025, the breakdown of councillors by political group was as follows:

Liberal Democrat	35
Conservative	8
Independent Group	2

The Council operates a Leader and Cabinet model of governance under which the Leader of the Council, elected by the whole Council to serve a four-year term of office, appoints a Cabinet of up to ten councillors, each of which are given a Portfolio to reflect a corporate priority. The Cabinet implements the strategic policy and budgetary framework agreed by all Councillors each February. It is held to account by the Scrutiny and Overview Committee which comprises of 14 members and met 7 times during the financial year.

The Council's Leadership Team is responsible for ensuring that the plans agreed by Council and Cabinet are delivered. At 31 March 2025, the Team consisted of the Chief Executive and Head of Paid Service (Liz Watts), supported by:

- Chief Operating Officer – Anne Ainsworth
- Head of Finance, Section 151 Officer - Peter Maddock
- Head of Transformation – Jeff Membery
- Head of Housing – Peter Campbell
- Director of Shared Planning (Joint with Cambridge City Council) – Stephen Kelly
- Head of Climate, Waste and Environment (Joint with Cambridge City Council) – Bode Esan
- Monitoring Officer – John Murphy

The Council’s three statutory officers were as follows:

- Head of Paid Service - Liz Watts
- Head of Finance, Section 151 Officer - Peter Maddock
- Monitoring Officer – John Murphy

The functions and areas of responsibility of the Statutory Officers are set out in Article 12 of the Constitution. This is recognised in our Code of Governance, which is reviewed regularly and published on our website.

6. Corporate Peer Challenge

During October / early November of the previous financial year ,The District Council took part in a Corporate Peer Challenge, which is run by the Local Government Association (LGA) and designed to provide robust, strategic, and credible challenge and support to councils. Typically, Councils have a peer review every five years and for South Cambridgeshire, our last peer review was of our Planning Committee in 2020.

The team who carried out the process returned during September 2024 to review progress made against the recommendations in the original report. A follow up report was produced by the peers and considered by both Scrutiny and Overview Committee and Cabinet. Apart from a couple of delays to specific projects generally outside of the council’s control the team reported good progress against the recommendations made. In particular, it noted the further progress made on the closure of outstanding accounts and the backstop dates set by central government in a bid to get all accounts up to date.

7. Summary of Financial Performance

The financial year began with the setting of the budget in February 2024. The following sections describe the actual performance against this budget. The Council incurs both revenue and capital expenditure. The revenue account, known as the General Fund, bears the cost of providing day to day services. The capital account shows the net cost of transactions to buy or sell land, property or other assets, build new property, make improvements and provide grants or loans to other bodies to undertake this type of activity. The tables below show the outturn position and variances for the General Fund (services for the whole community) and the Housing Revenue Income and Expenditure Account (Council housing). The overall financial position of the Council is reflected in its Comprehensive Income & Expenditure Account and its Balance Sheet shown in these Statement of Accounts.

When the General Fund budget for the financial year ending 31 March 2025 was set in February 2024, the surplus was estimated at £4.519m (Appropriation to General Fund Balance line). The budget was revised to a surplus of £3.070m in the year. The actual outturn reported to cabinet was a surplus of £3.923m.

Narrative Statement

General Fund Summary	Revised Budget	Provisi- onal Reported Outturn	Actual Outturn	Actual v/s Provisi- onal Outturn	Actual Outturn v/s Revised Budget
	2024/25	2024/25	2024/25	2024/25	2024/25
Net Expenditure	£'000	£'000	£'000	£'000	£'000
Portfolio					
Chief Executive	3,109	3,131	4,253	1,122	1,144
Head of Climate, Environment & Waste	10,217	9,017	9,016	(1)	(1,201)
Head of Finance	3,557	3,223	3,223	0	(334)
Monitoring Officer	175	93	93	0	(82)
Head of Housing	2,075	1,466	1,244	(222)	(831)
Director of Greater Cambridge Shared Planning	4,520	3,332	3,452	120	(1,068)
Head of Transformation, HR & Corporate Services	5,130	4,979	5,352	373	222
Operational Net Cost	28,782	25,241	26,633	1,392	(2,150)
Income from Investments	(8,507)	(9,421)	(9,194)	227	(687)
Other Levies and Contributions	2,143	2,252	2,343	91	200
Interest Payable (Inc. HRA)	2,997	3,632	3,632	0	635
Accounting Reversals	2,242	1,770	2,306	536	64
Appropriation to/(from) Earmarked Reserves	2,957	3,952	4,793	841	1,836
Net Operational Budgets	1,832	2,185	3,880	1,695	2,048
Total Expenditure	30,614	27,426	30,513	3,087	(102)
Government Grants	(3,352)	(3,353)	(3,353)	0	(1)
Council Tax	(11,689)	(11,689)	(11,689)	0	0
Business Rates Income	(13,685)	(11,227)	(11,227)	0	2,458
Business Rates Pool Gain	(2,190)	(2,312)	(2,291)	21	(101)
Business Rates Collection Fund (Surplus) / Deficit	(2,857)	(2,857)	(2,103)	754	754
Council Tax - Collection Fund (Surplus) / Deficit	89	89	89	0	0
Income from Taxation and Government Grants	(33,684)	(31,349)	(30,574)	775	3,110
Appropriation (to)/from General Fund	(3,070)	(3,923)	(61)	3,862	3,008

The table above shows the variances against the revised 2024/25 budget for the General Fund with an overall variance of £3.008m.

Head of Climate, Environment and Waste – This was the largest underspend variance and was a combination of grant income and additional income recieved within the service. In addition there was lower than expected operational running costs of the service and a reduction in the business rates due for South Cambs Hall.

Director of Greater Cambridge Shared Planning - Most of the difference is from additional income comprising of fees and charges and planning performance agreement monies and lower than expected expenditure on legal fees.

Head of Housing - The variance here was entirely due to additional grant monies received above the budget.

Chief Executive - The variance is due to the treatment of the Rural prosperity fund grant. Classification change from refcus to capital grant

Income from investments was higher than presumed were higher than expected due to increased interest rates in the final quarter of 2024/25.

Business rates income is difficult to estimate. The Business rates levy was higher to the Business Rates Pool Account compared to that in the revised budget. The levy is paid on an actual basis whilst at the end of the year the actual income and expenditure are reconciled with the estimates and any surplus or deficit is distributed or recovered in the following year.

In the revised 2024/25 budget, the transfer of the Business Rates levy to the Business Rates Pool account was not treated as a transfer to Council earmarked reserves but instead treated as a reduction in General Fund Income. This is because the Pool account is not defined as a Council earmarked reserve.

Overall the outturn position was an addition to the General Fund reserves of £0.061m against a budget that assumed a £3.070m contribution to reserves. General Fund reserves stood at £20.040m at 31 March 2025, (see movement on General Fund statement).

Housing Revenue Account

The Housing Revenue Account (HRA) summarises the transactions relating to the provision, management and maintenance of Council houses and flats. Although this account is also included within the core financial statements it represents such a significant proportion of the services provided by the Council that it is a requirement that it has a separate account. The account has to be self-financing and there is a prohibition on cross subsidising to or from the council tax payer. The HRA statement and notes are included after the main statement notes.

Housing Revenue Account	Revised Budget	Provisi-onal Reported Outturn	Actual Outturn	Actual v/s Provisi-onal Outturn	Actual Outturn v/s Revised Budget
	2024/25	2024/25	2024/25	2024/25	2024/25
	£'000	£'000	£'000	£'000	£'000
Housing Management	8,311	8,409	8,409	0	98
Housing Repairs	8,220	8,749	8,749	0	529
Depreciation	10,814	9,051	7,646	(1,405)	(3,168)
Interest Payable	7,913	7,935	7,935	0	22
Capital Expenditure Funded from Revenue	13,913	5,633	7,038	1,405	(6,875)
Other Items	511	637	637	0	126
Gross Expenditure	49,682	40,414	40,414	0	(9,268)
Rents	(38,372)	(38,390)	(38,390)	0	(18)
Charges for services and facilities	(1,430)	(1,442)	(1,442)	0	(12)
Interest on Balances	(709)	(801)	(922)	(121)	(213)
Contributions towards expenditure	(475)	(921)	(801)	120	(326)
Gross Income	(40,986)	(41,554)	(41,555)	(1)	(569)
Transfer from Earmarked Reserve	(8,500)	0	0	0	8,500
Amount (to)/from HRA Balance	196	(1,140)	(1,141)	(1)	(1,337)

The table above shows the variances against the revised 2024/25 budget for the HRA with an overall variance of £1.337m.

Repairs – Routine property repairs are charged to the revenue account and are difficult to estimate accurately. There was an overspend of £0.529m in this area primarily relating to assessment surveys for retrofit works and on damp & mould surveys repiar works on void properties, reflecting a continuing trend of properties being returned in poor condition.

Depreciation was around £3.168m underspent. This variance reflects the outcome of an annual stock valuation exercise, during which the useful lives of property assets were reassessed and extended. As a result, depreciation is now calculated over a longer period, thereby reducing the in-year charge.

Capital Expenditure Funded from Revenue - This is £6.875m lower due to significant slippage in the new build element of the capital programme. The intention was to use the £8.5m self financing reserve to fund capital expenditure in 2024/25 but due to the aforementioned slippage this was not necessary.

Overall the outturn position was an increase in the HRA reserves of £1.141m against a budget that assumed a £0.196m contribution from reserves. HRA reserves stood at £4.129m at 31 March 2025, (see movement on HRA statement)

Capital

Capital expenditure produces assets capable of providing benefits to the community for several years to come. Total expenditure for the year amounted to £67.305m (including revenue expenditure funded from capital (REFCUS)).

The programme included £19.603 investment fund for Ermine Street, £0.768m spent on civic and community buildings at Northstowe, £2.932m spent on vehicle replacements, £0.619m on the Council Offices greening project and adaptations and £39.598m being invested through the HRA in the Council’s own housing stock and new build initiatives.

Treasury Management

At 31 March 2025, investments (including those classed as cash equivalents) totalled £159.078m. These are shown on the Balance Sheet as follows, long term investments £137.312m, short term investments £4.160m and cash and cash equivalents £17.605m.

These investments produced interest of £6.947m, which was used towards the cost of services.The Council has debt of £278.123m of which £222.123m was in respect of funding Housing Revenue Account assets as long term borrowing. The General Fund has short term borrowing of £46.0m and long term borrowing of £10.0m.

Balances and Reserves

The balances on the General Fund and the Housing Revenue Account were £20.040m and £4.129m respectively as at 31 March 2025 (excluding earmarked reserves). This compares to the proposed minimum level of balances of £2.5m (General Fund) and £2.0m (Housing Revenue Account). These will be used to meet the cost of services in future years and/or to control any increases in council tax/rents.

Reserves available for capital expenditure stood at £929.037m, consisting of the usable capital receipts reserve, capital grants unapplied and major repairs reserve.

Covid-19 Pandemic and Aftermath

Covid related restrictions ended during the 2021 but since then there has been a period of high inflation which continued into 2024/25. The cost of living crisis, as it is referred to, has put added pressure on local authorites in the form of increased cost generally and increased demand for particular services provided.

The Medium Term Financial Strategy (MTFS) takes into account the impact of high inflation levels assuming these will take a little while to come down to pre-pandemic levels.

Council Tax

The Council collects the Council Tax from residents for a number of preceptors including itself and passes the amounts in line with agreed precepts onwards. The preceptors who the Council collect on behalf of are shown in the Collection Fund Statement on page 55.

The Council Tax set by the Council is substantially below the average charged by other shire districts because in the past the Council used a proportion of its reserves to reduce the amount of Council Tax residents would have to pay. Without the use of reserves, the Council Tax would be at its higher,

underlying level. The gap is now constant due to applying the maximum £5 increase allowed under the Council Tax capping arrangements since 2017.

Reporting Cycle

The General Fund and Housing Revenue Account budgets are presented to Cabinet and Council for approval every year, in February, and are published on the Council website.

During the year, expenditure and income is monitored and significant variances reported to Cabinet. The Council’s Forward Plan providing information on key reports is published on the Council’s website.

The Council’s Scrutiny and Overview Committee and Cabinet regularly monitors performance against key performance indicators. This information and the Business Plan 2019 to 2024 is available on the Council’s website.

The Current Economic Climate and Other Significant Risks

The Government’s actions to reduce the fiscal deficit, mainly by reducing public spending have resulted in substantial cuts for local government. The Council’s Medium Term Financial Strategy is identified in its strategic risk register with an assessed risk of high impact / likely. The financial situation is dependent, amongst other things, on the continuation of the New Homes Bonus and the redistribution of retained Business Rates.

The Homelessness Reduction Act has significantly increased duties owed by the Council. This added to increased costs to meet statutory obligations meaning Homelessness budget pressures are a considerable risk now and into the future. The Council is likely to see increased demand for the service and more in-depth support and assessment for those who approach the Council.

Affordable Housing

Following on from the Housing Revenue Account self-financing debt settlement at the end of March 2012, the Council has established a new build development programme. In 2024/25 construction was completed on 68 new homes, with the new buuild programme continuing into 2025/26. There were also 17 homes acquired under the Local Authority Fund Acquisition scheme for housing Ukrainian and Afghan refugees, around 40% of this scheme was funded by Central Governement. The properties, in the longer term, will form part of the Councils general needs stock. No existing market homes were acquired in 2024/25 for letting as affordable housing by the authority.

Ermine Street Housing

In November 2012 approval was given by Council to set up a subsidiary housing company, registered as South Cambs Ltd and trading as Ermine Street Housing with a principal activity being the management of both purchased and leased properties for the purpose of residential lettings. The link [Ermine Street Housing](#) opens the website for this company which provides information about its services.

Ermine Street Housing has a portfolio of both owned and leased market housing stock, with a portfolio, as at 31 March 2025 of 191 leased properties and 525 properties acquired for rental across Cambridgeshire, Suffolk, Northamptonshire, Leicestershire, Nottinghamshire and Leeds. The company secured an additional £20 million lending from the Council in 2024/25 to take advantage of new investment opportunities. During the year , the company aquired three freehold sites comprising

apartment blocks, along with four properties designated for single-occupancy accomodatioin. Ermine Street reports annually to the council through its business case updates.

As an independent but wholly owned subsidiary and in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy Code of Practice, the Council has prepared group accounts to show the overall financial position and results of the District Council.

Greater Cambridge Partnership (formerly known as the Greater Cambridge City Deal)

The Greater Cambridge Partnership (GCP) is a partnership of local councils, including South Cambridgeshire, business and academia set up to deliver the City Deal (an agreement with Central Government). The Partnership constitutes a 15-year plan to improve the infrastructure of the area, supporting economic growth and securing long-term prosperity and quality of life for the people of Cambridge and South Cambridgeshire. The other partners to the Partnership are Cambridge City Council, Cambridgeshire County Council, the GCGP Local Enterprise Partnership (now part of the Cambridgeshire and Peterborough Combined Authority) and Cambridge University.

A thriving and vibrant city region, Greater Cambridge has achieved rapid growth and economic success through world-leading innovation and collaboration between entrepreneurs and academics. It has the highest cluster of technology firms in the UK and competes on a global stage as a gateway for high-tech investment into the UK. However, this success and the area’s appeal as an attractive place to live and work, has resulted in significant transport congestion, a shortage of housing and access to relevant skills. These issues have to be addressed to secure future economic growth and quality of life. Through the deal, the GCP has secured powers and funding from Central Government to make vital improvements to secure future economic growth and quality of life in the city region. The GCP aims to deliver over £1 billion of investment, thousands of new homes and jobs, and improved transport links. The 15-year plan focuses on four key issues: Transport, Housing, Skills and Innovation.

Cambridgeshire and Peterborough Combined Authority

The Cambridgeshire and Peterborough Combined Authority was formally constituted in March 2017, following a Devolution deal with government which was planned to unlock hundreds of millions of pounds of new funding for the county, including £20m-a-year funding allocation from the Ministry of Housing and Communities and Local Government to grow the economy. Cllr Smith represented the Council on the Combined Authority throughout 2024/25 financial year.

.....
Farzana Ahmed
Head of Finance, Section 151 Officer
Date: 30/06/2025

The Statement of Responsibilities

The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

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Councillor Atkins

Chairman of the Audit and Corporate Governance Committee

Head of Finance, Section 151 Officer's Responsibilities

The Head of Finance, Section 151 Officer is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom ('the Code').

In preparing this Statement of Accounts, the Section 151 Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Section 151 Officer has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The Statement of Accounts presents a true and fair view of the financial position of the Authority at 31 March 2025 and its income and expenditure for the year then ended.

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Farzana Ahmed

Head of Finance, Section 151 Officer

Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing service in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24					2024/25		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£000	£000	£000		Note	£000	£000	£000
			Continuing Operations				
3,460	(821)	2,639	Chief Executive		5,259	(1,065)	4,194
18,368	(9,932)	8,436	Head of Climate, Waste & Environment		21,622	(11,824)	9,798
29,239	(21,254)	7,985	Head of Finance		24,178	(21,080)	3,098
109	0	109	Monitoring Officer		93	0	93
5,553	(3,846)	1,707	Head of Housing		6,556	(4,454)	2,102
10,041	(5,561)	4,480	Director of Greater Cambridge Shared Planning		11,160	(8,022)	3,138
7,813	(4,136)	3,677	Head of Transformation, HR & Corporate Services		7,365	(1,834)	5,531
66,556	(36,972)	29,584	Housing Revenue Account		31,731	(41,054)	(9,323)
141,139	(82,522)	58,617	Net Cost of Services		107,964	(89,333)	18,631
9,492	(2,466)	7,026	Other Operating Expenditure and Income	9	9,875	(4,633)	5,242
8,961	(23,696)	(14,735)	Financing and Investment Income and Expenditure	10	10,667	(9,534)	1,133
52	(46,386)	(46,334)	Taxation and Non-Specific Grant Income	11	99	(54,220)	(54,121)
159,644	(155,070)	4,574	(Surplus) / Deficit on Provision of Services		128,605	(157,720)	(29,115)
		(4,144)	(Surplus) / Deficit on Revaluation of Property Plant & Equipment	20a			(28,679)
		(5,557)	Actuarial (Gains) / Losses on Pension Assets / Liabilities	32			26,131
		(5,127)	Total Comprehensive Income and Expenditure				(31,663)

Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The surplus or deficit on the provision of services line in the CIES shows the true economic cost of providing the authority's services. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

		General Fund Balance	Earmarked Reserves (General Fund)	Housing Revenue Account	Earmarked Reserves (HRA)	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Movements in Reserves during 2023/24	Note	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 01 April 2023		(18,044)	(33,230)	(2,812)	(9,500)	(2,148)	(40,221)	(673)	(106,628)	(471,944)	(578,572)
Total Comprehensive Income and Expenditure	CIES	(17,384)	0	21,958	0	0	0	0	4,574	(9,701)	(5,127)
Adjustment Between Accounting and Funding Basis Under Regulations	7	17,316	0	(22,134)	0	(1,131)	19,118	(234)	12,932	(12,932)	0
(Increase) / Decrease in Year		(68)	0	(176)	0	(1,131)	19,118	(234)	17,506	(22,633)	(5,127)
Transfer to Earmarked Reserves	8	(1,867)	1,867	0	0	0	0	0	0	0	0
(Increase) / Decrease in Year		(1,935)	1,867	(176)	0	(1,131)	19,118	(234)	17,506	(22,633)	(5,127)
Balance as at 31 March 2024	B/S	(19,979)	(31,363)	(2,988)	(9,500)	(3,279)	(21,103)	(907)	(89,122)	(494,577)	(583,699)
Movement in reserves during 2024/25											
Total Comprehensive Income and Expenditure	CIES	(21,270)	0	(7,845)	0	0	0	0	(29,115)	(2,548)	(31,663)
Adjustment Between Accounting and Funding Basis Under Regulations	7	16,416	0	6,704	0	2,690	2,231	(8,669)	19,372	(19,372)	0
(Increase) / Decrease in Year		(4,854)	0	(1,141)	0	2,690	2,231	(8,669)	(9,743)	(21,920)	(31,663)
Transfer from Earmarked Reserves	8	4,793	(4,793)	0	0	0	0	0	0	0	0
(Increase) / Decrease in Year		(61)	(4,793)	(1,141)	0	2,690	2,231	(8,669)	(9,743)	(21,920)	(31,663)
Balance as at 31 March 2025	B/S	(20,040)	(36,156)	(4,129)	(9,500)	(589)	(18,872)	(9,576)	(98,865)	(516,497)	(615,362)

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority 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 Reserves that may only be used to fund capital or repay debt). The second category of reserves is those that the authority 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.

31 March 2024			31 March 2025
£000		Note	£000
704,216	Property, Plant & Equipment	12	751,583
54,510	Investment Properties	12a	54,510
681	Intangible Assets	36	582
117,689	Long Term Investments	13	137,354
747	Long Term Debtors	14	747
7,356	Pension Asset	32	(17,367)
885,199	Total Long Term Assets		927,409
5,115	Short Term Temporary Investments	13	4,160
199	Inventories	-	277
13,945	Debtors and Prepayments	16	15,363
6,832	Cash & Cash Equivalents	17	17,605
26,091	Total Current Assets		37,405
(54,980)	Short Term Creditors	18	(64,373)
(42,600)	Short Term Borrowing	15	(46,000)
(734)	Cash & Cash Equivalents	17	(234)
(5,762)	Provisions	19	(5,499)
(104,076)	Total Current Liabilities		(116,106)
(1,392)	Pensions Liability	32	(1,223)
(222,123)	Long Term Loans	13	(232,123)
(223,515)	Total Long Term Liabilities		(233,346)
583,699	Net Assets		615,362
(89,122)	Usable Reserves	MIRS	(98,865)
(494,577)	Unusable Reserves	MIRS/ 20	(516,497)
(583,699)	Total Reserves		(615,362)

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 Farzana Ahmed
 Head of Finance, Section 151 Officer

Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority 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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority’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 authority.

2023/24			2024/25
£000		Note	£000
(4,574)	Net Surplus/(Deficit) on Provision of Services	CIES	29,115
27,512	Adjustments to net surplus or deficit on the provision of services for non-cash movements	21	25,633
(4,082)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	(13,718)
18,856	Net cash flows from Operating Activities		41,030
(29,731)	Investing Activities	22	(35,042)
(766)	Financing Activities	23	5,286
(11,642)	Net Increase or (Decrease) in cash and cash equivalents		11,273
17,740	Cash and Cash Equivalents at the beginning of the reporting period	17	6,098
6,098	Cash and Cash equivalents at the end of the reporting period	17	17,371

1 Accounting Policies

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the relevant financial year and its position at the Balance Sheet date of 31 March. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (amended) in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom (2024/25), supported by International Financial Reporting Standards (IFRS).

The underlying concepts of the accounts include the:

- Council being a 'going concern' – all operations continuing
- Accrual of income and expenditure – placing items in the year in which the liability is incurred

The accounting statements are prepared with the objective of presenting a true and fair view of the financial position and transactions of the Council.

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. The accounting policies are reviewed on an annual basis to ensure that they are appropriate, compliant with accepted accounting practice and relevant to the Council's ongoing business activity.

1.2 Accruals of Income and Expenditure

The accounts of the Council are maintained on an accrual's basis, that is, sums due to the Council for goods/services provided or due from the Council for goods/services received during the year are included as income or expenditure whether or not the cash has actually been received or paid in the year. Any differences between the actual amounts and accrued amounts will be reflected in the accounts of the following year.

Exceptions to this principle relate, for example, to quarterly payments where payments are charged in the year rather than apportioning charges between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts. Grants payable to other organisations are included in the accounts on a payment basis.

Where income and expenditure has been recognised in the accounts, but cash has not been received or paid, a debtor or creditor is recorded in the balance sheet. The Council adopted a policy of a £5,000 de-minimus level on all manual accruals (debtors and creditors) for 2024/25.

1.3 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. They include deposits in constant Net Asset Value money market funds that are available for withdrawal with 24 hours' notice. 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 Authority's cash management.

1.4 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are charged with the following amounts to reflect the cost of holding non-current assets during the year:

- depreciation attributable to the asset 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 losses can be written off.
- amortisation of intangible assets attributable to the service.

Any depreciation, revaluation and impairment losses and amortisation charged to the relevant accounts is reversed out in the movement in reserves statement and transferred to the capital adjustment account so that these charges are not met by council tax or rents.

The provisions for charges to revenue for non-current assets in the HRA were amended on 1 April 2012 following the introduction of self-financing. There was an initial transitional period to 31 March 2018 where a notional charge in line with the major repairs allowance was used, but from 1st April 2018 a full depreciation charge equivalent to the whole capital adjustment transfer has to be made to the Housing Revenue Account.

The Authority is required to charge an annual provision to revenue as a contribution towards reducing its overall borrowing requirement. This provision, known as the Minimum Revenue Provision (MRP), is an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. No minimum revenue provision is currently charged on the debt acquired in relation to Housing Revenue Account self-financing or borrowing used to finance capital expenditure on housing assets as these are outside the scope of the MRP regime.

1.5 Council Tax and Non-Domestic Rates

The Council as a billing authority acts as an agent, collecting council tax and non-domestic rates (NDR) on behalf of Cambridgeshire County Council and Cambridgeshire & Peterborough Police & Crime Commissioner (i.e. the major preceptors which also includes central government for NDR) and as principal, it collects council tax and NDR for itself. Billing authorities are required by statute to maintain a separate fund (known as the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

Accounting for Council Tax and NDR

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

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

1.6 Exceptional Items

Any material exceptional items are included within the cost of the relevant individual service or, if a degree of prominence is necessary in order to give a fair presentation of the accounts, separately identified on the face of the comprehensive income and expenditure account. Details of any such exceptional items are given in the explanatory notes.

1.7 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. There are two types of events:

- for 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.
- for 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.

1.8 Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the financing and investment section of the Income and Expenditure Account for interest are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that discounts estimated future cash payments over the life of the instrument to the fair value at which it was originally recognised.

The only financial liabilities for this Council are trade payables of short duration, measured at original or estimated invoice amount, and long-term borrowing which is shown in the balance sheet as the outstanding principal repayable with interest charged to the comprehensive income and expenditure account being the amount payable for the year in accordance with 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 or 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 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 consist of:

- loans and receivables and
- available-for-sale assets – financial instruments

The financial assets applicable to this Council are loans and receivables which have the defining characteristics of fixed and determinable payments and are not quoted in an active market and, equity shares in the Local Capital Finance Company (Municipal Bond Agency) with no quoted market prices.

Loans and receivables are recognised on the balance sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently carried at amortised cost. Annual credits to the financing and investment section of the comprehensive income and expenditure account for interest are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans and receivables owed to the Council, the amount shown in the balance sheet is the outstanding principal or invoice amount receivable and interest credited to the comprehensive income and expenditure account is the amount receivable for the year in the loan agreement.

1.9 Government Grants and Contributions

Government grants and other contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

- the Authority will comply with the conditions attached to the payment, and
- the grants or contributions will be received.

Amounts recognised as due to the Authority are not credited to the comprehensive income and expenditure statement until such conditions (as distinct from a restriction) 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, i.e. if the grant or contribution is not used as intended, then it has to be repaid.

Restrictions are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential are required to be returned to the transferor if not deployed as specified. The key difference between a condition and a restriction is that a condition requires the grant funder or donor to have a right to the return of their monies or the donated asset (or similar equivalent compensation).

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors (receipts in advance). When conditions are satisfied, the grant or contribution is credited to the relevant service (attributable revenue grants and contributions) or to the taxation and non-specific grant income section (non-ring-fenced revenue grants and all capital grants) in the comprehensive income and expenditure statement.

When the conditions of a grant have been met and it has been reflected as income in the comprehensive income and expenditure statement, the Council still has discretion to carry the grant income forward through an earmarked reserve if it deems this appropriate. This could arise in cases

where there is no condition on the timescale in which the grant can be spent, but it has not been spent at the year-end.

In relation to capital grants or contributions recognised as income in the comprehensive income and expenditure statement, where the expenditure has not been incurred at the balance sheet date, the grant recognised as income is transferred to the Usable Reserve (Capital Grants Unapplied Account) representing capital resources not yet utilised.

Where capital grants are credited to the comprehensive income and expenditure statement, they are

- to the capital grants unapplied reserve if the grant has yet to be used to finance capital expenditure or
- to the capital adjustment account if the grant has been used to finance capital expenditure

Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account when they are applied to fund capital expenditure.

1.10 Employee Benefits

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, flexi-leave and time off in lieu for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required, under statute, to be reversed out of the General Fund or HRA Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Termination benefits are charged to the appropriate service line in the Comprehensive Income and Expenditure Account when the council can demonstrate that it is committed to either terminating the employment of an officer or has made an offer of voluntary redundancy even if the officer has not left the council by 31 March.

Post-Employment Benefits (Pensions)

Post-employment benefits are employee benefits (other than termination and short-term benefits) that are payable after the completion of employment.

Employees of the Authority are eligible to be members of the Local Government Pension Scheme, administered by Cambridgeshire County Council, which is accounted for as a defined benefit Scheme whereby:

- the Authority's share of the liabilities of the pension fund are included in the balance sheet on an actuarial basis using the projected unit cost method, that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employee.

- these liabilities are then discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- the Authority's share of the assets of the pension fund are included in the balance sheet at their fair value being.

Quoted securities	-	current bid price
Unquoted securities	-	professional estimate
Unitised securities	-	current bid price
Property	-	market value

The change in the net pension asset is analysed into seven components:

- current service cost being the increase in liabilities as a result of years of service earned in the current year where the cost is allocated in the comprehensive income and expenditure statement to the services for which the employees worked.
- past service cost being the increase or decrease in liabilities arising from decisions in the current year affecting liabilities incurred in past years where the cost is charged or credited to non-distributed costs in the comprehensive income and expenditure account.
- net interest on the net defined benefit liability (asset), that is, the net interest expense for the authority being the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged where the cost is charged to financing and investment income and expenditure in the comprehensive income and expenditure statement.
- expected return on assets being expected annual investment return on the fund assets, excluding amounts included in net interest on the defined benefit liability (asset), based on the average of the expected long term returns where the return is credited to the financing and investment section of the comprehensive income and expenditure statement. – is it the same as – charged to the pensions reserve as other comprehensive income and expenditure statement.
- gains or losses on settlements, being the result of actions to relieve the Authority of liabilities, and curtailments, being events that reduce the expected future service or accrual of benefits of employees, where the gain or losses are credited or charged to non-distributed costs in the comprehensive income and expenditure statement.
- actuarial gains and losses being changes in the net pensions liability that arises because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions where the gains and losses are credited or charged to the pensions reserve; and
- contributions paid to the pension fund in the year being the payments made by the Authority as employer, that is, cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted for as an expense.

The charges and credits to the comprehensive income and expenditure account mentioned above are reversed out in the movement in reserves statement to the pensions reserve and replaced with the contributions paid.

As at 31 March 2025, the fair value of plan assets were measured at greater than the present value of the defined benefit obligation, resulting in a net pension asset. The accounting standard interpretation IFRIC 14 restricts the amount of the net pension asset that can be recognised on the

Notes to the Statement of Accounts

balance sheet to the estimated economic benefit of the net asset arising from a reduction in future contributions, amending for any additional liabilities arising from past service contributions. This asset ceiling calculation has resulted in a credit value of £59.191m to the Balance Sheet in the Defined Pension Assets and Liabilities - Note 32 (£11.171m in 2023-24) .

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

- The liabilities of the LGPS attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of protected earnings for current employees.
- Liabilities are discounted to their value at current prices, using an appropriate discount rate (based on the indicative rate of return on high quality corporate bonds as identified by the actuary).

Discretionary Benefits

The Authority also has powers to make discretionary awards of retirement benefits in the event of early retirement. Any liabilities estimated to arise as a result of an award to any employee are accrued in the year of the decision to make the award.

1.11 Leases

The Council as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying PWLB rates as at 1st April 2024 the interest rate implicit in the lease cannot be determined.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option

- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

The right-of-use asset is measured at the amount of the lease liability, adjusted for any prepayments made, plus any direct costs incurred to dismantle and remove the underlying asset or restore the underlying asset on the site on which it is located, less any lease incentives received.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The Council considers the cost model to be a reasonable proxy except for:

- assets held under non-commercial leases
- leases where rent reviews do not necessarily reflect market conditions
- leases with terms of more than five years that do not have any provision for rent reviews
- leases where rent reviews will be at periods of more than five years.

For these leases, the asset is carried at a revalued amount. In these financial statements, right-of use assets held under index-linked leases have been adjusted for changes in the relevant index, while assets held under peppercorn or nil consideration leases have been valued using market prices or rentals for equivalent land and properties.

The right-of-use asset is depreciated straight-line over the shorter period of remaining lease term and useful life of the underlying asset as at the date of adoption.

The lease liability is subsequently measured at amortised cost, using the effective interest method. The liability is remeasured when:

- there is a change in future lease payments arising from a change in index or rate
- there is a change in the group's estimate of the amount expected to be payable under a residual value guarantee
- the authority changes its assessment of whether it will exercise a purchase, extension or termination option, or
- there is a revised in-substance fixed lease payment.

When such a remeasurement occurs, a corresponding adjustment is made to the carrying amount of the right-of-use asset, with any further adjustment required from remeasurement being recorded in the income statement.

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

- for low-value items that cost less than £10,000 when new, provided they are not highly dependent on or integrated with other items, and
- with a term shorter than 12 months (comprising the non-cancellable period plus any extension options that the authority is reasonably certain to exercise and any termination options that the authority is reasonably certain not to exercise)

Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments

Notes to the Statement of Accounts

are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

Depreciation and impairments are not charges against council tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts should be therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The Council as Lessor

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

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal., whilst an appropriate debtor balance is created to reflect the amount owed.

Operating Leases

Where the Council grants an operating lease over a property the asset is retained in the Balance Sheet. Rental income is credited to the Other Operating Expenditure in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease.

1.12 Overheads and Support Services

The costs of overheads and support services are charges to those services which benefit from the provision of the overheads and support services in accordance with the costing principles in the Service Reporting Code of Practice. The full cost of overheads and support services are charged out to users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Authority's status as a multi-functional, democratic organisation, and
- Non-distributed costs include pension costs, relating to past service costs and gains and losses on settlements and curtailments, and any depreciation and impairment are reversed out in the movement in reserves statement.

These two categories were defined in the Service Reporting Code of Practice and accounted for as separate headings in the Comprehensive Income and Expenditure Statement; they are now reported in line with the management reporting structure of the Council in accordance with the Expenditure and Funding Analysis in the revised Code of Practice.

1.13 Intangible Assets

Expenditure, on an accrual's basis, for assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) are capitalised where they will bring benefit for

more than one year. The balance is amortised (charged) to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

1.14 Property, Plant and Equipment

Assets that have physical substance and are held for use in the production or supply of goods or services, for rental to others 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 accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and the cost of the asset can be measured reliably. Expenditure that maintains but does not add to the 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 and 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 the Authority.

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

- Infrastructure, community assets- historical cost.
- Assets under construction- historical cost.
- Dwellings- fair value, determined using the basis of existing use value for social housing.
- Investment property- fair value.
- Assets held for sale- current value.
- Non-commercial assets held for sale- lower of carrying amount and fair value less costs to sell.
- Non-property assets that have short useful lives and/or low values- depreciated historical cost basis is used as a proxy for fair value, and
- All other assets- fair value, which for this purpose is interpreted as being met by provision of a market value figure which will reflect all potential uses.

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. Assets included in the balance sheet at fair value and market values are revalued sufficiently regularly (at least every five years) to ensure that their carrying amount is not materially different from their fair value at the year-end. Valuations are undertaken by a professionally qualified valuer and also carry out a material change review at year end to ensure revaluations are kept up to date. Revaluations also take place when there has been a significant change to the asset (e.g. major building works).

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the comprehensive income and expenditure statement where they arise from the reversal of a loss previously charged to a service.

Decreases in valuations are accounted for by writing down the balance (if any) of revaluation gains in the revaluation reserve for that asset and then charging any remaining decrease in value to the relevant service in the comprehensive income and expenditure statement.

Notes to the Statement of Accounts

The revaluation reserve only contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

Impairment

Assets are assessed at the end of each year 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 an impairment loss is reversed subsequently, the reversal is credited to the relevant service in the comprehensive income and expenditure statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation

Depreciation is provided on all property, plant and equipment calculated on a straight-line allocation over their useful lives. An exception is made for assets without a determinable finite useful life, i.e. freehold land and certain community assets, if any, and assets that are not yet available for use, i.e. assets under construction, if any.

The residual value of an item of property, plant and equipment and its useful life are reviewed at the end of each financial year and, if expectations differ from previous reviews or there has been a significant change in the consumption of economic benefits or service potential, the change is accounted for as a change in accounting estimate.

Where property, plant and equipment assets have major components whose cost is significant in relation to the total cost of the asset, depreciation on the components has been calculated and is not materially different from depreciation on the depreciable part of the whole asset. Components have not, therefore, been depreciated separately.

Revaluation gains are also depreciated by an amount equal to the difference between the current value depreciation charges on the assets and the historic cost depreciation charges on the assets, with this difference being transferred each year from the revaluation reserve to the capital adjustment account.

Componentisation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Where there is more than one significant part of the same asset which has the same useful life and depreciation method, such parts are grouped together in determining the depreciation charge.

The Council has determined that dwellings and other property are subject to componentisation and are assessed against two components determined by the Council's valuer, namely land and buildings, components within buildings being assessed annually for materiality.

Disposal and Non-Current Assets Held for Sale

An asset is reclassified as an asset held for sale when it becomes probable that the carrying amount of the asset will be recovered principally through a sale transaction. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell.

Any subsequent decrease to fair value less costs to sell is posted to the other Operating Expenditure Section in the Comprehensive Income and Expenditure Account but any gains in fair value are only recognised up to the amount of any previously recognised losses. Depreciation is not charged on assets held for sale.

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

Assets that are to be abandoned or scrapped are not reclassified as assets held for sale.

When an asset is disposed of, the carrying amount of the asset in the balance sheet is written off and any receipts on disposal are credited to the other operating expenditure section in the comprehensive income and expenditure account so that this section shows the net gain or loss on the disposal of non-current assets. The net gain or loss is then reversed out in the movement in reserves statement with the carrying amount transferred to the capital adjustment account and the receipts on disposal credited to the capital receipts reserve so that the net gain or loss is not met by council tax or rents.

Any revaluation gains in the revaluation reserve in respect of the asset 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 capital receipts relating to housing disposals (net of statutory deductions and allowances) is payable to Central Government and shown in the other operating expenditure section in the comprehensive income and expenditure.

1.15 Investment Property

Following the PWLB consultation response in November 2020, the Council took the decision not to purchase investment property for yield and hence there were no further such purchases in 2024/25.

Rental income and changes in valuation fall within the heading financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement and the year-end valuations in the Balance Sheet and note 12a.

1.16 Provisions, Contingent Liabilities and Contingent Assets

Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation in the future that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service in the Comprehensive Income and Expenditure Statement in the year that the Authority 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 the relevant risks and uncertainties. Any payments eventually made are charged against the provision, provisions are reviewed at the end of each financial year and any reduction in the need for the provision is credited back to the relevant service.

Contingent Liabilities

Contingent liabilities arise where events have taken place which give the Authority possible obligations whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise where a provision would otherwise be made but either it is not probable that a settlement 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.

Contingent Assets

Contingent assets arise where events have taken place which gives the Authority possible assets whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

Developers' Contributions

Developers' contributions are monies received from developers under Section 106 of the Town Country Planning Act 1990 for future expenditure on affordable housing, drainage, community costs and development etc. Any unused balances of these contributions at the Balance Sheet date are shown as receipts in advance under creditors until such time as the terms and conditions of receipt have been fully satisfied.

1.17 Reserves

The Council has set aside certain revenue and capital amounts as earmarked reserves for future policy purposes or to cover contingencies. All other fund balances represent working balances for the purpose of the specific fund and are made up of accumulated surpluses and deficits derived over a period of time. All earmarked fund balances and reserves are reviewed periodically as to their size and appropriateness.

Reserves are created by transferring 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 unusable reserves and are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits are explained in the relevant policies.

1.18 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure which is incurred during the year and may be capitalised under statutory provisions but 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. Such expenditure which is met from capital resources or from borrowing is then transferred out in the movement in reserves statement from the General Fund balance to the Capital adjustment account, and then reverses out the charge so that there is no impact on the council tax.

1.19 Value Added Tax (VAT)

VAT is included as an expense only to the extent that it is not recoverable from HMRC. VAT receivable is excluded from Income.

1.20 Group Accounts

The boundary for Group Accounts is determined by the extent of the Council's control or influence over an entity, and the materiality of the relationship to users of the Council's accounts.

A subsidiary is an entity which the Council controls through the power to govern its financial and operational activities, so as to obtain benefits from the entity. Control is deemed to exist where the Council owns more than half of the entity.

An associate is an entity where the Council has significant influence over decision making, but stopping short of control. It is normally presumed that significant influence exists where the Council owns 20% or more of the entity.

A joint venture is where two organisations work together in a formal partnership sharing 50% each of the risk and rewards. The Council is in a partnership with Hill Partnerships Ltd called the South Cambridgeshire Investment Partnership (SCIP) and with Balfour Beattie called South Cambridgeshire Projects (SCP). The Council has lent money to SCIP for the purchase of land opposite the Council Offices for a Housing Development scheme.

A jointly controlled entity exists where the Council is party to the contractually and binding agreed shared control of an organisation, where strategic financial and operating decisions require unanimous consent of the parties sharing control.

Group accounts have been prepared for South Cambs Ltd (trading as Ermine Street Housing), Cambourne Business Park Limited and Shire Homes Lettings Limited, all are wholly owned subsidiaries of South Cambridgeshire District Council. Investments in the subsidiary companies are recognised in the Balance Sheet as unquoted equity investments at cost.

1.21 Going Concern

The Council's accounts are prepared on a going concern basis. Management's assessment of the Council's ability to continue as a going concern covers the period to 31 March 2027, which is more than 12 months from the expected date of audit approval of these accounts (February 2027). This assessment is based on approved budget plans and medium-term financial strategies.

Date	General Fund	Housing	Earmarked Reserves
31/03/2024	19.9m	3.0m	41.4m
31/03/2025	20.0m	4.1m	36.2m
31/03/2026* est	26.9m	4.0m	42.5m

The table above shows the actual balances held as at 31 March 2024 and 31 March 2025, and the forecast balances as at 31 March 2026. The forecast figures for 31 March 2026 are estimates based on current assumptions regarding government funding settlements, Council Tax/Business Rates levels, demand pressures, inflation, and delivery of savings plans. These forecasts were approved by

the Section 151 Officer as part of the going concern assessment. Actual results may differ materially from these forecasts due to changes in these assumptions or other unforeseen events.

Based on these current forecasts, the Council expects that its General Fund balance and earmarked reserves will remain above the minimum prudent levels set by the Council throughout the assessment period of £2m threshold. No material uncertainties have been identified that would cast significant doubt on the Council's ability to continue as a going concern.

The UK economy continues to face uncertainty due to the ongoing financial challenges associated with high inflation levels. The Bank of England has decreased the base rate four times since 2023/24, which affects interest rates for mortgages and loans. Inflation is used to drive expenditure and income assumptions in revenue budget planning. The Council lends its cash balances externally to generate a return for delivering council services while managing security and liquidity. Short term loans were used in 2024/25 to part fund the capital programme. Short term borrowing at the start of the financial year stood at £47.6m rising to £56m at year end. It initially dipped to £44m in February 2025 before rising to the level reported at 31st March 2025. Cost pressures from inflation, energy prices, and national living wage pressures and interest rates have all been taken into account for the 2025/26 budget.

Subsidiary companies

The Council's subsidiary companies' ability to continue as a going concern is dependent on their ability to generate profit in the medium term, where applicable, and/or the continued support of the Council.

The Council has provided cash in the form of loans to its subsidiary Ermine Street Housing for the purchase of property and with regard to Shire Homes Ltd to meet the operating deficit. During the twelve months from the date of approval of the accounts this is expected to continue and there is a parent guarantee in place to that effect.

Due to the parent guarantee from the Council for the subsidiary companies, the subsidiary accounts have been prepared on a going concern basis.

If there is any short-term liquidity requirements over the next twelve months from approval date these will be met on the basis of the guarantee in place.

The Council concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will continue as a going concern, based on the review of the forecasted reserve and cash position 12 months from the signing of the accounts.

2 Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The following changes in accounting standards will be introduced in the 2025/26 Code:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.

- Property, Plant and Equipment (adaptation and interpretation of IAS 16).
- Intangible Assets (adaptation and interpretation of IAS 38).

These amendments are not expected to have a material impact on the financial statements or balances of the Council.

3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1 (accounting policies), the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events, this includes a degree of uncertainty about the levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to reduce levels of service provision or through changes to arrangements for service provision.

In accordance with IAS 36 'Impairment of Assets', the Council has made a critical judgement that there are currently no indicators of impairment requiring formal impairment testing of its Property, Plant & Equipment (PPE) and Intangible Assets arising specifically from the prevailing uncertainty regarding future levels of local government funding, as at 31 March 2025.

4 Assumptions Made About the Future and Other Major Sources of Estimation/Uncertainty

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

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

Pensions Liability

The main item in the Council's balance sheet as at 31 March for which there is a significant risk of material adjustment is the estimation of the pension net assets by a consulting Actuary engaged by the pension fund administrator, Cambridgeshire County Council. When a net pension asset is calculated, there is a restriction on the recognition of that asset to the estimated future benefit from that asset in reduced pension contributions. The calculation of this net pension asset ceiling is also subject to actuarial assumptions.

The estimation is over several decades where a small change in one of the assumptions can have a large effect on the liability and the Actuary has provided the following sensitivity analysis. The effects on the net pension asset prior to the impact of the net pension asset ceiling of changes in individual assumptions can be measured as follows

Notes to the Statement of Accounts

<i>Change in assumption</i>	2023-24 Inc. in Liability (£m)	2024-25 Inc. in Liability (£m)
<i>0.1% decrease in real discount rate</i>	3.12	2.58
<i>0.1% increase in salary increase rate</i>	0.11	0.09
<i>0.1% increase in pension increase rate</i>	3.07	2.55

Fair Value Measurement

When the fair value of assets and liabilities cannot be measured based on quoted prices in an active market (Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observation data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities.

Where Level 1 input is not available, the Authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value.

The most significant assets that the Authority has measured at fair value in the Balance Sheet where Level 1 inputs are not available are Investment Properties (Group Accounts) and Surplus Property, Plant and Equipment. Significant changes in any of the unobservable inputs in these valuations would result in significantly higher/lower fair value measurements.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's assets and liabilities can be found in Notes 12, 15 and 20.

Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council did not sustain its current spending on repairs and maintenance the useful lives currently assigned to assets may be reduced.

If the useful life of assets is reduced, depreciation increased and the carrying value of the asset will decrease. The largest category of assets is Council dwellings and it is estimated that the annual depreciation charge for these would increase by approximately £2,500+ for every year that useful lives had to be reduced.

Investment Properties

No properties were purchased or enhanced during 2024/25. Rental income and changes in valuation fall within the heading financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement and the year end valuations in the Balance Sheet and note 12(a).

5 Events After Balance Sheet Date

The draft Statement of Accounts were authorised for issue by the S151 Officer (Farzana Ahmed) on 30/06/2025. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

6 Expenditure and Funding Analysis

(a) Adjustments between Funding & Accounting Basis

The Expenditure and Funding Analysis is complementary to the Movement in Reserves Statement and Comprehensive Income & Expenditure Account. The overall purpose of the Expenditure and Funding Analysis is to analyse the amounts reported in the Comprehensive Income and Expenditure Account as operating reporting segment outturn totals across specific types of Reserves.

2023/24					2024/25			
Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis Capital	Adjustments between Funding and Accounting Basis Other	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis Capital	Adjustments between Funding and Accounting Basis Other	Net Expenditure in the CIES
£000	£000	£000	£000		£000	£000	£000	£000
2,676	0	(37)	2,639	Chief Executive	4,253	0	(59)	4,194
7,655	998	(217)	8,436	Head of Climate, Waste & Environment	9,016	1,190	(408)	9,798
8,061	(1)	(75)	7,985	Head of Finance	3,223	(1)	(124)	3,098
109	0	0	109	Monitoring Officer	93	0	0	93
1,010	745	(48)	1,707	Head of Housing	1,244	982	(124)	2,102
4,652	0	(172)	4,480	Director of Greater Cambridge Shared Planning	3,452	0	(314)	3,138
3,207	603	(133)	3,677	Head of Transformation, HR & Corporate Services	5,352	372	(193)	5,531
91	29,593	(100)	29,584	Housing Revenue Account	(13,217)	4,057	(163)	(9,323)
27,461	31,938	(782)	58,617	Net Cost of Service	13,416	6,600	(1,385)	18,631
(27,705)	(26,701)	363	(54,043)	Other Income and Expenditure	(19,411)	(25,052)	(3,283)	(47,746)
(244)	5,237	(419)	4,574	(Surplus) / Deficit on provision of services	(5,995)	(18,452)	(4,668)	(29,115)
(20,856)				Opening General Fund and HRA Balance	(22,967)			
(244)				(Surplus)/Deficit on General Fund and HRA	(5,995)			
(1,867)				Transfer to/from Earmarked Reserves	4,793			
(22,967)				Closing General Fund and HRA Balance	(24,169)			

Notes to the Statement of Accounts

(b) Expenditure and Funding by Nature

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

2023/24	Subjective Analysis	2024/25
£000		£000
	Expenditure	
34,288	Employee Expenses (including Benefits)	37,220
55,221	Other Service Expenses	56,487
(1,222)	Support Service Recharges	(1,146)
53,368	Depreciation, Amortisation and Impairment	15,615
8,533	Interest Payments	10,646
7,756	Precepts and Levies	8,409
0	Pension Interest costs & expected return on assets	(318)
1,700	Contributions towards pension deficits	1,692
159,644	Total Expenditure	128,605
	Income	
(56,799)	Fees, Charges and Other Service Income	(64,275)
(25,773)	Government Grants/Contributions (Services)	(24,930)
(2,476)	Gain on the disposal of assets	(4,859)
(21,162)	Government Grants/Contributions (Central)	(22,921)
(6,233)	Interest and Investment Income	(6,947)
(17,455)	Net income in relation to inv. prop. and changes in fair value	(2,588)
(18,023)	Income From Council Tax	(19,159)
(7,149)	Business Rates Income and Expenditure	(12,041)
(155,070)	Total Income	(157,720)
4,574	(Surplus)/Deficit on Provision of Services	(29,115)

Notes to the Statement of Accounts

7 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 the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Gen. Fund	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Un-applied	Movement in Unusable Reserves
2024/25	£000	£000	£000	£000	£000	£000
Adjustments Involving the Capital Receipts Reserve						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	552	7,880		(8,432)		
Transfer from Deferred Capital receipts on receipt of cash						
Used to finance new Capital Expenditure				10,663		(10,663)
Adjustments Primarily Involving the Capital Grants Unapplied Account						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	10,721	0			(8,514)	(2,207)
Adjustments Involving the Capital Adjustment Account						
Charges for depreciation and impairment of non-current assets	(1,395)	(7,646)				9,041
Upward/(Downward) revaluation of non-current assets	69	(6,498)				6,429
Amortisation of intangible assets	(145)					145
Capital Grants and contributions applied	991	2,442			(155)	(3,278)
Revenue expenditure funded from Capital under statute	(2,032)					2,032
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	506	(4,364)				3,858
Statutory provision for repayment of debt (MRP)	1,099					(1,099)
Movement in Fair Value of Investment Properties	0					0
Capital expenditure charged against the General Fund and HRA balances	1,675	7,038				(8,713)
Adjustments relating to the Major Repairs Reserve (MRR)						
Depreciation transferred from HRA		7,646	(7,646)			
Use of the MRR to finance new capital exp			10,336			(10,336)
Adjustments involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited\credited to the CIES	1,379	198				(1,577)
Adjustments involving the Collection Fund Adjustment Account						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements	2,972					(2,972)
Adjustments Involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	24	8				(32)
Total Adjustments	16,416	6,704	2,690	2,231	(8,669)	(19,372)

Notes to the Statement of Accounts

	Gen. Fund	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Un-applied	Movement in Unusable Reserves
2023/24	£000	£000	£000	£000	£000	£000
Adjustments Involving the Capital Receipts Reserve						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	563	4,285		(4,848)		
Transfer from Deferred Capital receipts on receipt of cash						
Used to finance new Capital Expenditure				23,966		(23,966)
Adjustments Primarily Involving the Capital Grants Unapplied Account						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	1,050	0			(291)	(759)
Adjustments Involving the Capital Adjustment Account						
Charges for depreciation and impairment of non-current assets	(1,625)	(9,722)				11,347
Upward/(Downward) revaluation of non-current assets	(581)	(41,301)				41,882
Amortisation of intangible assets	(139)					139
Capital Grants and contributions applied	898	11,709			57	(12,664)
Revenue expenditure funded from Capital under statute	(957)					957
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(208)	(2,216)				2,424
Statutory provision for repayment of debt (MRP)	1,147					(1,147)
Movement in Fair Value of Investment Properties	15,375					(15,375)
Capital expenditure charged against the General Fund and HRA balances	1,461	5,299				(6,760)
Adjustments relating to the Major Repairs Reserve (MRR)						
Depreciation transferred from HRA		9,722	(9,722)			
Use of the MRR to finance new capital exp			8,591			(8,591)
Adjustments involving the Pensions Reserve						
Reversal of items relating to retirement benefits debited\credited to the CIES	734	100				(834)
Adjustments involving the Collection Fund Adjustment Account						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements	(357)					357
Adjustments Involving the Accumulated Absences Account						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(45)	(10)				55
Total Adjustments	17,316	(22,134)	(1,131)	19,118	(234)	(12,935)

Notes to the Statement of Accounts

8 Movements in Earmarked Reserves

	Balance 01 April 2023	Transfers In	Transfers Out	Balance 31 March 2024	Transfers In	Transfers Out	Balance 31 March 2025
	£000	£000	£000	£000	£000	£000	£000
Business Rates Growth	(485)	(1,389)		(1,874)	(3,470)	0	(5,344)
Infrastructure	(2,293)		2,293	0		0	0
Greater Cambridge City Deal	(4,329)		4,330	1		0	1
Renewables	(6,538)	(2,948)		(9,486)	(1,973)	0	(11,457)
Pensions	0			0			0
Vehicle Renewables	(3,827)	(202)		(4,029)	(46)		(4,075)
Accommodation	(670)		226	(444)	(201)		(645)
Transformation Reserves	(1,501)		759	(742)		503	(239)
Electoral Registration	(82)	(82)		(164)	(82)		(246)
Land Charges	(103)			(103)			(103)
Environmental	(504)	(105)		(609)	(690)		(1,299)
Planning	(5,246)		16	(5,230)	(51)	0	(5,281)
Other	(5)	0		(5)		6	1
Home for Ukraine	(1,279)	(1,388)		(2,667)		570	(2,097)
Homelessness	(799)	(24)		(823)		187	(636)
Community Development	(43)	(5)		(48)	(43)		(91)
Housing	(215)		32	(183)		65	(118)
Property Investment	(3,420)			(3,420)		5	(3,415)
Covid-19	(1,293)		185	(1,108)		226	(882)
HomeLink	(137)	(7)		(144)		32	(112)
Software Fund	(361)		176	(185)		67	(118)
Revenues and Benefits	(100)			(100)		100	0
General Fund	(33,230)	(6,150)	8,017	(31,363)	(6,556)	1,761	(36,156)
Self Insurance	(1,000)	0	0	(1,000)	0	0	(1,000)
Investment Repayment	(8,500)	0	0	(8,500)	0	0	(8,500)
Housing Revenue Account	(9,500)	0	0	(9,500)	0	0	(9,500)
Total Earmarked Reserves	(42,730)	(6,150)	8,017	(40,863)	(6,556)	1,761	(45,656)

Notes to the Statement of Accounts

9 Other Operating Income and Expenditure

31 March 2024		31 March 2025
£000		£000
6,964	Parish Council precepts	7,555
219	Internal Drainage Boards	254
573	Enterprise Zones	600
1,700	Contributions towards pension deficits	1,692
(2,430)	(Gains) / losses on the disposal of non-current assets	(4,859)
7,026	Total	5,242

10 Financing and Investment Income and Expenditure

31 March 2024		31 March 2025
£000		£000
8,533	Interest payable and similar charges	10,646
-	Pensions interest cost	(318)
(6,233)	Interest receivable and similar income	(6,947)
(17,035)	Income and expenditure in relation to investment properties and changes in their fair value	(2,248)
(14,735)	Total	1,133

11 Taxation and Non Specific Grant Income and Expenditure

31 March 2024		31 March 2025
£000		£000
(18,023)	Council Tax Income	(19,159)
(7,149)	Non Domestic Rate Income	(12,041)
(8,409)	Non-ring fenced Government Grants (see note 28 for breakdown)	(9,802)
(12,753)	Capital Grants and Other Contributions (see note 28 for breakdown)	(13,119)
(46,334)	Total	(54,121)

Notes to the Statement of Accounts

12 Property, Plant and Equipment

Depreciation starting in the year after acquisition is provided for on non-current assets by writing down the cost (or re-valued amount) less estimated residual value, on a straight-line basis to the appropriate revenue account over the following periods:

- * Council dwellings – 42 to 56 years,
- * Buildings other than dwellings – 8 to 54 years,
- * Vehicles, plant and equipment – 3 to 14 years.

No depreciation is charged on surplus assets, assets held for sale or freehold land in accordance with standard accounting policies. The depreciation charged on dwelling stock is reversed out at 31 March each year when the housing stock is revalued so this charge has no impact on the fair value of the housing stock as recorded in the Balance Sheet.

	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equip-ment £000	Infra-structure Assets £000	Assets Under Construction £000	Surplus Assets £000	Total £000
Gross Book Value 01 April 2024	624,258	36,829	14,831	2,054	22,163	14,887	715,022
Adjustments	5,339	1,040	(209)	120	(1,232)	(5,059)	(1)
Additions	15,488	426	1,485	226	20,493	0	38,118
Revaluation Cr.ed to Revaluation Reserve	20,631	351	0	0	0	0	20,982
Revaluation Applied to the CIES	(6,561)	132	0	0	0	0	(6,429)
Derecognition- Disposals	(3,731)	0	(2,056)	0	0	(8)	(5,795)
Transfers	12,243	0	0	0	(12,243)	0	0
Gross Book Value 31 March 2025	667,667	38,778	14,051	2,400	29,181	9,820	761,897
Depreciation 01 April 2024	(14)	(187)	(10,185)	(420)	0	0	(10,806)
Depreciation in Year	(7,494)	(320)	(1,091)	(136)	0	0	(9,041)
Adjustments	3	2	(2)	(1)	0	0	2
Depreciation written off to Revaluation Reserve	7,437	260	0	0	0	0	7,697
Depreciation written out to CIES	0	0	0	0	0	0	0
Derecognition- Disposals	23	0	1,811	0	0	0	1,834
Depreciation 31 March 2025	(45)	(245)	(9,467)	(557)	0	0	(10,314)
Net Book Value 31 March 2024	624,244	36,642	4,646	1,634	22,163	14,887	704,216
Net Book Value 31 March 2025	667,622	38,533	4,584	1,843	29,181	9,820	751,583

Notes to the Statement of Accounts

	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equip-ment	Infra-structure Assets	Assets Under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000	£000
Gross Book Value 01 April 2023	633,158	32,269	13,267	1,607	5,939	13,055	699,295
Adjustments	(89)						(89)
Additions	32,270	3,456	1,564	447	26,338	2,102	66,177
Revaluation credited to Revaluation Reserve	(7,486)	1,204	0	0	0	132	(6,150)
Revaluation Applied to the CIES	(41,590)	(114)	0	0	0	40	(41,664)
Derecognition- Disposals	(2,119)	(166)	0	0	0	(262)	(2,547)
Transfers	10,114	180	0	0	(10,114)	(180)	0
Gross Book Value 31 March 2024	624,258	36,829	14,831	2,054	22,163	14,887	715,022
Depreciation 01 April 2023	(122)	(343)	(8,947)	(243)	0	0	(9,655)
Depreciation in Year	(9,504)	(591)	(1,113)	(121)	0	0	(11,329)
Adjustments	68	200	(125)	(56)	0	0	87
Depreciation written off to Revaluation Reserve	9,526	532	0	0	0	0	10,058
Depreciation written out to CIES	0	0	0	0	0	0	0
Derecognition- Disposals	18	15	`	0	0	0	33
Depreciation 31 March 2024	(14)	(187)	(10,185)	(420)	0	0	(10,806)
Net Book Value 31 March 2023	633,036	31,926	4,320	1,364	5,939	13,055	689,640
Net Book Value 31 March 2024	624,244	36,642	4,646	1,634	22,163	14,887	704,216

Revaluations

It is a requirement that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. The Council carries out a programme that will ensure the valuer undertakes an annual desk top revaluation review with an in depth valuation at least every five years.

Valuations, with an effective date of 31 March 2025, on the bases set out in the statement of accounting policies have been carried out by Wilks, Head & Eve LLP for all land and buildings.

The Council is not aware of any events or circumstances which indicate that the amounts stated in the balance sheet for non-current assets may not be realisable, as at the balance sheet date. Council dwellings are valued on the prescribed basis set out in note 1.14.

The valuation of operational property was on the basis of existing use value. Further detail on the basis for valuation is set out in the statement of accounting policies 1.14.

Surplus assets are valued at fair value (at level 2 of the fair value hierarchy) as at 31 March 2025. This value represents the development potential based on a value per net developable acre taking into account planning risk.

Details on investment property valuation can be found in Note 12a.

Notes to the Statement of Accounts

Vehicles, Plant and Equipment as short life operational assets, are held at historical cost less depreciation.

Valuation	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equip-ment	Infra-structure Assets	Assets Under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000	£000
Carried Historical Cost	0	0	14,051	2,400	29,181	0	45,632
Valued at Current Value as from:							
31 March 2025	667,667	38,778	0	0	0	9,820	716,265
Total Cost or Valuation	667,667	38,778	14,051	2,400	29,181	9,820	761,897

12a 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.

31 March 2024		31 March 2025
£000		£000
(2,079)	Rental income from investment property	(2,588)
419	Direct operating expenses arising from investment property	340
(1,660)	Net (gain)/loss	(2,248)

There are no restrictions on the authority’s ability to realise the value inherent in its investment property or on the authority’s right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement.

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

31 March 2024		31 March 2025
£000		£000
39,135	Balance at the start of the year	54,510
	Additions:	
0	Purchases	0
0	Subsequent expenditure	0
0	Adjustment	0
15,375	Net gains/(losses) from fair value adjustments	0
54,510	Balance at the end of the year	54,510

All investment properties have been valued based on level 2 (office/commercial units) observable inputs for the asset either directly or indirectly using a market approach and that their current use is their highest and best use. The updated valuations were carried out as at 31 March 2025 by Wilks, Head & Eve LLP.

The office and commercial units located in the local authority area are measured using the market approach, it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The authority’s office and commercial units are therefore categorised as Level 2 in the fair value hierarchy as the measurement technique uses observable inputs to determine the fair value measurements. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

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

Notes to the Statement of Accounts

13 Investments and Borrowing

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

The following shows the original principal sum invested at 31 March analysed by the nature of the financial institution and by maturity, these investments (other than South Cambs Ltd, South Cambridgeshire Investment Partnership (SCIP) and Cambourne Business Park Limited (CBPL), are fixed time and callable deposits where the deposits are redeemed for the same value as the amount invested. The deposits are with United Kingdom banks, building societies and housing associations and, therefore, no provision is made for possible loss of principal.

31 March 2024	Investments	31 March 2025
£000		£000
508	Local Authorities	17,750
101,071	South Cambs Limited	119,617
1,714	Clearing Banks	1,087
5,115	Banks (other)	0
5,118	Money Market Funds	3,439
30	Cambourne Business Park Limited (CBPL)	50
13,591	South Cambridgeshire Investment Partnership (SCIP)	14,733
2,489	Other	2,443
129,636		159,119
(6,832)	Less: cash and cash equivalents	(17,605)
122,804	Total	141,514

31 March 2024		31 March 2025	31 March 2025	31 March 2025
		Short Term	Long Term	Total
£000	Principal Investment analysed by maturity	£000	£000	£000
5,000	2025/26	4,000	0	4,000
115,822	2026/27	0	136,313	136,313
1,982	Accrued Interest	160	1,041	1,201
122,804		4,160	137,354	141,514

Long Term PWLB Borrowing for HRA and General Fund Financing

In March 2012 the Council obtained 43 individual loans with maturity dates between 27 March 2037 and 28 March 2057 from the Public Works Loan Board (PWLB) to finance the one-off payment to buy the Council out of the negative subsidy position at the end of 2011/12. The loans have been included in the Balance Sheet at amortised cost, administration charges where incurred are charged directly to the Housing Revenue Income and Expenditure Account. An analysis of all current PWLB long term liabilities is provided below:

31 March 2024		31 March 2025
£000		£000
(17,000)	Repayable within 5 years	(27,000)
(25,000)	Repayable within 15 years	(40,000)
(50,000)	Repayable within 20 years	(50,000)
(50,000)	Repayable within 25 years	(50,000)
(50,000)	Repayable within 30 years	(50,000)
(30,123)	Repayable within 35 years	(15,123)
	Repayable within 40 years	
(222,123)	Net Carrying Amount at end of the year	(232,123)

14 Long Term Debtors

31 March 2024		31 March 2025
£000		£000
418	Webbs Hole Sluice	418
329	Long Term Loans	329
747	Net Carrying Amount at end of the year	747

15 Financial Instruments

Categories of Financial Instruments

Long Term	Current		Long Term	Current
31 March 2024	31 March 2024	Categories of Financial Assets	31 March 2025	31 March 2025
£000	£000		£000	£000
		Financial assets held at amortised costs		
115,822	5,000	Investments (Principal amount)	136,313	4,000
1,867	115	Investments Accrued Interest	1,041	160
0	6,832	Cash & Cash Equivalents	0	17,605
747	6,001	Debtors	747	2,269
118,436	17,948	Total Financial Assets	138,101	24,034

Long Term	Current		Long Term	Current
31 March 2024	31 March 2024	Categories of Financial Liabilities	31 March 2025	31 March 2025
		Financial liabilities held at amortised costs		
(225,123)	(39,600)	Loans (principal amount)	(232,123)	(46,000)
		Interest Accrued		
0	(734)	Cash & Cash Equivalents	0	(234)
0	(8,706)	Current Creditors	0	(14,872)
(225,123)	(49,040)	Total Financial Liabilities	(232,123)	(61,106)

Long Term	Current		Long Term	Current
31 March 2024	31 March 2024	Debtors Reconciliation to Balance Sheet	31 March 2025	31 March 2025
£000	£000		£000	£000
747	6,001	Included in Financial Assets	747	2,269
		Debtors that do not meet the definition of a financial assets:		
0	10,344	Statutory Debtors	0	15,772
0	246	Prepayments	0	16
	(2,646)	Provision for Bad Debts / Impairment		(2,694)
747	13,945	Total Debtors	747	15,363

Long Term	Current		Long Term	Current
31 March 2024	31 March 2024	Creditors Reconciliation to Balance Sheet	31 March 2025	31 March 2025
£000	£000		£000	£000
0	(8,706)	Included in Financial Liabilities	0	(14,872)
		Creditors that do not meet the definition of a financial liability:		
0	(18,232)	Statutory Creditors	0	(22,589)
0	(28,042)	Receipts in Advance	0	(26,912)
0	(54,980)	Total Creditors	0	(64,373)

Notes to the Statement of Accounts

Income and Expense Gains and Losses

Items of Income, Expense, Gains and Losses Recognised in the Comprehensive Income and Expenditure Statement

The following table provides a breakdown of the financial instrument items of income, expenditure and gains/ losses recognised in the CIES.

2023/24				2024/25		
Financial Liabilities: Amortised Cost	Financial Assets: Amortised Cost		Financial instrument items of income, expenditure and gains/losses recognised in the CIES	Financial Liabilities: Amortised Cost	Financial Assets: Amortised Cost	
		Total				Total
£000	£000	£000		£000	£000	£000
8,533	0	8,533	Interest Expense	10,646	0	10,646
0	0	0	Impairment losses	0	0	0
8,533	0	8,533	Total expense in (surplus) or deficit on the provision of services	10,646	0	10,646
0	(6,233)	(6,233)	Interest Income	0	(6,947)	(6,947)
0	0	0	Dividend Income	0	0	0
0	(6,233)	(6,233)	Total income in (surplus) or deficit on the provision of services	0	(6,947)	(6,947)
8,533	(6,233)	2,300	Net (Gain)/Loss for the year	10,646	(6,947)	3,699

Fair Values of Assets and Liabilities

Financial liabilities and assets are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions.
For trade payables, bank deposits and trade receivables, being of short duration, and for long term mortgages, being at variable rates, the carrying value in the balance sheet is considered approximate to their fair value.

For investments, which are mainly at fixed rates, fair value has not been calculated as this is the same as its carrying value.

Estimated ranges of interest rates at 31 March 2025 of 4.61% to 5.07% (3.97% to 4.30% at 31 March 2024) for SCDC loans from the Public Works Loans Board based on premature repayment rates at that date.

Fair value is the amount determined by knowledgeable, willing parties in an arm’s length transaction. Local authorities are required to follow the fair value hierarchy prescribed by paragraphs 76-90 of IFRS13. This hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value, these include:

- Level 1 inputs- quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date
- Level 2 inputs- inputs other than quoted prices included within level1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs- unobservable inputs for the asset or liability

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair values and carrying values are considered to be the same with the exception of the following;

31 March 2024			31 March 2025	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
		Financial liabilities		
(222,123)	(203,913)	Long term borrowing	(232,123)	(173,540)
(222,123)	(203,913)	Total Financial Liabilities	(232,123)	(173,540)

The fair value of the long term PWLB loans measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for a market transaction undertaken at the balance sheet date. The difference between the carrying amount and the fair value

measure the additional interest that the Council will pay over the remaining terms of the loans under the agreements with the PWLB, against what would be paid if the loans were at prevailing rates.

The fair value of the loans from the PWLB has been assessed using the new loans rate. IFRS13 and the Code require that in the absence of a quoted price for a liability, fair value should be measured from the perspective of a market participant. For PWLB loans, measurement is therefore required from the perspective of the PWLB, assessing the price that they would be able to secure if they were to sell the loans in an orderly market transaction. However, it is sometimes not possible to find observable active markets.

If the Council were to seek to repay current PWLB loans, the PWLB would charge a penalty and the Council would have to pay an early redemption rate. The exit price for PWLB loans including this penalty would be over £250m.

16 Short Term Debtors and Payments in Advance

An analysis of debtors falling due within one year is shown below:

31 March 2024		31 March 2025
£000		£000
2,381	Central Government Bodies	3,023
8,974	Local Authorities	8,062
38	NHS	53
4,952	Other Entities and Individuals	6,398
246	Payments in Advance	521
16,591	Total debtors and payments in advance	18,057
	Less: Provision for Bad Debts / Impairment	
(128)	Council Tax Arrears- Council share	(146)
(465)	NDR Arrears- Council share	(501)
(740)	Housing (HRA)	(790)
(1,313)	Sundry Debtors (customer debt)	(1,257)
(2,646)	Total provisions for bad debts / impairments	(2,694)
13,945	Total net figure	15,363

The credit risk associated with accounts payable to the Council is reflected in the provisions made in the accounts for doubtful debts.

Notes to the Statement of Accounts

17 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

31 March 2024		31 March 2025
£000		£000
6,832	Short-term Deposits and Money Market Funds	17,605
(734)	Bank Overdrafts	(234)
6,098	Total Cash and Cash Equivalents	17,371

18 Short Term Creditors and Revenue Grants Receipts in Advance

An analysis of creditors falling due within one year is shown below:

31 March 2024		31 March 2025
£000		£000
(12,154)	Central Government Bodies	(15,352)
(9,036)	Local Authorities	(12,376)
(22,167)	Other Entities and Individuals - S106 (see breakdown in note 18a)	(23,308)
(5,748)	Other Entities and Individuals -Other	(6,401)
(5,875)	Receipts in Advance	(6,936)
(54,980)	Total creditors and receipts in advance	(64,373)

18(a) Capital Grants and Contributions

Developer (S106) Contributions:

Developers' contributions are monies received from developers under section 106 of the Town and Country Planning Act 1990 which contribute to the infrastructure costs for drainage and to community arts and development and are detailed below:

31 March 2024		31 March 2025
£000	Developer (S106) Contributions:	£000
	Capital	
(19,953)	Commutated sums	(21,151)
(791)	Community Transport Initiative	(661)
(787)	Affordable Housing s106	(611)
(21,531)		(22,423)
	Revenue	
(54)	Sustainability s106 Orchard park	(54)
(10)	Public art s106 Orchard Park	(10)
(72)	Community development s106	(282)
(16)	Electoral arrangements	(16)
(484)	Waste Management	(524)
(636)		(885)
(22,167)		(23,308)

19 Provisions

Provisions included in the balance sheet consist of provisions for bad and doubtful debts, which have been netted off against debtors as shown in the Balance Sheet and Note 16.

New arrangements for the retention of Business Rates came into effect on 1 April 2013, at which time the Council assumed liability for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list, which will include amounts that were paid over to central Government in respect of 2012/13 and prior years. A provision for the appeals liabilities of £5.499m has been recognised in the 2024/25 accounts (£5.762m in 2023/24), and the in-year movement is shown in Note 19.

Short Term (Business Rates)		Short Term (Business Rates)
£000		£000
(3,219)	Balance at 01 April 2024	(5,762)
(2,543)	Additional provisions made in 2024/25	263
0	Amounts used in 2024/25	0
(5,762)	Balance as at 31 March 2025	(5,499)

Notes to the Statement of Accounts

20 Unusable Reserves

Movements in Usable Reserves are shown in detail on the Movement in Reserves Statement.

31 March 2024			31 March 2025
£000			£000
(235,959)	Revaluation Reserve	(a)	(263,758)
(252,413)	Capital Adjustment Account	(b)	(268,080)
(5,964)	Pension Reserve	(c)	18,590
(106)	Deferred Capital Receipts Reserve	(d)	(106)
(644)	Collection Fund Adjustment Account	(e)	(3,616)
509	Accumulated Absences Account	(f)	473
(494,577)			(516,497)

(a) Revaluation Reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment (and Intangible Assets). The balance is reduced when assets with accumulated gains are:

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

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

31 March 2024		31 March 2025
£000		£000
(232,401)	Balance at 1 April	(235,959)
(4,144)	Upward revaluation of assets	(28,679)
	Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on Provision of Services	
(4,144)	(Surplus) or Deficit on revaluation of non current assets not posted to the (Surplus)/Deficit on the Provision of Services	(28,679)
586	Difference between fair value depreciation and historical cost depreciation	880
0	Accumulated gains on assets sold or scrapped	0

31 March 2024		31 March 2025
£000		£000
586	Net amount transferred to the Capital Adjustment Account	880
(235,959)	Balance at 31 March	(263,758)

(b) Capital Adjustment Account

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

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

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

Notes to the Statement of Accounts

31 March 2024		31 March 2025
£000		£000
(239,319)	Balance at 1 April	(252,413)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:	
11,347	Charges for depreciation and impairment of non-current assets	9,041
41,882	Revaluation impairment through CIES	6,429
0	Reversal of impairment on revaluation	0
139	Amortisation of intangible assets	145
957	Revenue expenditure funded from capital under statute	2,032
2,424	Amounts of non-current assets written off on disposal as part of the gain / loss on disposal posted to the CIES	3,858
	Write out of revaluation gain on disposal from Revaluation Reserve	
(586)	Depreciation, amortisation and impairment w/o from Reval. Res.	(880)
56,163	Net written out amount of the cost of non-current assets consumed in the year	20,625
	Capital financing applied in the year:	
(23,966)	Use of the Capital Receipts Reserve to finance new capital expenditure	(10,663)
(8,591)	Use of the Major Repairs Reserve to finance new capital expenditure	(10,336)
(12,664)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(3,278)
(759)	Application of grants to capital financing from the Capital Grants Unapplied Account	(2,207)
(1,147)	Statutory provision for the financing of capital investment charged against the General Fund balance	(1,099)
	Use of General Earmarked Reserved to finance new capital expenditure	
(6,760)	Capital expenditure charged against the General Fund and HRA balances	(8,713)
(53,887)		(36,296)
(15,375)	Movements in the market value of Investment Properties credited to the CIES	0
5	Other adjustment	4
(252,413)	Balance at 31 March	(268,080)

c) Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The credit balance of the Pension Reserve therefore shows a substantial excess in the benefits earned by the past and current employees and the resources the Council have set aside to meet them.

See Note 32 for further details of the Reserve Balance which equates to the Liability.

31 March 2024		31 March 2025
£000		£000
427	Balance at 1 April	(5,964)
(5,557)	Remeasurements of the net defined benefit liabilities	26,131
5,009	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	4,676
(5,843)	Employer's pensions contributions and direct payments to pensioners payable in the year	(6,253)
(5,964)	Balance at 31 March	18,590

(d) Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the cash is eventually received, amounts are transferred to the Capital Receipts Reserve.

31 March 2024		31 March 2025
£000		£000
(106)	Balance at 1 April	(106)
0	Movement in year	0
(106)	Balance at 31 March	(106)

Notes to the Statement of Accounts

(e) Collection Fund Adjustment Account

The Collection Fund Adjustment Account represents the amount that the Council owes itself at the year end arising from the declared Collection Fund Surplus for the year. This amount is not permitted to be allocated to the General Fund under Statute hence its inclusion within this Reserve.

31 March 2024		31 March 2025
£000		£000
(1,001)	Balance at 1 April	(644)
210	Amount by which the non-domestic rates income credited to the Comprehensive Income & Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	(2,968)
147	Amount by which the council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(4)
(644)	Balance at 31 March	(3,616)

(f) Accumulated Absence Reserve

The Accumulating Compensated Absence Reserve reflects the input of excess staff time utilised at the Balance Sheet Date which will be paid in kind beyond the Balance Sheet Date in the form of excess leave.

31 March 2024		31 March 2025
£000		£000
456	Balance at 1 April	509
(456)	Settlement or cancellation of accrual made at the end of previous year	(509)
509	Amounts accrued at the end of current year	473
509	Balance at 31 March	473

21 Cash Flow Statement- Operating Activities

Adjusted net surplus or (deficit) on the provision of services for non cash movements

31 March 2024		31 March 2025
£000		£000
11,385	Depreciation	9,186
26,512	Impairment and upward revaluations	6,429
(11,916)	Increase / (decrease) in creditors	9,393
2,543	Increase / (decrease) in provisions	(263)
(2,839)	(Increase) / decrease in debtors	(1,418)
131	(Increase) / decrease in inventories	(78)
(834)	Pension Liability	(1,577)
2,529	Carrying amount of Non-Current Assets sold	3,960
1	Other Non-Cash Items Charged to the Net Surplus or deficit on the Provision of Services	1
27,512	Total	25,633

Adjusted for items included in the net surplus or (deficit) on the provision of services that are investing or financing activities

31 March 2024		31 March 2025
£000		£000
2,853	Creditors relating to Section 106 etc.	(1,141)
(2,943)	Creditors relating to Collection Fund Agencies	(4,790)
856	Debtors relating to Collection Fund Agencies	645
(4,848)	Proceeds from the sale of property and equipment, investment property and intangible assets	(8,432)
(4,082)	Total	(13,718)

Notes to the Statement of Accounts

Operating activities within the cashflow statement include the following cash flows relating to interest and other operating activities

31 March 2024		31 March 2025
£000		£000
6,233	Interest Received	6,947
(8,533)	Interest Charge for the Year	(10,646)
(2,300)	Total	(3,699)

22 Cash Flow Statement- Investing Activities

31 March 2024		31 March 2025
£000		£000
(66,244)	Purchase of Property, Plant & Equipment, Investing Property	(38,164)
12,065	Purchase of Short-term and Long-term Investments	(18,710)
19,600	Purchase of Short-term and Long-term Borrowing	13,400
4,848	Proceeds from Sale of Property, Plant & Equipment, Investment	8,432
(29,731)	Total	(35,042)

23 Cash Flow Statement- Financing Activities

31 March 2024		31 March 2025
£000		£000
(2,853)	Creditors relating to Section 106 etc.	1,141
2,943	Creditors relating to Collection Fund Agencies	4,790
(856)	Debtors relating to Collection Fund Agencies	(645)
(766)	Total	5,286

24 Trading Operations

There were no trading operations at the Council in 2024/25 or prior.

25 Members Allowance

South Cambridgeshire District Council was represented by a total of 45 Councillors during the year. Further information is available upon request from the Democratic Services Manager, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA.

31 March 2024		31 March 2025
£		£
400,185	Allowances	418,426
10,105	Expenses	10,727
410,290	Total	429,153

Notes to the Statement of Accounts

26 Officer Remuneration

Senior officers’ remuneration.

			2024/25		
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Compensa- tion for Loss of Office	Total Remuneration including Pension Contributions
Chief Executive	147,166	0	25,313	0	172,479
Chief Operating Officer	123,389	0	21,223	0	144,612
Head of Housing	85,312	0	14,674	0	99,986
Joint Director for Planning and Economic Development ¹	123,389	0	21,223	0	144,612
Head of Finance & Section151 Officer	85,312	0	14,674	0	99,986
Head of Transformation HR & Corporate Services	94,717	0	16,291	0	111,008
Head of Climate, Environment & Waste	100,987	0	14,793	0	115,780
Total	760,272	0	128,191	0	888,463

¹ Shared Director with Cambridge City Council. 100% of Remuneration costs shown above. Costs shared 50:50.

			2023/24		
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Compensa- tion for Loss of Office	Total Remuneration including Pension Contributions
Chief Executive	141,166	0	24,281	0	165,447
Chief Operating Officer	118,359	0	20,358	0	138,717
Head of Housing	81,834	0	14,075	0	95,909
Joint Director for Planning and Economic Development ¹	118,359	0	20,358	0	138,717
Head of Finance & Section151 Officer	81,834	0	14,075	0	95,909
Head of Transformation HR & Corporate Services	87,847	0	15,110	0	102,957
Head of Climate, Environment & Waste	93,861	0	13,685	0	107,546
Total	723,260	0	121,942	0	845,202

Notes to the Statement of Accounts

The number of employees, excluding Senior Officers shown below, whose remuneration was £50,000 or more were:

31 March 2024		31 March 2025
No of Employees	Remuneration Band	No of Employees
31	£50,000 - £54,999	22
13	£55,000 - £59,999	28
11	£60,000 - £64,999	12
6	£65,000 - £69,999	10
3	£70,000 - £74,999	3
1	£75,000 - £79,999	1
0	£80,000 - £85,000	1
0	£85,000 - £89,999	0
1	£90,000 - £94,999	0
0	£95,000 - £99,999	1
0	£100,000 - £104,999	0
0	£105,000 - £109,999	0
66	Total	78

Remuneration for these purposes includes all sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits other than in cash. As remuneration includes redundancy and compensation for loss of office, the number of employees in each salary band can vary from year to year. Pension contributions payable by either the employee or employer are excluded.

Termination Benefits

Exit packages are those that have been agreed by the Authority, i.e. those packages for which the Authority is demonstrably committed and, have been paid in 2024/25 or are committed to be paid within 12 months. The costs included are those termination benefits defined and measured in accordance with the Code of Practice and include all relevant redundancy costs, pension contributions in respect of early retirement, ex gratia payments and other departure costs.

	2024/25			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exit Packages	Total Cost of Exit Packages in Each Band £000
Exit Package Cost Band (inc. special payments)				
£0 - £20,000	0	7	7	41
£20,001 - £40,000	0	2	2	54
£40,001 - £60,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £120,000	0	0	0	0
Total Cost Included in Bandings and in the CIES	0	9	9	95

	2023/24			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exit Packages	Total Cost of Exit Packages in Each Band £000
Exit Package Cost Band (inc. special payments)				
£0 - £20,000	0	7	7	54
£20,001 - £40,000	0	0	0	0
£40,001 - £60,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £120,000	0	0	0	0
Total Cost Included in Bandings and in the CIES	0	7	7	54

27 External Audit Fees

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims and returns:

31 March 2024		31 March 2025
£000		£000
165	External audit fees	180
15	Certification of Grant Claims & Returns - Housing Benefits	45
4	Certification of Grant Claims & Returns - Housing pooling capital receipts	4
184	Total	229

28 Grants and Contributions

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement

31 March 2024		31 March 2025
£000		£000
	Credited to Taxation and Non-Specific Grant Income	
(1,508)	New homes bonus	(1,758)
(1,507)	Other non-ringfenced government grants	(1,497)
(5,394)	Business Rates	(6,548)
(12,753)	Capital grants and other Contributions	(13,118)
(21,162)	Total Grants and Contributions	(22,921)
	Credited to Services	
(19,345)	Department for Work and Pensions (DWP)- Housing benefit	(19,044)
(33)	Cabinet Office (CO)- Electoral registration	(68)
(1,982)	Other government grants	(3,461)
(4,413)	Contributions from local authorities	(2,357)
(25,773)	Total Grants and Contributions	(24,930)
(46,935)	Total	(47,851)

29 Related Party Declarations

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. The Council holds a Register of Interests in which all members are required to declare any interests in accordance with the code of conduct which is open to the public.

The Council has three subsidiary companies wholly owned by the Council, South Cambs Limited (trading as Ermine Street Housing), Cambourne Business Park Limited and Shire Homes Lettings Limited. The council is also a Relevant Legal Entity (RLE) in respect of South Cambridgeshire Investment Partnership LLP (LLP) and holds or is treated as holding, directly or indirectly, the right to share 50% of voting rights and any surplus assets and of the LLP on a winding up. Transactions between these companies and the Council are accounted within the Council's group accounts (see Note G5).

Ermine Street Housing

Two employees P Campbell and J Membery and two members Councillor P Sandford and Councillor J Hobro are Directors of South Cambs Limited T/A Ermine Street Housing. During 2024/25, the Council charged £6,066,822 (£5,107,563, 2023/24) for its services to Ermine Street Housing. Amounts owed at the end of the year by Ermine Street Housing to the Council total £120,292,852 (£101,534,421 2023/24) related to recharges for contracted services and short term loans taken out to purchase investment properties.

Shire Homes Limited

One employee H Wood and one member Councillor P Fane of the Council are the company directors. During 2024/25 expenditure of £409,883 (£397,000 2023/24) was paid to Shire Homes Lettings Limited for contracted services to manage the Council's private sector scheme and the Council charged £352,341 (£266,190 2023/24) for its services. At the end of 2024/25 the net amount of £134,090 (£124,374 2023/24) was outstanding to the Council by Shire Homes.

Cambourne Business Park Limited

Two employees A Ainsworth and J Membery are the company directors. P Maddock (the Councils Director of Finance) resigned in March 2025 replaced by J Membery (Head of Transformation, HR & Corporate Services), appointed on 18 March 2025. At the end of 2024/25 the net amount of £74,193 (£39,848 2023/24) was outstanding to the Council by Cambourne Business Park Limited.

Care Network Cambridgeshire

One Member Councillor Sue Ellington of the Council is the company director of Care Network Cambridgeshire. During 2024/25, a grant of £8,000 (£8,000 2023/24) was paid by the Council.

South Cambridgeshire Investment Partnership LLP

South Cambridgeshire District Council is the LLP Designated Member, one member Councillor Richard Stobart approved the report on 13 December 2024 for the year ended 31 March 2025 on behalf of the council.

Central Government

Central Government is responsible for providing the statutory framework within which the Council operates and provides a significant amount of its funding in the form of grants and prescribes the terms of many transactions that the Council has with other parties, for example Council Tax bills, housing benefits.

In 2024/25, there were no reported material related party transactions that are not disclosed elsewhere in the accounts.

30 Capital Expenditure and Financing

The total amount of capital enhancement incurred in the year is shown in the table below together with the resources that have been used to finance it. Where capital enhancement 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.

31 March 2024		31 March 2025		
		HRA	GF	Total
£000		£000	£000	£000
371,500	Opening Capital Financing Requirement	216,429	168,415	384,844
0	Adjustment to Opening CFR	0	0	0
	Capital Investment			
0	Loan to South Cambs Ltd	0	19,603	19,603
67	Intangible Assets		46	46
66,177	Property, Plant and Equipment	34,598	3,520	38,118
0	Investment Properties	0	0	0
30	Loan to Cambourne Business Park Ltd	0	20	20
	South Cambridgeshire Investment Partnership (SCIP)		942	942
957	Rev. Expenditure Funded from Capital Under Statute		2,032	2,032
67,231	Total Capital Investment	34,598	26,163	60,761
	Sources of Finance			
(23,966)	Capital receipts	(9,804)	(859)	(10,663)
(6,760)	Revenue	(7,038)	(1,675)	(8,713)
(13,423)	Capital Grants	(2,442)	(3,043)	(5,485)
(8,591)	Major repairs reserve	(10,336)	0	(10,336)
(1,147)	MRP from Capital Adjustment Account	0	(1,099)	(1,099)
(53,887)	Total Capital Financing	(29,620)	(6,676)	(36,296)
384,844	Total	221,407	187,902	409,309
	Explanation of movements in year			
13,344	Increase in underlying need to borrow (unsupported by Government financial assistance)	4,978	19,487	24,465

The loans made to South Cambs Limited and SCIP, from cash balances, are recognised as capital in year, increasing the Council's underlying need to borrow.

31 Leases

Council as a lessee:

The Council acquired two traveller sites (Blackwell and Whaddon) via 125-year peppercorn leases from Cambridgeshire County Council. These are treated as government grants under IAS 20.

The council has adopted IFRS16 Leases from 1st April 2024. After carrying out due diligence it was concluded this accounting policy does not materially impact the financial statements.

Operating Leases

The Council as a lessor:

The Council has no finance lease as a lessor.

Operating Leases

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

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

	2024/25	2023/24
	£000s	£000s
Not later than one year	2,624	2,624
Later than one year and not later than five years	10,299	10,472
Later than five years	4,264	6,713
Total	17,187	19,809

32 Pensions

The Council participates in the national Local Government Pension Scheme which is a funded defined benefit (average career) scheme and which also provide historic unfunded discretionary benefits, both of which are administered by Cambridgeshire County Council. With the funded scheme, the Council (the employer) and employees both pay contributions into the pension fund with the employer's contribution calculated every three years at a level intended to balance the scheme assets and liabilities over a twenty year period.

The transactions below have been made in the CIES during the year.

31 March 2024		31 March 2025
£000	Comprehensive Income and Expenditure Statement	£000
5,009	Service Cost	4,994
0	Net Interest Charged	(318)
5,009	Net Charge made to the CIES	4,676
	Re-Measurements in Other Comprehensive Income	
(11,455)	Return on Fund Assets in Excess of Interest	5,887
(9,725)	Changes in Financial Assumptions	(26,569)
5,328	Other	(1,611)
(876)	Change in Demographic Assumptions	(286)
(16,728)	Subtotal	(22,579)
11,171	Impact of Asset Ceiling	48,710
(5,557)	Re-Measurement of the Net Assets / (Defined Liability)	26,131
	Pension Assets and Liabilities Recognised in the Balance Sheet	
(161,468)	Present Value of the Funded Obligation	(141,688)
179,995	Fair Value of Plan Assets	183,512
18,527	Subtotal	41,824
(11,171)	Impact of asset ceiling	(59,191)
7,356	Net Surplus/(liability) recognised in the Balance Sheet	(17,367)
(1,392)	Present value of Unfunded Obligations recognised on Balance sheet	(1,223)

Notes to the Statement of Accounts

Reconciliation of the fair value of the Scheme Liabilities

Total Liabilities		Total Liabilities
31 March 2024		31 March 2025
£000		£000
(169,737)	Net pensions liability at 1 April	(172,255)
(7,620)	Interest Cost	(7,620)
876	Change in Demographic Assumptions	286
9,725	Change in Financial Assumptions	26,569
(5,328)	Change in Other Assumptions	1,611
(5,009)	Current Service Cost	(4,904)
0	Past Service Cost Including Curtailments	(90)
(1,571)	Contributions by Scheme Participants	(1,723)
6,295	Benefits	5,991
114	Unfunded Benefits	117
(172,255)	Net Pension Liability at 31 March	(152,018)

Reconciliation of the fair value of the Scheme Assets

31 March 2024		31 March 2025
£000		£000
169,310	Fair Value of the Plan Assets at 1 April	179,995
(9,395)	Other	(1,175)
7,620	Interest on Assets	8,711
11,455	Return on Assets less Interest	(5,887)
5,843	Employer Contributions including Unfunded	6,136
1,571	Contributions by Scheme Participants	1,723
(6,295)	Benefits Paid	(6,108)
(114)	Contribution in respect of unfunded benefits	117
179,995	Fair Value of the Plan Assets at 31 March	183,512

Determination of asset ceiling

For the local government pension scheme surplus, we are required by the Code of Accounting Practice to consider the impact of any asset ceiling on the recognition of the IAS19 asset on the balance sheet. The Council does not have an unconditional right to a refund from the local government pension scheme, therefore there is no economic benefit available due to refunds. The Council considers that

an economic benefit is available from the IAS19 surplus through possible reductions in future contributions. The effect of this is however reduced by the future service contributions the council is required to pay. These contributions represent a minimum funding requirement and reduce the recognised IAS19 asset accordingly. As the economic benefit of this element is less than the net defined benefit pension asset, the amount recognised in the balance sheet has been restricted to the lower of the two.

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The last triennial valuation was completed during 2022.

The scheme will need to take account of the national changes to the scheme under the Public Pensions Services Act 2013. Under the Act, the Local Government Pension Scheme in England and Wales and other main existing public service schemes may not provide benefits in relation to service after 31 March 2014 (or service after 31 March 2015 for other main existing public service pension schemes in England and Wales). The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants.

The estimated Employer contributions for the period to 31 March 2026 are £5,967,000 (2024/25 £5,628,000).

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the fund being based on the latest full (triennial) valuation of the scheme as at 31 March 2022.

Notes to the Statement of Accounts

The principal assumptions used by the actuary have been:

2023/24		2024/25
	Mortality Assumptions	
	Longevity at 65 for current pensioners in years:	
22	* Men	21.9
24.4	* Women	24.4
	Longevity at 65 for future pensioners in years:	
22.4	* Men	22.3
26	* Women	26.0
3.25%	Rate of increase in salaries	3.25%
2.75%	Rate of increase in pensions	2.75%
4.85%	Rate for discounting scheme liabilities	5.80%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The assumption in longevity, for example, assume that life expectancy increases (or decreases) for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in the previous period.

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. SCDC and the administering authority are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the pension scheme. As a result, SCDC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements.

The Scheme's assets consist of the following categories, by proportion of the total assets held.

Quoted active market £000	Quoted non-active market £000	Total £000		Quoted active market £000	Quoted non-active market £000	Total £000
3,882	0	3,882	Cash and cash equivalents	3,096	0	3,096
			Equity inst: by industry type			
2,039	0	2,039	Consumer	1,958	0	1,958
2,077	0	2,077	Manufacturing	1,981	0	1,981
216	0	216	Energy and Utilities	104	0	104
1,990	0	1,990	Financial Institutions	2,139	0	2,139
1,677	0	1,677	Health and Care	1,790	0	1,790
3,926	0	3,926	Info. Technology	4,408	0	4,408
197	0	0	Other	207	0	207
12,120	0	11,923	Sub-total equity	12,587	0	12,587
			Debt Securities: by sector			
0	15,203	15,203	UK Government	0	18,932	18,932
0	0	0	Other	0	0	0
0	15,203	15,203	Sub-total bonds	0	18,932	18,932
			Property: by type			
0	14,445	14,445	UK Property	0	17,437	17,437
0	0	0	Overseas Property	0	0	0
0	14,445	14,445	Sub-total property	0	17,437	17,437
			Private Equity:			
0	21,794	21,794	All (UK & Overseas)	0	24,280	24,280
0	21,794	21,794	Sub-total private equity	0	24,280	24,280
			Inv. Funds and Unit Trusts			
0	72,893	72,893	Equities	0	67,707	67,707
0	25,665	25,665	Bonds	0	25,896	25,896
0	12,820	12,820	Infrastructure	0	13,577	13,577
0	0	0	Other	0	0	0
0	111,377	111,377	Sub-total other inv. funds	0	107,180	107,180
			Derivatives:			
0	1	1	Other	0	(1)	(1)
0	1	1	Sub-total derivatives	0	(1)	(1)
16,002	162,819	178,625	Total	15,684	167,828	183,512

Notes to the Statement of Accounts

Fair value of scheme assets

31 March 2024		31 March 2025
%		%
6.0%	Equity Instruments	7.0%
9.0%	Debt Securities	10.0%
8.0%	Property	10.0%
12.0%	Private Equity	13.0%
63.0%	Investment Funds and Unit Trusts	58.0%
0.0%	Derivatives	0.0%
2.0%	Cash and cash equivalents	2.0%
100.0%		100.0%

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2017 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

Sensitivity Analysis as at 31 March 2025	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	2,575
1 year increase in member life expectancy	4%	5,716
0.1% increase in the Salary Increase Rate	0%	93
0.1% increase in the Pension Increase/Revaluation Rate (CPI)	2%	2,554

Sensitivity Analysis as at 31 March 2024	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
0.1% decrease in Real Discount Rate	2%	3,121
1 year increase in member life expectancy	4%	6,514
0.1% increase in the Salary Increase Rate	0%	111
0.1% increase in the Pension Increase/Revaluation Rate (CPI)	2%	3,069

33 Nature & extent of risks arising from financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Council has the following financial instruments:

- financial liabilities: trade payables and long term borrowing
- financial assets: loans and receivables comprising bank deposits, trade receivables, investments, shares and long term mortgages

The Council has given interest free loans, repayable on the sale/transfer of charged properties, which have not been classified as financial instruments. These loans are included in the balance sheet as long term debtors', the outstanding amount was £329,000 as at 31 March 2025 (£329,000 in 2023/24). No such loans have been made since 2012/13.

The Council's activities expose it to a variety of financial risks, the key risks are:

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

Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are only made with banks and financial institutions which are included as counterparties in the Council's Investment Strategy, which regards the successful identification, monitoring and control of risk to be the prime criteria. The Council has a policy of tiered maximum investments with the uppermost limit not more than £10 million of its surplus balances to any one institution. With no historical experience of default, the exposure to credit risk on bank deposits and investments is not considered material. The main exposure to credit risk relates to housing rents where a provision for bad debts is made.

Where sums are owed by the Council's customers and contractual debtors the Council makes provision for doubtful debt, detailed in Note 16, based on an assessment of the risks for each type and the age of those debts. The Council does not generally extend credit beyond 21 days.

Notes to the Statement of Accounts

Balances Invested as at 31 March 2025	Credit Rating Criteria Met	Up to 1 Month	1 - 3 Months	4 - 6 Months	7 - 12 Months	Greater than 12 Months	Total
		£000	£000	£000	£000	£000	£000
Banks UK	YES	1,085					1,085
Building Societies	YES						0
South Cambs Ltd	YES					119,603	119,603
SCIP	YES					13,975	13,975
Housing Assoc	YES						0
Local Authorities	YES	7,000	6,000		4,000	500	17,500
CLIC	YES					2,142	2,142
Money Market Funds	YES	3,410					3,410
Cambourne Business Park Limited	YES					50	50
Total		11,495	6,000	0	4,000	136,270	157,765

Balances Invested as at 31 March 2024	Credit Rating Criteria Met	Up to 1 Month	1 - 3 Months	4 - 6 Months	7 - 12 Months	Greater than 12 Months	Total
		£000	£000	£000	£000	£000	£000
Banks UK	YES	1,710		5,000			6,710
Building Societies	YES						0
South Cambs Ltd	YES					100,000	100,000
SCIP	YES					13,034	13,034
Housing Assoc	YES						0
Local Authorities	YES					500	500
CLIC	YES					2,217	2,217
Money Market Funds	YES	5,100					5,100
Cambourne Business Park Limited	YES					30	30
Total		6,810	0	5,000	0	115,781	127,591

Debtors

The following analysis summarises the Council's analysis of its potential maximum exposure to credit risk (impairment allowance) in relation to debtors:

31 March 2024			31 March 2025	
Customer Debt	Other Debtors		Customer Debt	Other Debtors
£000	£000		£000	£000
(1,485)	(1,741)	Balance at 1st April	(1,313)	(1,333)
123	(937)	(Increase)/decrease in provisions	123	(937)
49	1,346	Amounts used	(67)	1,346
(1,313)	(1,333)	Balance at 31st March	(1,257)	(1,437)

The Council does not normally extend credit beyond 21 days. At 31 March 2025, the total debtor balance can be analysed as follows:

31 March 2024		31 March 2025
£000		£000
	Customer Debts:	
5,503	Less than 3 months	1,771
498	More than 3 months	498
6,001	Balance at 31st March	2,269

Investments

The risk is minimised through the Treasury Management Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty excepting UK Central Government which is unlimited. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

The table above summarises the nominal value of the Council's investment portfolio at 31 March 2025, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

The above amounts include the money market fund which is included in cash and cash equivalents.

Notes to the Statement of Accounts

Liquidity Risk

All trade and other payables are due to be paid in less than one year. The PWLB loans have maturities of between 1 and 45 years as detailed in Note 13, interest being paid half yearly, a Repayment Reserve being used to manage the future repayment of principal.

Market Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments as most investments are at fixed rates. Movement in interest rates can have an impact on the Council's interest receipts from investments; for example, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- Investments at fixed rates – the fair value of the assets will fall (but the carrying amount will not change)

As most investments are at fixed rates, a sensitivity analysis for interest rate changes has not been carried out.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget which is used to update the Council's medium term financial strategy periodically during the year, this allows any adverse changes to be accommodated.

Price Risk

The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

34 Capital Commitments

Material capital commitments as at 31 March 2025 were £26.913m on Housing (£33.242m as at 31st March 2024).

35 Assets Held for Sale

31 March 2024		31 March 2025
£000		£000
	Cost or valuation	
0	At 1 April	0
0	Adjustments	0
0	Additions	0
0	Revaluation increases / (decreases) recognised in the Revaluation Reserve	0
0	Revaluation increases / (decreases) recognised in the CIES	0
0	Derecognition - Disposals	0
0	Other movements / reclassifications within assets	0
0	Total	0

36 Intangible Assets

31 March 2024		31 March 2025
£000		£000
	Cost or valuation	
670	At 1 April	681
67	Additions- Purchase only	46
(139)	Amortisation	(145)
83	Other movements / reclassifications	
681	Total	582

37 Contingencies

There were no material contingent assets to report for the Council as at 31 March 2025.

Housing Revenue Account Income and Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year for providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2023/24		Note	2024/25
£000			£000
	Income		
(34,162)	Dwelling Rents		(37,897)
(435)	Non Dwelling Rents		(493)
(1,398)	Charges for Services and Facilities		(1,442)
0	Revaluation Gains of non-current assets		0
	Contributions towards expenditure:		
(422)	General Fund		(458)
(117)	Other Sources		(343)
(36,534)	Total Income		(40,633)
	Expenditure		
7,210	Repairs and Maintenance		8,749
	Supervision and Management:		
2,963	General		3,345
1,989	Repairs and Maintenance		2,135
1,753	Special Services		1,848
431	Rents, Rates and Other Charges		503
	Depreciation and Amortisation:		
9,722	Depreciation		7,646
41,301	Impairments	H9	6,498
19	Treasury Management Costs		32
97	Inc./(Dec.) Provision for Bad/Doubtful Debts		102
65,485	Total Expenditure		30,858
28,951	Net Cost of Services as Included in the Comprehensive Income and Expenditure Statement		(9,775)
848	HRA services share of Corporate Expenses		914
0	HRA services share of Other Services (mortgage interest)		0
29,799	Net Cost / (Income) of HRA Services		(8,861)
29,799	HRA Share of the Income and Expenditure included in the Comprehensive Income and Expenditure Statement		(8,861)
(2,069)	Loss/(Gain) on Sale of HRA Non-Current Assets		(3,515)
7,230	Interest Payable and similar charges		7,935
(1,294)	Interest and Investment Income		(922)
0	Pensions Interest / Return on Assets		(40)
(11,708)	Capital Grants and Contributions		(2,442)
21,958	(Surplus) / Deficit for the Year on HRA Services		(7,845)

Movement on Housing Revenue Account Statement

The Housing Revenue Income and Expenditure Statement shows the Council's actual financial performance for the year in managing its housing stock, measured in terms of the resources consumed and generated over the last twelve months. However, Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.

The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from council tax.

Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the Income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

2023/24		2024/25
£000	Increase / decrease in the Housing Revenue Account Balance	£000
21,958	(Surplus)/ deficit for the year on the Housing Revenue Account Income and Expenditure Statement	(7,845)
(22,134)	Adjustments between accounting basis and funding basis under statute (including to or from reserves)	6,704
0	Transfers to/from Earmarked Reserves	0
(176)	(Increase) / decrease in the Housing Revenue Account Balance	(1,141)
(2,812)	Housing Revenue Account Surplus Brought Forward	(2,988)
(2,988)	Housing Revenue Account Surplus Carried Forward	(4,129)

H1 Housing Stock Volumes

The Housing Revenue Account includes all the expenditure and income associated with the following stock of Housing Revenue Account dwellings:

2023/24		2024/25			
Total		Conversion	Additions	Disposals	Total
1,161	1 Bedroom	0	7	(2)	1,166
2,479	2 Bedroom	9	65	(17)	2,536
1,871	3 Bedroom	(10)	12	(9)	1,864
90	4+ Bedroom	1	2	(1)	92
5,601		0	86	(29)	5,658

31 March 2024		31 March 2025
5,506	Stock (Whole Property Equivalent) as at 1 April	5,601
	Less:	
(14)	Other Movements *	(29)
109	New Properties #	86
5,601	Stock as at 31 March	5,658
	Other movements / reclassifications within assets	
	Number of houses:	
5,218	Houses and Bungalows	5,273
383	Flats and Maisonettes	385
	Other	
5,601	Stock as at 31 March	5,658
5,601	Total	5,658

* Other Movements include; equity share and shared ownership sales, demolitions and non-RTB sales
New Properties include; New Builds and equity share and shared ownership acquisitions

H2 Housing Stock Values

The total balance sheet values of dwellings and other property and land within the HRA are

2023/24			2024/25	
Asset Value	Deprecia-tion		Asset Value	Deprecia-tion
£000	£000		£000	£000
618,703	(9,340)	Council Dwellings (HRA only)	656,567	(7,426)
	9,367	Depreciation adj. on revaluation		7,371
33,160	(274)	Other Land & Buildings	40,001	(115)
	215	Depreciation adj. on revaluation		54
1,120	0	Surplus assets held	1,112	0
926	(90)	Infrastructure	1,152	(105)
653,909	(122)		698,832	(221)

In 2024/25, depreciation on buildings is based on the asset lives as assessed by the Council's appointed valuers, Wilks, Head and Eve. Land is not depreciated. The dwellings are valued in accordance with Guidance on Stock Valuation for Resource Accounting issued by the Office of the Deputy Prime Minister. This requires the dwellings to be valued at open market value with vacant possession, which is then adjusted to reflect tenancies at less than open market rents by using an adjustment factor based on the ratio of local authority rents to open market rents for the relevant region. The adjustment factor for the eastern region is 38%.

The value of council dwellings (Housing Revenue Account) at 31 March 2025, based on vacant possession, was £1,777m.

H3 Gross Dwelling Rent Income

During 2024/25, 2.37% (1.85% in 2023/24) of all lettable dwellings were vacant.

Average rents were £129.05 (£121.92 in 2023/24) per week including affordable rents, an increase of £7.13 or 5.53% (£9.13 or 8.1% increase in 2023/24) on the previous year. 27.74% (31.66% in 2023/24) of all Council tenants received some help through rent rebates in 2024/25.

Rent arrears reduced to £970,114 (£1,002,093 in 2023/24), which represents 1.81% (2.93% in 2023/24) of gross dwelling rent income.

The provision for bad and doubtful debts on these arrears amounted to £698,578 (£701,243 in 2023/24). Amounts written off during the year totalled £51,781 (£110,251 in 2023/24). Dwelling rents are shown after allowing for voids.

Notes to the Housing Revenue Account

H4 Rent Arrears on Dwellings

31 March 2024		31 March 2025
£000		£000
1,002	Arrears	970
(701)	Provision for uncollectable amounts	(699)
301	Net arrears	271
2.93%	Arrears as a percentage of gross rents collectable	1.81%

H5 Pensions

This contribution, shown in the Statement of Movement on the Housing Revenue Income and Expenditure Account, reverses out the pensions liabilities apportioned to net operating expenditure and adds back in the payments to the pension scheme so that the adoption of International Accounting Standard 19 (IAS 19) Employee Benefits has no effect on the deficit/surplus for the year. In view of the uncertainty over future pension costs, an additional percentage of pensionable pay has been charged against the Housing Revenue Account and placed in a reserve for use in future years (Note 32).

H6 Housing Revenue Account Capital Receipts

The Council received £7,963,494 (£4,332,732 in 2023/24) in respect of HRA capital receipts during 2024/25.

This arose as a result of the sale of council houses including shared-ownership of £7,792,494 (£4,143,948 in 2023/24) and Land Sales £171,000 (£188,784 in 2023/24).

Of this the Council had £2,675,012 (£1,565,114 in 2023/24) available for house building projects and £24,115 (£12,090 in 2023/24) for the administration of the sales and £60,950 (£35,507 in 2023/24) Estate agent fees relating to shared ownership and land sales which left £5,203,417 (£2,720,021 in 2023/24).

Capital receipts relating to the HRA during the financial year were:

31 March 2024		31 March 2025
£000		£000
189	Sale of Land	171
1,650	Right to Buy	3,696
2,494	Other	4,097
4,333	Total	7,964

H7 Capital Expenditure, Financing and Receipts

Capital expenditure and financing relating to the HRA during the financial year was:

31 March 2024		31 March 2025
£000		£000
204,429	Opening capital financing requirement	216,429
	Expenditure:	
0	Acquisition and Improvement of land	0
24,485	New build- dwellings	18,599
0	Re-provision of existing dwellings	0
23,535	Acquisition of existing dwellings	6,757
8,601	Improvement of housing stock and other buildings	9,242
	Financing:	
(19,042)	Capital receipts and contributions	(9,804)
(5,279)	Revenue	(7,015)
(11,709)	Grants and Reserves	(2,442)
(8,591)	Major Repairs Allowance	(10,337)
216,429	Closing capital financing requirement	221,429

H8 Major Repairs Reserve

Previously, within the housing subsidy scheme, there was an annual allowance for major repairs which could only be used for expenditure on major repairs and/or improvements to Housing Revenue Account dwellings. The housing subsidy scheme and, therefore the Major Repairs Allowance, ceased at the end of 2011/12 with the advent of the Self Financing regime. In 2012/13 the Council was required to charge the Housing Revenue Account a notional amount for depreciation; calculated in a similar way to the major repairs allowance. The notional depreciation charge is reserved to fund similar major repairs and improvement works. The transition period continued until the end of 2016/17, with a full depreciation charge equivalent to the whole capital adjustment transfer being charged to the Housing Revenue Account from 2017/18 onwards.

2023/24		2024/25
£000		£000
(2,148)	Balance as at 1 April	(3,279)
(9,722)	Transfer to Capital Adjustment Account	(7,646)
8,591	HRA capital expenditure charged to Major Repairs Reserve	10,336
(1,131)	Total Expenditure	2,690
(3,279)	Balance as at 31 March	(589)

H9 Impairments

Impairment is a reduction in the value of non-current assets. When this occurs through the clear consumption of economic benefit or through market value reduction, it has been identified and is written off against any revaluation gains in the Revaluation Reserve for that group of assets until the gain is reduced to zero and then any balance is charged to Housing Revenue Income and Expenditure Account.

2023/24		2024/25
£000		£000
41,301	Impairments	6,498

Impairments for 2023/24 were significantly higher mainly due to housing market slowing down as a result of higher mortgage rates and due to negative valuation of the LAHF (Local Authority Housing Funds) homes. These homes were purchased at market value and were adjusted for the vacant factor for the East of England (38%) resulting in a negative valuation of £14m.

H10 Note of Reconciling Items for the Statement of Movement on HRA Balance

2023/24		2024/25
£000		£000
21,958	(Surplus)/Deficit for the year on the HRA Income and Expenditure Account	(7,845)
2,069	(Loss)/Gain on sale of HRA non-current assets	3,515
100	HRA share of contributions to the Pensions Reserve	198
	Reversal of Depreciation & Impairment	
(9,722)	Depreciation	(7,646)
(41,301)	Revaluation	(6,498)
11,709	Capital Grants and Contributions	2,442
9,722	Transfer from Major Repairs Reserve	7,646
(10)	Accumulated Leave Reversal	9
5,299	Capital Expenditure funded by the HRA	7,038
(22,134)	Adjustments between accounting basis and funding basis under statute (including to or from reserves)	6,704
(176)	Net increase/(decrease) before transfers to/from res.	(1,141)
0	Transfers To Earmarked Reserves	0
(176)	Dec/(inc) in the HRA balance for the year	(1,141)
(2,812)	HRA balance brought forward	(2,988)
(2,988)	HRA balance carried forward	(4,129)

Collection Fund Statement

This account reflects the statutory requirement for the Council, as the billing authority, to establish and maintain a separate fund for the collection and distribution of amounts due in respect of Council Tax and Non-Domestic Rates (Business Rates).

2023/24				2024/25		
Non Domestic Rates	Council Tax	Collection Fund Total		Non Domestic Rates	Council Tax	Collection Fund Total
£000	£000	£000		£000	£000	£000
			Income			
	(146,272)	(146,272)	Council Tax		(157,799)	(157,799)
(104,138)		(104,138)	Non Domestic Rates	(126,109)		(126,109)
(11,042)		(11,042)	Transitional Payment Protection (TPP)	(2,352)		(2,352)
(115,180)	(146,272)	(261,452)	Total Income	(128,461)	(157,799)	(286,261)
			Expenditure			
			Apportionment of previous years surplus/(deficit)			
869	0	869	Central Government	3,571	0	3,571
156	425	581	Cambridgeshire County Council	643	(509)	134
17	21	38	Cambridgeshire & Peterborough Fire Authority	71	(26)	45
	75	75	Cambridgeshire Police and Crime Commissioner		(90)	(90)
695	75	770	South Cambridgeshire District Council	2,857	(89)	2,768
			Cambridgeshire and Peterborough Combined Authority		(4)	(4)
			Precepts and Demands			
		52,596	Central Government	56,770	0	56,770
52,596	0	113,350	Cambridgeshire County Council	10,219	111,171	121,389
9,467	103,883	6,433	Cambridgeshire & Peterborough Fire Authority	1,135	5,646	6,781
1,052	5,381	18,349	Cambridgeshire Police and Crime Commissioner	0	19,593	19,593
0	18,349	53,209	South Cambridgeshire District Council	45,416	11,689	57,104
42,077	11,131	6,964	Special Expenses- Parish Precepts	0	7,555	7,555
0	6,964	808	Cambridgeshire and Peterborough Combined Authority		2,471	2,471
	808					
			Charges to the Collection Fund			
		0	Write Offs / (write backs)			0
(699)	357	(342)	Impairment allowance for year	222	374	596
6,358	0	6,358	Provision for Appeals	(658)	0	(658)
252	0	252	Cost of Collection Allowance	255	0	255
	0	0	Transitional Payment Protection (TPP)		0	0
1,546	0	1,546	Disregarded Amounts	2,263	0	2,263
114,386	147,469	261,856	Total Expenditure	122,764	157,780	280,544
(793)	1,196	403	Deficit / (Surplus) for the Year	(5,697)	(19)	(5,716)
(3,453)	(650)	(4,103)	Balance Brought Forward	(4,246)	546	(3,700)
(4,246)	546	(3,700)	Balance Carried Forward	(9,943)	527	(9,416)

Notes to Collection Fund Statement

Collection Fund Balances:

Attribution of deficit/(surplus) carried forward:

2023/24				2024/25		
Non Domestic Rates	Council Tax	Collection Fund Total		Non Domestic Rates	Council Tax	Collection Fund Total
£000	£000	£000		£000	£000	£000
			Proportional split			
	1	1	Cambridgeshire and Peterborough Combined Authority		8	8
(2,123)	0	(2,123)	Central Government	(4,972)	0	(4,972)
(382)	388	6	Cambridgeshire County Council	(895)	371	(524)
(42)	20	(22)	Cambridgeshire & Peterborough Fire Authority	(99)	19	(81)
0	69	69	Cambridgeshire Police and Crime Commissioner	0	65	65
(2,547)	478	(2,069)	Total	(5,966)	463	(5,503)
(1,698)	68	(1,631)	South Cambridgeshire District Council	(3,977)	64	(3,913)
(4,246)	546	(3,700)	Deficit / (Surplus)	(9,943)	527	(9,416)

CF1 Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Cambridgeshire County Council, Cambridgeshire & Peterborough Police & Crime Commissioner, Cambridgeshire Fire & Rescue Service, Cambridgeshire and Peterborough Combined Authority and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted discounts: 68,631.6 for 2024/25, (67,330.9 for 2023/24). The basic amount of Council Tax for a Band D property £2,193.87 for 2024/25, (£2,072.62 for 2024/23) is multiplied by the proportion specified for the particular band to give an individual amount due.

2023/24		2024/25			
Equivalent Number of Band D Dwellings		Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalent s
3.2	Band A Disabled	4.0	4.0	5/9	2.2
1,342.3	Band A	2,067.2	2,067.2	6/9	1,378.1
5,333.6	Band B	7,012.8	7,012.8	7/9	5,454.4
17,414.7	Band C	19,879.8	19,879.8	8/9	17,670.9
14,217.8	Band D	14,391.5	14,391.5	9/9	14,391.5
13,555.7	Band E	11,287.8	11,287.8	11/9	13,796.1
11,383.7	Band F	8,018.0	8,018.0	13/9	11,581.6
7,437.5	Band G	4,543.3	4,543.3	15/9	7,572.1
762.5	Band H	387.3	387.3	18/9	774.5
71,450.7	Total Band D	67,591.4	67,591.4		72,621.4
	Adjustment				66.1
(3,833.8)	Less Band D equivalents entitled to Council Tax Support				(3,834.0)
119.5	Ministry of Defence (MOD) contribution				121.3
67,736.4	Total Band D Equivalents				68,974.7
(405.7)	Less Adjustment for Collection Rate		99.4%		(343.1)
67,330.7	Council Tax Base				68,631.6

Income of £150.6m for 2024/25 (£139.5m for 2023/24) was receivable from council tax payers.

CF2 Non Domestic Rates

Non Domestic Rates are organised on a national basis. The Government specifies an amount, 49.9p (small business) and 54.6p (others) in 2024/25, (49.9p (small business) 51.2p (others) in 2023/24) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

From 1 April 2013 Business Rates Retention was introduced whereby Local Authorities retain 50% of the Business Rates collected and pay the remainder over to Central government. The amount retained is shared between the Council (40%), Cambridgeshire County Council (9%) and Fire Authority (1%). In addition, the Government has set a level of Business Rates Funding deemed to be applicable to each area and every Council either receives a top up (where business rates are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

If the Council increases its business rates base and therefore income it is allowed to retain a proportion of this increased income whilst paying up to 50% to Central Government. This payment is known as a levy payment.

If a reduction of business rates income of more than 7.5% of its funding baseline has occurred then the government will make up any difference between this and the actual loss in the form of a safety net payment.

The total non-domestic rateable value at the year-end was £282,369,937 (£283,343,751 in 2023/24).

Group Accounts and Consolidation with the Council

The Council has 3 wholly owned subsidiaries South Cambs Limited (Ermine Street Housing), Shire Homes Lettings Limited and Cambourne Business Park Limited. As a result a set of Group Accounts for the Group as a whole are produced. The Accounts have been consolidated on a line by line basis, as per IFRS10. The impact of the Companies' activities upon the Reserves of the Group are detailed in note G1. Context of Group Accounts and Consolidation with the Council.

Group - Comprehensive Income and Expenditure Statement

This statement shows the cost in the year of providing services in accordance with generally accepted accounting practices. Authorities raise taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is reflected in the 'Revenue Purpose' column of the Movement In Reserves Statement which shows how the Total Comprehensive Income & Expenditure is allocated to each individual Reserve.

2023/24					2024/25		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
£000	£000	£000		Note	£000	£000	£000
			Continuing Operations				
3,460	(821)	2,639	Chief Executive		5,259	(1,065)	4,194
10,041	(4,454)	5,587	Director of Greater Cambridge Shared Planning		11,160	(8,022)	3,138
18,368	(9,932)	8,436	Head of Climate, Waste & Environment		21,622	(11,824)	9,798
29,239	(21,254)	7,985	Head of Finance		24,178	(21,080)	3,098
109	0	109	Monitoring Officer		93	0	93
5,553	(3,846)	1,707	Head of Housing		5,591	(4,454)	1,137
7,813	(4,136)	3,677	Head of Transformation, HR & Corporate Services		7,365	(1,834)	5,531
66,556	(36,972)	29,584	Housing Revenue Account		31,731	(41,054)	(9,323)
8,025	(9,484)	(1,459)	Subsidiary Companies	G1	6,210	(9,925)	(3,715)
149,164	(90,899)	58,265	Net Cost of Services		113,209	(99,258)	13,951
		5,996	Other Operating Expenditure and Income				4,457
		(10,514)	Financing and Investment Income and Expenditure				4,603
		(46,334)	Taxation and Non-Specific Grant Income				(54,121)
		(591)	Tax expenses of Subsidiary Companies				689
		6,822	(Surplus) / Deficit on Provision of Services				(30,421)
		(4,144)	(Surplus) / Deficit on Revaluation of Property Plant & Equipment				(28,679)

Group Accounts

2023/24					2024/25		
Gross Spend	Gross Income	Net Spend			Gross Spend	Gross Income	Net Spend
		(5,557)	Actuarial (Gains) / Losses on Pension Assets / Liabilities				26,131
		(2,879)	Total Comprehensive Income and Expenditure				(32,969)

Group - Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other resources. The surplus or deficit on the provision of services line in the CIES shows the true economic cost of providing the authority’s services. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked Reserves (GF)	Housing Revenue Account	Earmarked Reserves (HRA)	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Un-applied	Subsidiary Companies	Total Usable Reserves	Total Unusable Reserves	Total Reserves
Movements in 2023/24	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance as at 01 April 2023	(18,044)	(33,229)	(2,812)	(9,500)	(2,148)	(40,221)	(673)	(12,293)	(118,920)	(471,945)	(590,865)
Total Comprehensive Income and Exp.	(17,384)	-	21,958	-	-	-	-	2,248	6,822	(9,701)	(2,879)
Adjustment Between Accounting and Funding Basis Under Regulations	17,316	-	(22,134)	-	(1,131)	19,118	(234)	-	12,935	(12,932)	3
Net Increase / (Decrease) before Transfer to Earmarked Reserves	(68)	-	(176)	-	(1,131)	19,118	(234)	2,248	19,757	(22,633)	(2,876)
Transfer to Earmarked Reserves	(1,867)	1,867	-	-	-	-	-	-	-	-	-
Increase / (Decrease) in Year	(1,935)	1,867	(176)	-	(1,131)	19,118	(234)	2,248	19,757	(22,633)	(2,876)
Balance as at 31 March 2024	(19,979)	(31,362)	(2,988)	(9,500)	(3,279)	(21,103)	(907)	(10,045)	(99,163)	(494,578)	(593,741)

Movements in 2024/25	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Total Comprehensive Income and Exp.	(21,270)	-	(7,845)	-	-	-	-	(1,306)	(30,421)	(2,548)	(32,969)
Adjustment Between Accounting and Funding Basis Under Regulations	16,416	-	6,704	-	2,690	2,231	(8,669)	-	19,372	(19,372)	-
Net Increase / (Decrease) before Transfer to Earmarked Reserves	(4,854)	-	(1,141)	-	2,690	2,231	(8,669)	(1,306)	(11,049)	(21,920)	(32,969)
Transfer to Earmarked Reserves	4,793	(4,793)	-	-	-	-	-	-	-	-	-
Increase / (Decrease) in Year	(61)	(4,793)	(1,141)	-	2,690	2,231	(8,669)	(1,306)	(11,049)	(21,920)	(32,969)
Balance as at 31 March 2025	(20,040)	(36,155)	(4,129)	(9,500)	(589)	(18,872)	(9,576)	(11,351)	(110,212)	(516,498)	(626,710)

Group - Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by the reserves held by the authority. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the authority 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 Reserves that may only be used to fund capital or repay debt). The second category of reserves is those that the authority 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.

31 March 2024			31 March 2025
£000		Note	£000
	Long Term Assets		
704,396	Property, Plant & Equipment		751,669
170,195	Investment Properties	G2	193,016
681	Intangible Assets		582
16,618	Long Term Investments		17,737
747	Long Term Debtors		747
7,356	Pension Asset		(17,367)
899,993	Total Long Term Assets		946,384
	Current Assets		
5,115	Short Term Temporary Investments		4,160
199	Inventories		279
13,811	Debtors and Prepayments		15,120
7,220	Cash & Cash Equivalents		18,387
26,345	Total Current Assets		37,946
	Current Liabilities		
(56,107)	Short Term Creditors		(66,021)
(42,600)	Short Term Borrowing		(46,000)
(734)	Cash & Cash Equivalents		(234)
(5,762)	Provisions		(5,499)
0	Short Term Leases		(1,284)
(105,203)	Total Current Liabilities		(119,038)
	Long Term Liabilities		
(1,392)	Pensions Liability		(1,223)
(222,123)	Long Term Borrowing		(232,123)
(3,876)	Long Term Prov. (Tax) (Group only)		(4,296)
0	Long Term Leases		(939)
(227,391)	Total Long Term Liabilities		(238,581)
593,742	Total Assets Less Liabilities		626,709
(99,163)	Usable Reserves		(110,212)
(494,579)	Unusable Reserves		(516,497)
(593,742)	Total Reserves		(626,709)

Group - The Cash Flow Statement

The Cash Flow Statement shows the changes in cash and cash equivalents of the authority during the reporting period. The statement shows how the authority 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 authority are funded by way of taxation and grant income or from the recipients of services provided by the authority. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority’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 authority.

2023/24		2024/25
£000		£000
(6,822)	Net Surplus/(Deficit) on Provision of Services	30,421
30,137	Adjustments to net surplus or deficit on the provision of services for non-cash movements	22,105
(4,082)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(13,718)
19,233	Net cash flows from Operating Activities	38,808
(31,225)	Investing Activities	(34,650)
(766)	Financing Activities	7,509
(12,758)	Net Increase or (Decrease) in cash and cash equivalents	11,667
19,244	Cash and Cash Equivalents at the beginning of the reporting period	6,486
6,486	Cash and Cash equivalents at the end of the reporting period	18,153

Group Notes

G1. Context of Group Accounts and Consolidation with the Council

The Council has three wholly owned subsidiaries South Cambs Limited (Ermine Street Housing) ,Shire Homes Lettings Limited and Cambourne Business Park Limited. As a result a set of Group Accounts for the Group as a whole are produced. The Accounts have been consolidated on a line by line basis, as per IFRS10. In preparing the Group Financial Statements the Council has aligned the accounting policies of all group entities with those of the Council.

The impact of the Companies' activities upon the Reserves of the Group are as follows;

	Cambourne Business Park	South Cambs	Shire Homes	SCIP	Total
	£000	£000	£000	£000	£000
Turnover	(1)	(9,470)	(1,421)	0	(10,892)
Service Expenses	0	4,833	1,368	0	6,201
Interest Payable	0	5,151	53	0	5,204
Interest and Investment Income Receivable	0	(53)	0	0	(53)
(Gain)/Loss on FV of Investment Properties	0	(1,673)	0	0	(1,673)
Tax Liability	0	689	0	0	689
Profit/(Loss) for the year after taxation	(1)	(523)	0	0	(524)
Useable Reserves					
Balance as at 01 April 2024	(349)	(10,478)	0	0	(10,827)
Profit/(Loss) for the year after taxation	(1)	(523)	0	0	(524)
Total company reserves position of Group Balance Sheet	(350)	(11,001)	0	0	(11,351)

The Assets & Liabilities of the Company's at the Balance Sheet Date are as follows:

	Cambourne Business Park	South Cambs	Shire Homes	SCIP	Total
	£000	£000	£000	£000	£000
Property, Plant, Equipment	0	86	0	0	86
Investment Properties	401	136,777	1,328	0	138,105
Long Term Investments	0	0	0	0	0
Short Term Debtors & Cash	41	1,059	235	0	1,294
Short Term Creditors	(81)	(121,763)	(216)	0	(121,979)
Short Term Leases	0	(513)	(771)	0	(1,284)
Long Term Borrowing	0	0	0	0	0
Long Term Provisions (Tax)	(14)	(4,282)	0	0	(4,282)
Long Term Leases	0	(363)	(576)	0	(939)
Total assets net of Council share	347	11,001	0	0	11,001

G2. Investment Properties

The group balance sheet includes properties which have been purchased by South Cambs Ltd for the purpose of earning rentals or for capital appreciation or both, properties for refurbishment, improvement and resale are classified as stock in hand and are included within Inventories.

The Council carries out a programme that ensures that all Investment Property are valued annually, at the end of each reporting period. Property, Plant and Equipment is required to be measured at fair value and is re-valued at least every five years.

Investment Property assets valuation relating to South Cambs Limited as at 31 March 2025 was undertaken by Wilks Head & Eve LLP, Professional Valuers.

The following items of income and expense have been accounted for in respect of Investment Properties and have been recognised in the company Income and Expenditure Account and Group comprehensive income and expenditure account.

2023/24		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	SCIP	2024/25
£000		£000	£000	£000	£000	£000	£000
(10,995)	Rental Income	0	(2,588)	(9,446)	(971)	0	(13,005)
5,914	Direct Expenses	3	340	3,839	937	0	5,119
(5,081)	Total	3	(2,248)	(5,607)	(34)	0	(7,886)

The Council is not aware of any events or circumstances which indicate that the amounts stated in the balance sheet for non-current assets may not be realisable, as at the balance sheet date.

The following summarises the movement in the fair value of investment properties over the year.

2023/24		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	SCIP	2024/25
£000		£000	£000	£000	£000	£000	£000
150,120	At 1st April	392	54,510	117,026	1,433	0	173,361
5,419	Acquisitions /Subsequent Expenditure	0	0	18,722	0	0	18,722
0	Disposals	0	0	0	(105)	0	(105)
14,656	Revaluation inc/(dec) in CIES	9	0	1,029	0	0	1,038
170,195	At 31st March	401	54,510	136,777	1,328	0	193,016
	Fair Value:						
150,120	At 1st April	392	54,510	117,026	1,433	0	173,361
170,195	At 31st March	401	54,510	136,777	1,328	0	193,016

Fair Value Measurement of Investment Properties

Investment properties are held at fair value. Investment properties are classified as Level 2 within the value hierarchy as defined within IFRS13. Level 2 inputs used in valuing the properties are those which are observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

The portfolio is valued in line with the accounting policy.

Group Accounts

The valuation is undertaken by the Professional Valuer, Wilks Head & Eve LLP, on a fair value basis in line with IFRS13 and in accordance with the methodologies and bases for estimation set out in the Royal Institution of Chartered Surveyors (RICS) Valuation-Professional Standards.

South Cambs Limited provides data to the valuer including current lease and tenant data. These valuations and the assumptions they have made have been discussed with officers representing the company. The valuation technique applied in respect of Investment Property is the market approach. The market approach is described at paragraphs B5 to B7 of IFRS13; it uses prices and other relevant information generated by market transactions involving identical or comparable assets.

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

G3. Loans and Investments

The Council has undertaken fixed term investments of £119.603m (£100.000m 2023/24) with South Cambs Ltd a corresponding liability transaction has been shown on the balance sheet of South Cambs Ltd these transactions have been eliminated in the group accounts.

G4. Leases

The Council’s property leases have been reported in [Note 31](#). South Cambs Ltd has operating leases with payments of £640,043 in 2024/25 (£640,043 in 2023/24) in respect of property leases. Shire Homes Lettings Limited had payments of £850,596 in 2024/25 (£825,981 in 2023/24) in respect of property leases.

The future minimum contract hire payments due under non-cancellable agreements in future years are:

2023/24		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	SCIP	2024/25
£000		£000	£000	£000	£000	£000	£000
(1,202)	Not later than 1 year	0	0	(513)	(771)	0	(1,284)
(1,159)	Later than 1 year, not later then 5 years	0	0	(364)	(575)	0	(939)
0	Later than 5 years	0	0	0	0	0	0
0	Future finance charges and other adj's	0	0	0	0	0	0
(2,361)	Total	0	0	(877)	(1,346)	0	(2,223)

G5. Related Party Transactions

The Council has three subsidiary companies wholly owned by the Council, South Cambs Limited (trading as Ermine Street Housing) , Shire Homes Lettings Limited and Cambourne Business Park Limited. Transactions between these companies and the Council are accounted within the Council's group accounts.

Ermine Street Housing

Two employees P Campbell and J Membery and two members Councillor P Sandford and Councillor J Hobro are Directors of South Cambs Limited T/A Ermine Street Housing.

Shire Homes Limited

One employee H Wood and one member Councillor P Fane of the Council are the company directors.

Cambourne Business Park Limited

Two employees A Ainsworth and J Membery are the company directors. P Maddock (the Councils Director of Finance) resigned in March 2025 replaced by J Membery (Head of Transforamtion, HR & Corprate Services), appointed on 18 March 2025.

The [Annual Governance Statement](#) (AGS) is published as a separate document on the Council's website.

AGS	Annual Governance Statement
CFO	Chief Financial Officer
CFR	Capital Financing Requirement
CIES	Comprehensive Income & Expenditure Statement
CIPFA	Chartered Institute of Public Finance & Accountancy
EY	Ernst & Young Auditors
GAAP	General Accepted Accounting Practice
GCP	Greater Cambridge Partnership
GF	General Fund
HRA	Housing Revenue Account
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
IPSAS	Institute Public Sector Accounting Standards
ISO	International Organisation for Standardisation
LGPS	Local Government Pension Scheme
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
MIRS	Movement in Reserves Statement
MRP	Minimum Revenue Provision
MRR	Major Repairs Reserve
NNDR	Non-Domestic Rates
PSN	Public Services Network
PWLB	Public Works Loans Board
REFCUS	Revenue Expenditure Funded by Capital under Statute
SOLACE	Society of Local Authority Chief Executives and Senior Managers

Glossary of Terms

Accounting Period

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

Accounting Policies

The rules and practices adopted by the Council that determine how the transactions and events are reflected in the accounts.

Accruals

Amounts included in the final accounts to recognise income earned and expenditure incurred for both revenue and capital in the financial year, but for which actual payment had not been received or made as at 31 March.

Amortisation

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

Annual Governance Statement

The annual governance statement is a statutory document that explains the processes and procedures in place to enable the council to carry out its functions effectively.

Asset

An item having a value to the Council in monetary terms. Assets are categorised as either non-current or current:

- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a leisure centre, or intangible, e.g. computer software licences.
- A current asset will be consumed or cease to have material value within the financial year e.g. cash and stock.

Audit of Accounts

An independent examination of the Council's financial affairs

Balances (or Reserves)

These are usable or unusable reserves. Usable reserves represent accumulated funds from prior years, that are available to the Council and can be spent. Some reserves may be earmarked for specific purposes and are for funding future defined initiatives or meeting identified risks or liabilities. The unusable reserves, which have been established for technical purposes are not available to spend and cannot be used to fund service provision.

Balance Sheet

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held.

Capital Expenditure

Expenditure on the acquisition, construction, enhancement or replacement of a non-current asset such as land, buildings, and computer. It is expenditure that enhances and improves the use of the assets. It isn't expenditure that merely maintains the value of an existing asset.

Capital Adjustment Account

This account records the accumulated amount of set aside capital receipts and minimum revenue provision (the contribution from revenue to cover repayment of the borrowing that has been undertaken to fund capital expenditure) together with capital expenditure financed by way of capital receipts, grants and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year and are paid for by council tax payers.

Capital Financing

Funds used to pay for capital expenditure. There are various sources funding to finance capital expenditure including borrowing, leasing, revenue contributions, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

Capital Financing Requirement

This measures the change in the underlying need for the council to borrow to finance capital expenditure. Where all capital expenditure is financed when it is incurred by resources generated by the council, e.g. revenue contributions, grants and capital receipts, the Capital Financing Requirement (CFR) will not increase. However if borrowing is required to finance capital expenditure then the CFR will increase. The annual minimum revenue provision will be applied to reduce the CFR each year and capital receipts can also be used to reduce the CFR.

Capital Receipt

The proceeds from the disposal of land or other non-current asset. The government regulates the proportion of capital receipts that can be used to finance new capital expenditure. Capital receipts cannot ordinarily be used to finance revenue expenditure.

Cash Equivalents

Cash equivalents are investments that mature in 3 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.

Cash Flow Statement

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

CIPFA

This is the Chartered Institute of Public Finance and Accountancy. This organisation produces the Code of Practice that practitioners follow so that all local authorities prepare their accounts in a consistent and comparable way.

Collection Fund

This account reflects 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 and the council tax and illustrates the way in which these have been distributed to other authorities (preceptors) and the general fund.

Community Assets

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

Comprehensive Income and Expenditure Statement

This is the statement that shows the accounting cost (surplus/deficit) in the year of providing services in accordance with generally accepted accounting practices. It is not the amount funded from taxation. The Council raises taxation to cover the cost of expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

Consistency

The accounting treatment of like items within an accounting period and from one period to the next is the same.

Contingent Gains

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

Contingent Liabilities

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or
- a current obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

Corporate and Democratic Core

This includes all the activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The costs of these activities are those that are over and above those that would be incurred by a series of independent, single-purpose nominated bodies managing the same services. It includes costs relating to the corporate management and democratic representation.

Council Tax

A local tax on dwellings within the district, set by billing authority (South Cambridge District Council) and the precepting authorities (the county council, fire and rescue services, the police and town and parish councils). It is calculated by taking the revenue expenditure requirements for each authority divided by the council tax base for the year.

Creditors

Amounts owed by the Council for goods and services that it has received before 31 March, but that have not been paid for at that date.

Debtors

Amounts owed to the Council for goods and services that it has provided before 31 March, but where the associated income was not received at that date.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contributions scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

Events after Balance Sheet Date

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

Finance Leases for Lessor

A lease that transfers substantially all of the risks and rewards incidental to ownership of an fixed asset to the lessee.

General Fund

This account where all the costs of providing the Council services (with the exception of the landlord services, the costs of which sit in the HRA and Local Council precepts) are charged to and paid for from Council Tax and government grants.

Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future

compliance with certain conditions relating to the activities of the authority.

Housing Revenue Account

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

Impairment

A reduction in the carrying value of a non-current asset to below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

Intangible Assets

Expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council. One of the most common examples would be software licences.

International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB).

International Public Sector Accounting Standards (IPSAS)

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

Investment Properties

An interest in land and/or buildings:

- in respect of which construction work and development have been completed; and
- which are held for their investment potential, any rental income being negotiated at arm's length.

Liability

Glossary

A liability exists where the Council owes payment to an individual or another organisation

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

Lease

A contract that conveys the right to use an asset for a period of time

Long Term Debtors

These debtors represent the capital income still to be received, e.g. from the sale of an asset or the granting of a mortgage or a loan.

Minimum Revenue Provision (MRP)

This is the minimum amount that the Council must charge to the comprehensive income and expenditure statement each year to provide for the repayment of General Fund debt.

Movement in Reserves Statement (MiRS)

This financial statement presents the movement in usable and unusable reserves (the Council's total reserve balances).

National Non-Domestic Rates (NNDR) also known as Business Rates

Non-domestic rates, or business rates, collected by the Council are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally (currently 50%). This money, together with revenue from council tax payers, fees and charges and certain other sums, is used to pay for the services provided by the Council.

Net Book Value (NBV)

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

Net defined benefit liability (asset) (Pension)

The present value during the period in the net defined benefit liability obligation less the fair value of the plan assets (adjusted for the asset ceiling).

Non-Operational Assets

Non-current assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

Operating Lease for Lessor

Leases other than a finance lease.

Operational Assets

Non-current assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles, plant and equipment, infrastructure and community assets.

Outturn

Outturn refers to actual income and expenditure balances as opposed to budgeted amounts.

Precept

The levy (demand for money) made by precepting authorities (the authorities with the power to instruct another local authority (the billing authority) to collect an amount from council tax on their behalf). Precepts are demanded by the County Council, Fire and Rescue services, the Police and Parish and town Councils.

Prior Years/Periods Adjustments

The material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

Property, Plant and Equipment

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- the local authority has a present obligation (legal or constructive) as a result of a past;
 - it is probable that a transfer of economic benefits will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.
- A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- by an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and
- as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

Prudence

The concept that revenue is not anticipated until received in the form either of cash or of other assets, or a reliable estimate of the cash realisation can be assessed with reasonable certainty.

Public Works Loan Board (PWLB)

A Central Government Agency, which provides loans for one year and above to local authorities at interest rates only slightly higher than those at which the Government can borrow itself. Virtually all borrowing undertaken by local authorities comes from the PWLB.

Related Parties

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Advice from CIPFA is that related parties to a local authority include Central Government, bodies precepting or levying demands on the Council Tax, members and chief officers of the Council and its pension fund.

Related Party Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- the provision of services to a related party, including the provision of pension fund administration services;

transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

Remuneration

This is all sums paid to or receivable by an employee and any sums due by way of expenses and allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

Revaluation Reserve

This account was created on 31 March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

Revenue Expenditure

Day to day payments on the running of Council services including salaries, wages, contract payments, supplies and capital financing costs.

Expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.

Right of Use Asset (ROU)

An asset that represents a lessee's right to use an underlying asset for the lease term

Stocks

These are items of raw materials and stores a Council has procured and holds in expectation of future use. Stock comprises the following categories:

- Goods or other assets purchased for resale;
- consumable stores;
- raw materials and components purchased for incorporation into products for sale;
- products and services in intermediate stages of completion;
- long-term contract balances; and
- finished goods.

The Code

The Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code' incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003. There are also accompanying guidance notes for practitioners.

Pensions Glossary

Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or
- the actuarial assumptions have changed

Current Service Costs

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

Curtailement

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

Defined Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

Discretionary Benefits

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

Expected Rate of Return on Pension Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

IAS19

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

Investments (Pensions Fund)

The investments of the Pensions Fund will be accounted for in the statements of the fund. However authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

Non-Distributed Costs

Non-distributed costs are defined as comprising:

- retirement benefit costs including past service costs, settlements and curtailments. To note, current service pension costs are included in the total costs of services;
- the costs associated with unused shares of IT facilities; and
- the costs of shares of other long-term unused but unrealisable assets.

Past Service Cost

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

Pension Scheme Liability

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

Projected Unit Method- Pension Fund Valuation

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits 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 redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

Scheme Liabilities

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

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