



**FENLAND DISTRICT COUNCIL
STATEMENT OF ACCOUNTS**

2024-25

**DRAFT
(SUBJECT TO AUDIT)**

FENLAND DISTRICT COUNCIL

STATEMENT OF ACCOUNTS

2024/25

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NARRATIVE REPORT

1. INTRODUCTION

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

2. ABOUT FENLAND

Fenland is a district shaped by its rural character and strong community values, with wide-open landscapes, vibrant market towns and a deep-rooted connection to agriculture and heritage.

Located in North Cambridgeshire, the Fenland District spans approximately 211 square miles and is home to an estimated 104,595 residents (ONS, mid-2023 estimate). Over 70% of the population lives in the four market towns – Chatteris, March, Whittlesey, and Wisbech – while the wider rural areas include 29 villages.

Fenland offers some of the most affordable housing in Cambridgeshire, with an average house price of £230,103 (UK HPI: March 2025), which is 22% below the national average. Its close proximity and excellent links to cities like Cambridge and Peterborough makes it attractive to new residents, with the district's population projected to grow to 120,860 by 2043, a 16% increase (ONS, mid-2023 estimate). Fenland also has a higher proportion of older residents, with 23% aged over 64 (approximately 24,540 people). We work closely with health and care partners to ensure older residents have access to the support and resources they need to maintain independence and wellbeing.

Despite economic and social challenges – we are ranked as the 80th most deprived area in England out of 317 local authorities (IMD, 2019*). Despite this, the community demonstrates resilience, and the council remains committed to working with partner organisations to invest in services, infrastructure, and opportunities for all.

Further details can be found in our Annual Report at: Annual Report 2024/25

3. ABOUT FENLAND DISTRICT COUNCIL

Fenland District Council has 351 employees. As an organisation, our unique 'one-team' culture supports the effective delivery of our priorities. It enables officers, elected members and partners to effectively work together without the constraints of traditional department silos. We support and invest in our workforce to give them the skills they need to work effectively in their roles, which has been recognised by continued Customer Service Excellence (CSE) re-accreditations. In our latest Staff Survey (2022), 87% of staff said they were proud to work for us.

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

With the cost of living skyrocketing across the board and energy, fuel, food, mortgage rates and rents all rising, it might have been expected that the Council would raise our element of Council

Tax too. But instead, members froze the portion of our council tax to lessen the financial burden on taxpayers – the sixth consecutive year of no rises in our share of the bill – and we have helped people to claim the support they are entitled to.

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

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

Our Annual Report gives a summary of this work, outlines what we have achieved in the past year and how we have spent the money we receive, and charts progress made against the ambitions and commitments set out in our Business Plan 2024/25.

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

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

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

Partnership Investment in Fenland

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

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

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

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

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

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

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

Fenland Inspire!

In addition to our four core priorities, our Cabinet Members have selected a number of capital investment projects they are aiming to deliver across Fenland in the next three years.

The Fenland Inspire! projects focus on enhancing our much-loved sport, leisure, and open space facilities, as well as preserving and celebrating the district's rich heritage and built environment.

These initiatives will improve access to high-quality recreational opportunities, encouraging active and healthy lifestyles within our communities. At the same time, investment in heritage assets and the local built environment will help protect Fenland's unique character, ensuring that its historical significance is maintained for future generations.

Members' chosen capital projects are:

- New Wisbech Park bowls green
- Wisbech Park Splash Pad improvements
- Wisbech 11/12 High Street development
- Wisbech Chapel building improvements
- Wisbech floodlighting for Clarkson Memorial & War Memorial
- Wisbech Park pathway improvements
- Leisure centre refurbishments
- New Chatteris swimming pool
- District-wide assessment of new play equipment
- New March Rugby Club HQ & pitches
- New March country park
- Whittlesey Monastery acquisition
- Whittlesey Manor field sustainable surface path
- New Village Green for Wimblington
- Civil Parking Enforcement

These projects are subject to scoping work and the development of outline business cases to determine their feasibility and affordability, ensuring that investment is targeted effectively and delivers the greatest benefit to local communities.

4. GOVERNANCE

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

Councillors are elected every four years by local residents to represent their area, make

decisions and set priorities for the district.

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

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

5. OUR PRIORITIES

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

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

Our core priorities focus on three areas: Communities, Environment and Economy. These priorities primarily focus on the statutory and wide variety of services that we provide day-to-day.

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

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

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

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

6. OUR COMMUNITIES

Support vulnerable members of our community

In our commitment to support vulnerable members of our community, we:

- used our housing powers to prevent homelessness, reduce rough sleeping, meet housing needs, improve housing
- enabled residents to claim the Council Tax and Housing Benefit support they're entitled to in partnership with our shared service Anglian Revenues Partnership
- used our powers to improve the condition of private rented homes and ensure they are safe, secure and accessible, investigating a total of 286 homes

- continued our focus on preventing homelessness and rough sleeping received inquiries from a total of 2002 households seeking housing advice and continued to demonstrate our commitment to supporting them at an early stage to prevent homelessness. When we've been able to get involved at an early stage our success rate of preventing homelessness has increased to 77 per cent this year from 52 per cent last year.
- continued The Rough Sleeper Initiative (RSI) project and supported 81 individuals. Of those 34 were supported into stable move-on accommodation.

Due to the increase in complexity, 25 clients had an alternative outcome. This included prison, hospital, or loss of contact. We continued to support 22 people through the initiative at year-end. Every attempt is made to encourage engagement with services to allow secure futures for all.

To assist in our aim of meeting housing needs, we brought 64 empty homes back into use.

We supported residents to manage the effects of the cost-of-living through means including issuing food vouchers, benefits advice, signposting and assisting with online Universal Credit (UC) applications.

Our My Fenland customer contact team enabled the Early Help Hub project to provide support to residents struggling to work due to the poor physical or mental health, supporting 265 customers from June 2024. In December 2024, the externally funded WorkWell project launched with similar aims and 220 people were supported to year-end. With funding in place until March 2026, the project goes from strength to strength.

We kept up our active support for our customers who correspond, compliment or complain about services. We use learnings from these interactions to improve service delivery and customer service.

Promote Health and Wellbeing for All

We worked collaboratively with partners, including operators of our four Fenland leisure centres Freedom Leisure and our health providers, to deliver leisure and wellbeing services.

In July 2024, figures for the previous year were reported and showed active participation from 486,081 people; 100,050 gym visits and 93,510 swim visits.

The leisure centres, three of them significantly aging, remain in a period of major maintenance and repair. Recent investment has been made into Whittlesey's Manor Leisure Centre car park resurfacing and pool covers; March's George Campbell Leisure Centre's swimming pool; Wisbech's Hudson Leisure Centre's swimming pool lighting and sports hall heating. Extensive further work is in progress and discussion.

We encouraged healthier communities through fitness and wellbeing activities developed, delivered and supported by our Active Fenland team, which provides free and low-cost social and fitness sessions in a bid to launch good health habits. Active Fenland delivered and supported a total of 1,463 sessions catering to young and old and focused often on reaching those who have lost fitness or do not do regular exercise.

We encouraged partners to support the delivery of Golden Age events providing information to over 60s on opportunities, services and support available to them. Four Golden Age events were held, reaching 528 visitors. A pilot Golden Age Christmas appeal saw 200 shoeboxes filled with donated gifts for distribution to over 60s in Fenland.

Work with Partners to Promote Fenland through Culture and Heritage

We delivered on promoting culture and heritage including by issuing Fenland Culture Fund grants totalling more than £55,000 to 35 applicants. These are funded through the Government's UK Shared Prosperity Fund, via the Cambridgeshire and Peterborough Combined Authority, and Arts Council England and is a partnership project with the Fenland Culture Partnership and Arts Fundraising and Philanthropy.

In addition, high-quality, professional training workshops were enabled. And the Fenland Poet Laureate Award supported, which attracted 71 entries across two age categories.

We supported community groups to hold safe and successful public events, not least through Fenland Four Seasons events, which attracted thousands of visitors into our towns, provided crucial trading opportunities for stall holders and opportunities to showcase arts and culture.

7. OUR ENVIRONMENT

Deliver a high performing refuse, recycling and street cleansing service

More than 39,192 tonnes of domestic and commercial waste were collected.

Despite property growth, the total amount of waste collected reduced from the year before, when it was 39,997 tonnes. The residual waste (green bin waste) increased slightly, by 267 tonnes (1 per cent). The good quality blue bin dry recycling waste collected reduced by six per cent (567 tonnes).

A total of 1,407 tonnes of recycling collected in blue bins was classified as unsuitable for recycling, an increase of 583 tonnes on the previous year.

To protect the quality of recycling materials collected, the collection teams rejected 6,708 blue bins. The majority of these customers were written to with information about how to get their recycling correct.

Alongside the checks upon collections, supervisors performed inspections of 3,739 bins with properties receiving information directly encouraging best use of recycling bins. Of the 3,739 bins inspected, 88 (five per cent) contained incorrect materials.

The amount of waste collected in blue recycling bins was equivalent to 25 per cent of the total waste collected in both blue and green residual waste bins.

A total of 7,615 tonnes of garden waste was collected and 24,403 subscribed, paying a total of £1,112,914, to support the goal of covering the cost of the service.

The cleansing team worked seven days a week, 364 days of the year to keep Fenland's streets and public open spaces clean. The team received 1,651 requests from the public to resolve environmental issues, such as litter, broken glass, flytipping, drug related litter or similar. A total of 87% (1,441 report) were attended and dealt with the same or next working day. The scheduled cleansing and Rapid Response service, with support from Fenland's active volunteers, including Street Pride groups, continued to work collaboratively to deliver clean streets and public open. The standard of cleanliness was monitored using Keep Britain Tidy surveying methodology. Officers completed 1,022 surveys for litter and street sweeping and found 98.7% (1,009) to be of a suitable standard.

Cambridgeshire and Peterborough Waste Partnership started work on a revised waste strategy ready for initial review and member consideration in summer 2025.

Work with partners and the Community on Projects that Improve the Environment and our Street Scene

We used education, guidance and Council powers to fairly enforce environmental standards and tackle issues such as flytipping, dog fouling, littering and antisocial behaviour.

Our Street Scene team spent 4,150 hours in the community, in all weathers, working on various proactive environment and enforcement projects.

A total of 16 Fixed Penalty Notices were issued for waste offences, of which 11 were paid and the remaining five were referred for prosecution. To date, three of those individuals have appeared in court and had fines issued.

The team monitored illegal parking within council owned car parks and issued 22 parking fines at March Market Place. A total of 269 reports of abandoned vehicles were investigated.

A special project, which took place in the month of March and focussed on a fly tipping hot spot in South Brink, Wisbech, saw the removal of 15 tonnes of waste plus the installation of a soil bund to dissuade further issues.

We worked with our contractor to ensure the maintenance of more than 135 hectares of green space, in excess of 40 play areas and 11 parks in Fenland.

We continued our support for vital and valued community groups such as Street Pride, In Bloom, Friends of Groups, and Green Dog Walkers. Between January and March 2025 our volunteer groups undertook more than 120 events including wildflower planting, community woodland enhancements and recycled planter installations. We continue to host and promote regular markets in Chatteris, March and Whittlesey and support Wisbech Town Council's markets in Wisbech.

We remain committed to meeting all climate change targets which are legally required by the UK Government. We supported the delivery of Net Zero Village Fund grants with funds from Cambridgeshire and Peterborough Combined Authority (CPCA) to enable community centres in four Fenland villages are to get environmentally friendly upgrades that will help secure their futures through cost and energy saving.

Work with Partners to Help Keep People Safe in their Neighbourhoods by Reducing Crime and Anti-social Behaviour and Promoting Social Cohesion

We continued to manage the Community Safety Partnership to reduce crime, hate crime and anti-social behaviour. This involved extensive partnership working with the police, partner local authorities, fire and rescue services, health and probation services.

Projects included:

- work to address youth related nuisance and drug activity at a residential property
- supporting police with patrols and engagements across Fenland during Business and Retail Crime week
- an extensive joint project to work with youths at risk of involvement with knife crime
- community safety information events
- supporting training of front line professionals.

We maintained support for the Fenland Diverse Communities Forum to develop and deliver the Fenland-wide Community Cohesion Action Plan.

Our work to deliver the Community Safety Grant Agreement with the Police and Crime Commissioner has included:

- supporting reports and action related to quad bikes impacting on a rural location in March
- supporting the promotion of road safety initiative Speedwatch
- action on anti-social behaviour in Wisbech town centre including:
 - securing the injunction and subsequent jailing of a man responsible for causing significant harassment and distress
 - supporting police and partner work which has led to arrests of two further adults and action related to several youths
 - work towards closure orders for anti social behaviour linked residential properties.

We continued to deliver the CCTV shared service with Peterborough City Council, which responded to 1,225 incidents in Fenland. Direct outcomes included 200 arrests made by Cambridgeshire Police as a result of real-time CCTV detection, evidence gathering, and live support from the control room.

In addition to its responsive duties, the CCTV shared service has expanded its proactive surveillance programme, with operators completing 5,406 proactive patrols across town centres and known hotspots in Fenland. This represents a 25% increase on the 4,308 patrols conducted in the previous year.

The CCTV service also acted as the Council's out-of-hours contact centre, providing 24/7 telephone support across a range of key council services.

The team handled 437 emergency calls, covering:

- homelessness triage and emergency accommodation
- stray and lost dogs
- dangerous structures and buildings
- urgent cleansing or environmental incidents.

8. OUR ECONOMY

Attract New Businesses, Jobs and Opportunities whilst Supporting our Existing Businesses in Fenland

We provided responsive business support to encourage business growth, job diversity, skills development and increased access to grants, including by attending events to drive growth. Conversations with businesses interested in moving to Fenland took place and are ongoing.

Work with external stakeholders, local businesses and Cambridgeshire and Peterborough Combined Authority to attract inward investment and establish new business opportunities has continued.

Promoting and developing our business premises to encourage investment, business development, job creation and skills diversification, resulted in overall occupancy across South Fens Business Centre, Chatteris; The Boathouse, Wisbech, and our light industrial units of 94.1%.

The three-year Shared Prosperity Fund and Rural England Prosperity Fund grants programmes with funds from UK Government and Cambridgeshire and Peterborough Combined Authority, completed.

Initial assessments show benefits including:

- More than £1million of grant support provided to Fenland businesses
- 125 new Fenland jobs created
- 11 new businesses started
- 16 farm businesses supported including 9 diversification projects

March Town Centre Regeneration

The transformation of Broad Street was the final step in a multi-million pound programme of schemes to regenerate March town centre.

Delivered in partnership with the Cambridgeshire and Peterborough Combined Authority and Cambridgeshire County Council, the Broad Street project has transformed the appearance and functionality of the area. The scheme included changes to the road layout to improve traffic flow, improvements to the streetscape, better pedestrian facilities, enhanced green spaces, and upgraded lighting.

The scheme was highly commended in the national Chartered Institution of Highways & Transportation 'Creating Better Places Award'.

A project to support businesses with grants to improve shopfronts is ongoing.

Wisbech High Street improvements

Reconstruction of 24 High Street. Wisbech, to close a gap in and elevate the streetscene, continued and will be completed in summer 2025. Plans to develop 11-12 High Street continue to be progressed.

Promote and Enable Housing Growth, Economic Growth and Regeneration

Strides were made in recruiting to our planning team, which has had an extended period of vacancies. This supported us to enable appropriate growth, development and infrastructure through delivering a proactive and effective planning service. In the year ending December 2024, 538 planning applications were received and 521 decisions made. Of those 462 were granted (89 per cent) A total of 83 per cent of decisions were delegated to officers.

A total of 240 new affordable homes were delivered (subject to final figure verification) in our bid to meet housing needs and a significant number of additional units are on the horizon. Pipeline developments provide more than 200 much needed one-bed units, with around 50 of these to be under construction in the coming 12 months.

In partnership with the Wisbech Town Board, Fenland was in a positive position in relation to the Long-Term Plans for Towns programme, with £20m funding secured. Wisbech Town Board has begun prioritisation of projects for the four-year investment plan.

Separately, proactive projects to develop land owned by the council through the subsidiary Fenland Future Ltd were progressing at The Elms, Chatteris, and New Waterfront, Wisbech, at year-end.

Promote and Lobby for Infrastructure Improvements

Focus remained on promoting sustainable road, rail and concessionary transport initiatives to improve access to employment and local services.

Work on Whittlesea Station improvement project continued with the outline business case in progress.

We continued to engage with the Cambridgeshire and Peterborough Combined Authority and Cambridgeshire County Council on the feasibility and delivery of major road and rail infrastructure projects.

The Whittlesey Relief Road Strategic Outline Business Case (SOBC) project, managed by Fenland District Council with funding from the Cambridgeshire and Peterborough Combined Authority (CPCA) market towns programme, continued with a report due in early 2025.

The Council continued to work collaboratively with the Cambridgeshire and Peterborough Combined Authority and its constituent councils to submit a Local Growth Plan by the summer of 2025.

9. QUALITY ORGANISATION

Performance Management (Performance Indicators)

We set relevant and robust performance targets to ensure the effective delivery of Business Plan priorities and report those regularly, including via publicly available portfolio holder reports.

We report regularly on service performance to the Corporate Management Team, Councillors and the public.

Provide excellent Customer Service

We maintained our Customer Service Excellence accreditation demonstrating that we continue to deliver the most effective service to our communities.

We helped residents to self-serve and access our services digitally where appropriate to allow us to provide 24/7 help for simpler queries and dedicate resources, where direct contact was needed, to those who needed greater support, such as vulnerable customers and in the case of complex queries.

Governance, Financial Control and Risk Management

We maintained robust and effective financial standards, internal controls and organisational management and complied with data protection and General Data Protection Regulation requirements.

Transformation and Efficiency

We sustainably delivered required savings whilst pursuing transformation and commercialisation opportunities to ensure the organisation is fit for the future. A laser focus on this led to £241k of cashable savings in addition to saving more than 5,700 officer hours across the planning team, markets and events, cemeteries, licensing, My Fenland customer service team, workshop and fleet and environmental services. We also identified and reduced more than 20 service risks.

We set out with an objective to engage with the Combined Authority's Public Service Reform agenda. Then, in December, the Government published the English Devolution White Paper, setting out its plans to reform local government across England. The government expects all two-tier areas to develop proposals for reorganisation. It said new unitary authorities will focus on delivering services, with the intention to serve populations of more than or equal to 500,000 residents, although lower for exceptional circumstances, to achieve efficiencies.

We have sent initial responses to the review.

Consultation and Engagement

We appropriately consulted with residents about our service and proposals as outlined in our Consultation Strategy and kept up proactive information streams via social media, our website, digital newsletter and responses to Press and public queries.

Equalities

We met our Public Sector Equality duty by delivering the requirements of the 2010 Equality Act and 1998 Human Rights Act through our core service delivery and publication of a statutory Annual Equality Report.

Asset Management and Commercialisation

We continued to ensure our asset base is sustainable, suitable and fully utilised to maximise income opportunities and financial efficiencies. And delivered our adopted Capital Programme in line with our Corporate Asset Management Plan to maintain the integrity and safety of our assets.

This has included the progression of the projects to develop land owned by the council through the subsidiary Fenland Future Ltd at The Elms, Chatteris, and New Waterfront, Wisbech. As well as drawing rental income from a commercial investment in Wisbech made in 2021.

Workforce Development

We have a one-team and people focussed culture and believe very strongly in developing and supporting our workforce. We maintained our commitment to equip our workforce with the right skills to effectively deliver our priorities and support and empower our staff to make effective decisions.

This was achieved through extensive opportunities for training and development, coaching, support and a defined appraisal and 121 process. We implemented a new people system to utilise technology to provide blended learning and development option to suit the needs and demands of our workforce.

Enforcement

We used a fair and proportionate approach to improve living, working and environmental standards as set out in our Enforcement Policies.

This has included through our:

- housing enforcement policy where a total of 286 homes were investigated and a total of 87 enforcement notices, penalties or fines issued, such as in relation to landlords to rectify hazards and meet energy performance requirements

- parking enforcement where appropriate on our land, such as in March Market Place. We also continued to consider taking on responsibilities for wider parking enforcement though so far costs have proven prohibitive.

10. Transformation Agenda

in 2019 to reshape how we deliver services and engage with our customers – with a clear focus on improving satisfaction while increasing efficiency and cost savings.

The first phase (TA1) successfully modernised core elements of our operations. It helped to deliver more responsive, customer-focused services and smarter ways of working – and delivered over £1million in savings.

Building on those successes, we launched the second phase (TA2) in 2024. Spanning across all services, this phase ties together all major ‘change’ initiatives that are looking to further improve how the council works and delivers services.

TA2 reflects our Cabinet members’ determination to meet the changing needs of our residents and communities while maintaining high service standards in a challenging financial climate.

Key principals of our Transformation Agenda



A key focus of our Transformation Agenda 2 programme was to work with services across the council to carry out service reviews. This holistic approach ensured we maximised the opportunities, outlined below across the organisation;

- Efficiency
- Smarter ways of working
- Maximising the use of technology
- Enhanced customer experience
- Maximise opportunities for income generation

Results of the service reviews and their recommendations ensured we delivered cashable savings to the Council, cost avoidance, officer hours saved in services and risks mitigated against.

Our Service Review programme has focussed on ensuring the right tasks are being carried out by the right people whilst streamlining processes to the benefit of both the Council and our customers. Whether reviewing how we deliver a frontline service or investing in digital tools to streamline back-office operations, each outcome supports our goal of becoming a modern council that is more effective, flexible and future-ready.

11. FINANCIAL PERFORMANCE

The 2024/25 Revenue Budget Process

The Revenue Budget for 2024/25 was prepared against a background of meeting the Council's Corporate Plan objectives whilst continuing to face significant financial pressures. A balanced budget was produced that included a deliverable level of savings and income, provided for investment in key services and funding from general reserves. This was achieved through a budget strategy that resulted in:

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

Council approved a net revenue budget for 2024/25 of £17,397m (£18,050m plus £0.653m transfer from reserves) at its meeting on 26 February 2024. Council also approved the Fees and Charges proposals that support delivery of the revenue budget, the Treasury Management Strategy and Capital Programme and funding for 2024/25- 2026/27.

Council Tax

At its meeting on 26 February 2024 Council resolved not to increase it's element of Council Tax in the 2024/25 financial year. The County Council increase for 2024/25 included 3% for the Adult Social Care precept (£48.42) an 2% on the general council tax (£28.53, giving a total increase of 4.99% (£76.95). For 2024/25, the Police and Crime Commissioner was allowed to increase council tax by up to £13.00 on a Band D property. The actual increase is £12.96 (4.76%). The Fire Authority increased theirs by 2.93% (£2.34) and Cambridgeshire and Peterborough Combined Authority increased the precept for in 2024/25, resulting in a council tax level of £36.00 on a Band D property.

The calculation of the 2024/25 Tax-Base resulted in an increase of 512 in Band D equivalent properties (as shown in the table below). The increase in Band D equivalent properties reflects both an increase in properties built and a reduction in the number of people claiming Council Tax Support.

The comparison of Council Tax levels and Tax Base from 2022/23 to 2024/25 is shown below:

Band D Council Tax by authority	2022/23 £	2023/24 £	2024/25 £
Fenland District Council	260.46	255.24	254.79
Cambs. County Council	1,469.61	1,542.87	1,619.82
Cambs. Police & Crime Commissioner	257.58	272.52	285.48
Cambs. Fire Authority	74.97	79.92	82.26
Cambridgeshire & Peterborough Combined Authority	0	12.00	36.00

	2,062.62	2,162.55	2,278.35
Parish Councils (Average)	48.48	51.17	52.75
Total average Band D Council Tax	2,111.10	2,213.72	2331.10
Total average increase	81.70 (3.96%)	102.62 (4.86%)	117.38 (5.30%)
Council Tax Base			
Number of Band D equivalent dwellings	30,664	31,059	31,571

Revenue Spending

For 2024/25, the Council agreed an original budget of net spending on services of £17,397m and then revised it in February 2025 to £17,957m. This sum was to be financed in part by Government Grant together with the Council's share of Business Rates, with the remainder being raised through Council Tax.

In February 2025 the Council's year end position was estimated as a deficit of £350,411. It is important to note that this figure was based on projections as at the end of December 2024 and the report to Council also noted that there were still many uncertainties around the potential shortfall for 2024/25 and there is no requirement at this time to formally approve an amount to be funded from reserves.

Following the closure process, the full position shows a surplus of £129,905, an improvement of £480,316 compared to the previous projection. This surplus has been transferred to the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end be transferred to this reserve. As at 31 March 2025, this reserve has a balance of £2,210,847.13.

As a result of continuing prudent financial management together with better than expected income received, the Council is in an improved position, compared to the projections in February 2025, to deal with the significant ongoing financial challenges in 2025/26 and over the medium term.

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

FENLAND DISTRICT COUNCIL			
Summary of Revenue Estimates			
	Projected Outturn 2024/25 £	Outturn 2024/25 28.05.25 £	Variance to Projected £
Service Summary			
Growth & Infrastructure	1,039,571	601,500	-438,071
Communities, Environment, Leisure & Planning	6,421,833	5,135,434	-1,286,399
Resources & Customer Services	10,610,753	10,463,371	-147,382
ERS NI Contributions - Government Grant	0	0	0

Vacancy Factor (1.5%)	0	0	0
Transformation & Service Review Programme savings	-115,585	-115,585	0
NET COST OF GENERAL FUND SERVICES	17,956,572	16,084,720	-1,871,852
Corporate Items			
Internal Drainage Board Levies	2,251,010	2,251,000	-10
Internal Drainage Board Levies Grant	-213,000	-213,000	0
Contributions to/ (from) Earmarked Reserves	-693,183	781,606	1,474,789
RTB/VAT Sharing Income	-150,000	-186,195	-36,195
Financing Charges - <i>Interest on External Borrowings</i>	514,325	484,746	-29,579
Financing Charges - <i>MRP current Capital Programme</i>	451,166	451,166	0
Investment Income and Property Funds Income	-808,000	-780,811	27,189
New Homes Bonus	-442,392	-442,392	0
Services Grant	-25,846	-25,846	0
Core Spending Power Guarantee Grant	-788,558	-788,558	0
Corporate Items	95,522	1,531,715	1,436,193
Net Expenditure	18,052,094	17,616,435	-435,659
Contribution to/from(-) Budget Equalisation Reserve	0	0	0
NET EXPENDITURE after use of balances	18,052,094	17,616,435	-435,659
Core Funding			
Revenue Support Grant	-184,901	-184,901	0
Business Rates - Income due in Year			
Business Rates Funding	-11,177,561	-11,177,561	0
Tariff Payment to Government	7,554,448	7,554,448	0
Renewable Energy Rates Retained	-1,593,684	-1,593,684	0
Business Rates Pool - FDC Share of Benefit	-350,000	-470,378	-120,378
Business Rates S31 Grants due in year	-3,097,731	-3,242,107	-144,376
Business Rates Levy due in year	572,446	792,542	220,096
Business Rates Levy Account Surplus allocation	-31,046	-31,046	0
	-8,123,128	-8,167,786	-44,658
Business Rates Collection Fund Deficit(+)/Surplus(-)	-1,291,784	-1,291,784	0
Council Tax Collection Fund Deficit(+)/Surplus(-)	-57,899	-57,899	0
Council Tax	-8,043,971	-8,043,971	0
Business Rates and Council Tax Funding	-17,701,683	-17,746,341	-44,658
Surplus(-)/Shortfall(+)	350,411	-129,905	-480,316

The movement in the projected deficit to a surplus reduced by £0.336m compared with the revised budget due principally to the following reasons:

Summary of Revenue Provisional Out-turn 2024/25 - Main Variances			Over(+) / Under spend (-)	
Service Area	Description	£000	£000	
<u>One-Off Variations</u>				
Fees and Charges	Income variations across a variety of services			
	Enforcement Fees (Housing Standards)	-47		
	Marine Services - SHA & Wharfage Dues	-63		
	Planning & Pre-App Fees	-32		
	Trade Waste	-45		
	Economic Estates	-15		
	CCTV	-25		
	Cemeteries	-24		
				-251
Other Income/Costs				
	Investment Income and property funds			27
	RTB/VAT Sharing arrangement with Clarion			-36
	Higher contribution to ARP costs mainly due to lower Enforcement Fees			39
	Higher Legal & External Audit Fees			24
	Higher Bad Debts Provision			60
	Retained Business Rates			-25
	Sub-Total One-Off Variations			-162
<u>Service Base Variations</u>				
Employee Costs	Variance across a variety of services mainly resulting from vacancies	-258		
Premises Costs	Lower costs across a variety of services	-150		
Transport Costs	Lower car allowance & mileage costs across a variety of services	-10		
Supplies and Services	Higher ICT costs across a variety of services	32		
	Homelessness - higher accommodation costs	31		
Third Party Payments	Net impact of Housing Benefit subsidy claim and overpayments	-71		
Capital Financing Costs	Lower Interest Paid	-30		
Other variations	Other cost/income variations	8		
NNDR Pool	Further Surplus	-20		
	Sub-Total Service Base Variations			-468
Reserves	Transfer to Repairs & Maintenance Reserve			150
	Reduction in Deficit			-480
Projected Deficit 2024-25 at Revised Estimate (Cabinet/Council February 2025)				350
Net Surplus 2024-25	Transfer to Budget Equalisation Reserve			-130

Budget Monitoring

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

Capital Spending and Funding

In 2024/25 the Council spent £11,431m on capital projects, which included Revenue Expenditure Funded from Capital under Statute (grants and loans to private sector home owners and support for community development), compared with the original budget of £13,745m.

The main items of capital expenditure in the year were the purchases of Local Authority Housing Fund properties (£1.810m), investment in Regeneration programmes including High Street, Wisbech (£1.352m), March Future High Street works (£3.375m), Loans to Future Fenland Ltd (£0.150m), replacement of Council vehicles (£424k). This expenditure was financed by capital grants, capital receipts and revenue contributions. Capital receipts of £59k (net of costs) were realised in 2024/25 (2023/24: £282k).

Grants of £0.832m were paid to individuals in the District who qualified for a Private Sector Renewal Grant/Disabled Facilities Grant. These grants are funded from money the Council receives from Central Government via Cambridgeshire County Council as part of the national Better Care Fund arrangements.

Revenue Balances

Set out in notes 24 and 25 to the core financial statements are the Council's reserves. As at 31 March 2024, the Council's uncommitted General Fund Balance stood at £2m and the total Earmarked Reserves balance stood at £11.056m.

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

Provisions and Contingencies

Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, Local Authorities are liable for successful appeals against business rates charged to businesses in 2024/25 and earlier financial years in their proportionate share. Therefore, a provision of £1.112m (Fenland's share) has been recognised for the best estimate of the amount that businesses are potentially due a refund, as at 31 March 2025.

Treasury Management

The Local Government Act 2003 gave councils the freedom to determine how much they borrow for investment in new capital projects, subject to a regulation that such borrowing complies with the 'Prudential Code for Capital Finance in Local Authorities'. The Prudential Code looks to ensure affordability, prudence and sustainability in relation to determined borrowing limits. The Council determined the required Prudential Code indicators and Treasury Management Strategy as part of the budget process for 2024/25. No new borrowing was undertaken in 2024/25 and all investment activities were undertaken in accordance with the approved strategy.

The total external loan debt was £7.8m at the year-end, unchanged from the previous year. Short-Term Investments (i.e. between 3-12 months) at the year-end amounted to £3.765m (£11.6m at 31st March 2024).

Pension Liabilities

As at 31 March 2025, the value of the scheme assets reversed to a liability of £10.153m compared with a net asset of £3.177m at 31 March 2025. The liabilities show the underlying commitments that the Council has in the long run to pay post-employment (retirement) benefits. The net asset/liability has a substantial impact on the net worth of the Council as recorded in the Balance Sheet. However, statutory arrangements for funding the scheme mean that the financial position of the Council remains healthy. The surplus/deficit on the local government scheme will determine the value of the Council's future contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

The Council anticipates paying £1.191m contributions to the scheme in 2025/26. In addition, an up-front payment of £2.651m was paid in April 2023 in respect of lump sums due for the 3-year period 2023/24 - 2025/26. This will be reflected in the pension liability in the Balance Sheet in those years to take account of the up-front payment. The weighted average duration of the defined benefit obligation for scheme members is 18 years.

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

Significant Transactions

The actuarial valuation of the Council's Local Government Pension Scheme liabilities and pension reserve shown on the Balance Sheet has reversed to a liability of £10.153m from an asset of £3.177m at 31 March 2025. This reflects the valuation received from the Council's actuary which included updated assumptions relating to the pension increase rate, the salary increase rate and the discount rate used.

Pension fund assets are valued separately but form part of the net pension liability disclosed on the Balance Sheet. Pension fund assets attributable to the Council increased in value by £13.330m. The assumptions used are determined by the Actuary and represent the market conditions at the reporting date. The Council relies and places assurance on the professional judgement of the Actuary and the assumptions used to calculate this actuarial valuation. Further details are given in note 35 of the core financial statements.

The Council engages Wilks Head and Eve to undertake valuations of the Council's asset base in accordance with the requirements set out in the CIPFA Code of Accounting Practice and the professional standards of the Royal Institute of Chartered Surveyors. All assets are formally re-valued at least every five years and an annual review is undertaken to ensure there has been no significant movement in the value of the Council's assets since they were last subject to formal valuation. Further details are given in notes 16 and 25 of the core financial statements. Decreases in the value of some of the Council's assets led to revaluation losses of £0.809m being recognised in the revaluation reserve. These losses were offset by upward movements in the value of other assets and other movements totalling £0.618m leading to a net debit to the revaluation reserve of £0.1914m.

12. MEDIUM TERM FINANCIAL STRATEGY 2025/26 – 2029/30

This Council, in common with most other local authorities, faces an ongoing difficult position in the medium term due to a range of pressures including providing statutory services, ongoing pressures caused by maintaining and developing sources of income through fees and charges whilst managing the impact on revenue and capital budget of delivering against the Council's strategic priorities.

There is still considerable uncertainty around the estimates for 2025/26 and the forecasts for the medium term. Currently there are a number of 'unknowns' which could both positively and negatively impact on the forecasts including:

Risks associated with the MTFS forecasts:

- The ongoing impact of the Finance Settlements on 2025/26 and the medium term;
- Impact of potential changes to the New Home Bonus national total distribution and allocations from April 2026;
- Impact of the longer-term changes to the Business Rates Retention system from April 2026;
- Impact of pay awards higher or lower than currently allowed for in the MTFS (2% increase included for 2025/26 onwards);
- Impact of potential additional costs and income in 2025/26 from the Extended Producer Responsibility scheme for managing packaging waste;
- Impact of potential net costs of the governments' Food Waste strategy;
- Impact on income streams being greater than anticipated due to external factors such as Port Income;
- Impact of the current review of Port operations and the future liability of the quay at Wisbech Port;
- Continuing impact of homelessness temporary accommodation costs in 2025/26 and the medium term and the impact on recovery of housing benefit subsidy;
- Impact of increases in Fees and Charges (where feasible) on the 2025/26 estimates and MTFS;
- Impact of service developments eg. Car Parking Enforcement (CPE);
- Revenue impact of funding new capital schemes not currently included in the capital programme. There are currently a number of significant unfunded capital schemes which will need to be considered over the MTFS;
- Potential impact of the Council's future transformation programme with associated savings. Further detailed work is required to quantify the extent of these savings;
- Review of the recharge of staff time to the LATCO (Fenland Future Ltd) to quantify potential revenue savings. Currently recharges of £125k in 2025/26 onwards have been assumed in the MTFS;
- Potential net benefits from FFL of loan interest and dividends from future developments over and above already included in the MTFS generating revenue income;
- Commercial and Investment Strategy and future potential positive returns to the Council;
- Review of the General Fund Balance and Earmarked Reserves to ensure they align with the future requirements of the Council.

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

The forecasts for the years 2026/27 – 2029/30 are provisional at this stage and should be considered with extreme caution. Future announcements and consultation outcomes will also determine government policy and therefore the funding in the future years. In addition, the forecasts are dependent on permanently maintaining the savings identified through the My Fenland transformation initiative, the current TA2 programme and future Service Review programme.

As detailed earlier in this report, Business Rates Retention Reform, Local Government Funding reform and changes to the New Homes Bonus could have a significant impact on the Council's forecast resources over the term of the MTFS. Further to the risks associated with these externally determined funding streams the Council should also ensure that income budgets are achieved, and new income streams considered and implemented for medium to long term

sustainability in combination with any operational and transformational benefits that the Council realises. The use of general reserves to support revenue expenditure adds to the overall risks to the Council as such reserves can only be used once but the cumulative impact of such use will continue to be felt into the future.

				(Council Tax income level constant 2024/25 onwards)		
Medium Term Financial Strategy	Projected 2023/24 £000	Estimate 2024/25 £000	Forecast 2025/26 £000	Forecast 2026/27 £000	Forecast 2027/28 £000	Forecast 2028/29 £000
Expenditure						
Service Expenditure/Income						
Gross Service Expenditure	29,669	29,405	29,141	29,421	29,964	30,355
Gross Service Income	-13,383	-12,243	-11,869	-12,067	-12,375	-12,692
Vacancy Factor (1.5%)	0	-230	-235	-238	-244	-250
Transformation Programme - additional savings	0	-225	-306	-339	-372	-372
Total Net Service Expenditure	16,286	16,707	16,731	16,777	16,973	17,041
Corporate Items						
Corporate Expenditure/Savings						
Internal Drainage Board Levies	1,904	2,099	2,162	2,226	2,293	2,362
Internal Drainage Board Levies Grant	-177	-177	0	0	0	0
Financing Charges - Interest on External Borrowing	534	906	1,025	1,185	1,360	1,360
Financing Charges - MRP Current Capital Programme	384	588	674	676	750	800
	2,645	3,416	3,861	4,087	4,403	4,522
Corporate Income Items						
Contribution to(+)/from(-) Earmarked Reserves	65	-653	-90	118	39	125
Contribution to(+)/from(-) Business Rates Reserve	-211	0	0	0	0	0
RTB/VAT Sharing Income	-20	-20	-20	-20	-20	-20
Investment and Property Fund Income	-1,255	-795	-945	-1,145	-1,345	-1,145
New Homes Bonus	-369	-442	-442	-442	-442	-442
CSP Guarantee Grant	-601	-789	-654	-654	-654	-654
Services Grant	-150	-26	-24	-24	-24	-24
Contribution to/from(-) Budget Equalisation Reserve	-548	3	0	0	0	0
	-3,089	-2,722	-2,175	-2,167	-2,446	-2,160
Total Corporate Items	-444	694	1,686	1,920	1,957	2,362
Gross Service/Corporate Expenditure	32,314	32,366	32,461	32,931	33,751	34,255
Gross Service/Corporate Income	-16,472	-14,965	-14,044	-14,234	-14,821	-14,852
Net Budget Requirement	15,842	17,401	18,417	18,697	18,930	19,403
Funding - RSG, Business Rates & Council Tax						
Revenue Support Grant	-173	-185	-185	-185	-185	-185
Business Rates						
Business Rates Baseline Funding	-10,558	-11,178	-12,047	-12,105	-12,467	-12,693
Tariff Payment to Government	7,244	7,554	7,683	7,813	7,946	8,081
Renewable Energy Rates Retained	-2,077	-1,476	-1,595	-1,598	-1,601	-1,610
Business Rates Pool - FDC Share of Benefit	-450	-300	-300	-300	-300	-300
Business Rates S31 Grants due in year	-3,028	-3,167	-2,555	-2,598	-2,642	-2,687
Business Rates Levy due in year	1,034	745	764	703	793	813
Business Rates Levy Account Surplus Allocation	-31	0	0	0	0	0
Business Rates Collection Fund Deficit/Surplus(-)	211	-1,292	0	0	0	0
Total Business Rates Funding	-7,655	-9,114	-8,050	-8,085	-8,271	-8,396
Council Tax						
Council Tax Collection Fund Surplus(-)/Deficit	-87	-58	-50	-50	-50	-50
Council Tax (Constant level 2024/25 onwards)	-7,927	-8,044	-8,044	-8,044	-8,044	-8,044
Total Council Tax Funding	-8,014	-8,102	-8,094	-8,094	-8,094	-8,094
Total Funding - RSG/Business Rates/Council Tax	-15,842	-17,401	-16,329	-16,364	-16,550	-16,675
Surplus(-)/Shortfall(+)	0	0	+2,088	+2,333	+2,380	+2,728

Business Rates Reform – 2025/26 onwards

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

rates income would be removed and redistributed. What remains unclear, is how much of this £1.4m will be returned to the Council as part of its recalculated Baseline Funding Level.

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

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

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

Transformation Agenda 2 (TA2)

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

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

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

During 2024, the approach, timescales and resources associated with reviewing all Council Services has been agreed and these will take place over the next two years. Savings from the TA2 programme are expected to start feeding into the Council's budget during 2025/26.

Combined Authority

This Council is a constituent authority of the Cambridgeshire and Peterborough Combined Authority (CPCA) which was formally established following the Mayoral election in May 2017. The devolution deal for the CPCA includes a new £20m fund for the next 30 years (£600m) to support economic growth, development of local infrastructure and jobs. In addition, a new £100m housing fund is to be invested over the next five years to build more homes in Cambridgeshire and Peterborough including affordable, rent and shared ownership.

The Council has continued to work closely with Combined Authority to secure investment in the District. During the 2024/25 financial year, the Combined Authority has also provided funding towards the March Future High Street project which was completed in 2024/25. The Council has also received grant money from the Combined Authority for the UK Shared Prosperity Fund which provides grants to support businesses to grow and provide employment and prosperity to benefit all of Fenland.

13. EXPLANATION OF THE FINANCIAL STATEMENTS

The Council's financial statements for the year 2024/25 are set out on pages 29 to 109. They consist of:

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

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

14. FURTHER INFORMATION

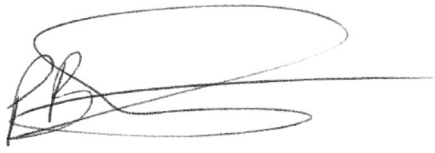
Further information about these accounts is available from the Chief Accountant, Fenland Hall, County Road, March, Cambridgeshire, PE15 8NQ.

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

15. CHIEF FINANCE OFFICER'S CERTIFICATE

I certify that the financial statements set out on pages 29 to 109 present a true and fair view of the financial position of Fenland District Council at 31 March 2025 and its income and expenditure for the year then ended.

Signed:

A handwritten signature in black ink, consisting of a series of loops and a long horizontal stroke extending to the right.

Peter Catchpole

Chief Finance Officer

30 June 2025

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required:

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

The Chief Finance Officer's Responsibilities

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

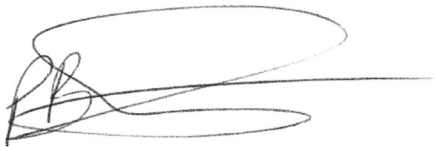
In preparing this Statement of Accounts, the Chief Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent.
- complied with the Local Authority Code.

The Chief Finance Officer has also:

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

Signed:

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

Peter Catchpole

Chief Finance Officer

30 June 2025

CORE FINANCIAL STATEMENTS MOVEMENT IN RESERVES STATEMENT

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

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

2024/25	General Fund Balance £000	Earmarked Reserves £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000
Balance at 31 March 2024	2,000	10,270	0	4,767	17,038	62,842	79,880
Movement in reserves							
Surplus on Provision of Services	(1,056)	0	0	0	(1,056)	0	(1,056)
Other Comprehensive Expenditure and Income	0	0	0	0	0	(14,849)	(14,849)
Total Comprehensive Expenditure and Income	(1,056)	0	0	0	(1,056)	(14,849)	(15,904)
Adjustments between accounting basis and funding basis under regulation (note 7)	1,970	0	0	(1,402)	569	(5,699)	0
Net Increase/(Decrease) before Transfers (to)/from Earmarked Reserves	916	0	0	(1,402)	(487)	(15,417)	(15,904)
Transfers to / (from) Earmarked Reserves (note 8)	(916)	916	0	0	0	0	0
Increase/(Decrease) in 2024/25	0	916	0	(1,402)	(487)	(15,417)	(15,904)
Balance at 31 March 2025 carried forward	2,000	11,186	0	3,365	16,551	47,425	63,976

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

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

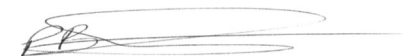
2023/24			2024/25		
Gross Expenditure	Gross Income	Net Expenditure	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000	£000	£000	£000
4,962	(1,290)	3,672	10,479	(4,526)	5,952
18,339	(10,467)	7,871	19,363	(11,210)	8,153
30,102	(22,269)	7,834	30,316	(22,382)	7,935
53,403	(34,026)	19,377	60,158	(38,118)	22,040
		3,031			3,483
		(783)			(1,447)
		(27,113)			(23,021)
		(5,489)			1,056
		3,326			1,567
		(9,554)			13,282
		(6,228)			14,849
		(11,717)			15,904

BALANCE SHEET

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

31 March 2024		Note	31 March 2025
£000			£000
59,369	Property, Plant and Equipment	14	61,345
7,091	Infrastructure	15	7,313
6,012	Investment Property	16	6,493
108	Intangible Assets		169
3,251	Long Term Investments	18	3,558
1,822	Long Term Debtors		1,970
3,177	Defined Benefit Pension Asset	35	0
80,830	Long Term Assets		80,848
84	Inventories		96
6,481	Short Term Debtors	20	9,827
0	Other		130
11,660	Cash and Cash Equivalents	29	3,765
18,225	Current Assets		13,688
(36)	Short Term Borrowing	18	(36)
(8,667)	Short Term Creditors	21	(9,230)
(1,752)	Receipts in Advance	22	(2,107)
(920)	Provisions	23	(1,364)
(11,375)	Current Liabilities		(12,737)
(7,800)	Long Term Borrowing	18	(7,800)
0	Defined Benefit Pension Liability	35	(10,153)
(7,800)	Long Term Liabilities		(17,953)
79,880	Net Assets/(Liabilities)		63,976
(17,038)	Usable Reserves	24	(16,551)
(62,842)	Unusable Reserves	25	(47,425)
(79,880)	Total Reserves		(63,976)

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



Signed:

Chief Finance Officer 30 June 2025

THE CASH FLOW STATEMENT

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

2023/24 £000		2024/25 £000
5,489	Net (deficit)/surplus on the provision of services	5,489
(1,575)	Adjust net deficit on the provision of services for non-cash movements (note 26)	(3,605)
(4,245)	Adjust for items included in the net deficit on the provision of services that are investing and financing activities (note 27)	(9,120)
(332)	Net cash flows from Operating Activities	(7,236)
(1,352)	Investing Activities (note 27)	(852)
(693)	Financing Activities (note 28)	193
(2,377)	Net increase/(decrease) in cash and cash equivalents	(7,895)
14,037	Cash and cash equivalents at the beginning of the reporting period (note 29)	11,660
11,660	Cash and cash equivalents at the end of the reporting period (note 29)	3,765

EXPENDITURE AND FUNDING ANALYSIS

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

2023/24				2024/25			
Net Expenditure Chargeable to General Fund	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the CIES		Net Expenditure Chargeable to General Fund	Adjustments between Funding and Accounting Basis (Note 7)	Net Expenditure in the CIES	
£000	£000	£000		£000	£000	£000	
1,166	2,504	3,670	Growth and Infrastructure	544	5,408	5,952	
4,656	3,216	7,872	Communities, Environment, Leisure and Planning	5,142	3,011	8,153	
10,035	(2,201)	7,834	Resources and Customer Services	10,525	(2,590)	7,935	
15,857	3,519	19,376	Net Cost of Services	16,211	5,829	22,040	
(15,857)	(9,008)	(24,865)	Other Income and Expenditure	(16,211)	(4,773)	(20,984)	
0	(5,489)	(5,489)	(Surplus) or Deficit	0	1,056	1,056	
2,000			Opening General Fund Balance	2,000			
0			Add/(Less) Surplus/(Deficit) on General Fund in Year	0			
2,000			Closing General Fund Balance at 31st March	2,000			

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NOTES TO THE CORE FINANCIAL STATEMENTS

1. ACCOUNTING POLICIES

i. GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015, which those Regulations require to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and Service Reporting Code of Practice 2024/25, supported by International Financial Reporting Standards (IFRS). Policies have been consistently applied except for the policy in relation to heritage assets where some of the measurement rules are relaxed (details are provided in paragraph xi below).

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

ii. ACCRUALS OF INCOME AND EXPENDITURE

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

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

- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where there is evidence that debts are unlikely to be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

iii. CASH AND CASH EQUIVALENTS

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

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

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

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

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

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

v. CHARGES TO REVENUE FOR NON-CURRENT ASSETS

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

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

- vi.** The Council is not required to raise Council Tax to cover depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual provision from revenue to contribute towards the reduction in its overall borrowing requirement (equal to an amount calculated on a prudent basis determined by guidance). Depreciation, revaluation and impairment losses and amortisation are therefore replaced by revenue provision in the General Fund Balance, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

vii. COUNCIL TAX AND NON – DOMESTIC RATES

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

Accounting for Council Tax and NDR

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

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

viii. EMPLOYEE BENEFITS

Benefits Payable During Employment

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

Termination

Benefits Payable During Employment

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

Termination Benefits

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

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

Post-Employment Benefits

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

The Local Government Pension Scheme

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

- The liabilities of the Cambridgeshire County Council pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc., and projections of earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate of 4.85% (based on the yields of the constituents of the IBoxx £ Corporates AA index and the Council's weighted average duration).
- The assets of Cambridgeshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

quoted securities – current bid price

unquoted securities – professional estimate

unitised securities – current bid price

property – market value

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

Service cost comprising:

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

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

net interest on the net defined benefit liability (asset), i.e. net interest expense for the Council – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking

into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.

Re-measurements comprising:

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

actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pension Reserves as Other Comprehensive Income and expenditure.

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

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

Discretionary Benefits

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

ix. FAIR VALUE MEASUREMENT

The Council measures some of its non- financial assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability (assuming those market participants were acting in their economic best interest).

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

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

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

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

Level 3 – unobservable inputs for the asset or liability.

x. FINANCIAL INSTRUMENTS

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

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

Financial Liabilities

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

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

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

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

Financial Assets

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

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

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

Financial Assets Measured at Amortised Cost

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

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

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

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

Expected Credit Loss Model

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

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

increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

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

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

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

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

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

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

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

xi. GOVERNMENT GRANTS AND CONTRIBUTIONS

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

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

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

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

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

the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

xii. HERITAGE ASSETS

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

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

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

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

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

xiii. INFRASTRUCTURE ASSETS

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

Recognition

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

Measurement

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

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

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

Depreciation

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

is the depreciation amount allocated each year. Useful lives of the various parts of the highways network and non highways infrastructure is assessed by the Highways, Sewage Works and Port Quay Engineers and using industry standards where applicable and vary depending on the asset classification.

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

Disposals and Derecognition

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

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

xiv. INTANGIBLE ASSETS

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

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

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

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

xv. INVENTORIES

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

xvi. INVESTMENT PROPERTY

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

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

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

xvii. LEASES

The Council as Lessee

The authority 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 authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever 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.

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The authority 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 authority excludes leases:

- for low-value items that cost less than £20,000 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, straightline 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 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 are therefore appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

The authority 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 authority 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. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the authority's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and
- finance income (credited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used

to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

Operating leases

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

xviii. OVERHEADS AND SUPPORT SERVICES

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

xix. PROPERTY, PLANT AND EQUIPMENT

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

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

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

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

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

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

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

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

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

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

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

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

Impairment

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).

- Where there is no balance in the Revaluation Reserve or insufficient balance, the carrying amount of the asset is written down against the relevant service revenue line(s) in the Comprehensive Income and Expenditure Statement.

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

Depreciation

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

Depreciation is calculated on the following bases:

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

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

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

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

Disposals and Non-current Assets Held for Sale

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

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposal (if any) are

credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

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

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

xx. PROVISIONS

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

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

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year – where it becomes more likely than not that a transfer of economic benefits will not now be required (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service.

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

xxi. CONTINGENT LIABILITIES

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

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

xxii. CONTINGENT ASSETS

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

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

xxiii. RESERVES

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance statement so that there is no net charge against Council Tax for the expenditure.

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and they do not represent usable resources for the Council – these reserves are explained in the relevant policies below.

xxiv. REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

xxv. VALUE ADDED TAX (VAT)

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

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

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

Under the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) the Council is required to disclose information setting out the expected impact of an accounting change that will be required by a new accounting standard that has been issued but not yet adopted. This applies to the adoption of the following new or amended standards within the 2024/25 Code:

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

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

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

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

The critical judgements made in the financial statements are:

Business Rates

Since the introduction of the Business Rates Retention Scheme effective from 1st April 2013, the Council is liable for successful appeals against business rates charged to businesses in 2024/25 and earlier financial years in their proportionate share. Therefore, a provision has been recognised for the best estimate of the amount that businesses have been overcharged up to 31st March 2025. The estimate has been calculated using the latest Valuation Office (VOA) ratings list of appeals and the analysis of successful appeals to date when providing the estimate of total provision up to and including 31st March 2025.

The Council's share of the balance of business rate appeals provisions held at this date amounted to £1.364m. This is an increase of £0.445m from the previous year.

Investment Properties

The Council acquired a commercial property in Wisbech during the 2020/21 financial year. The property is leased to a commercial tenant on a long-term lease. Having obtained and reviewed an independent valuation of the property, the Council is satisfied that the property should be accounted for as an investment property as the Council's residual interest in the property exceeds the value of the Council's net investment in the lease. Had this not been the case the property would have been de-recognised as at 31 March 2025 and a long-term debtor reflecting the value of the Council's net investment in the lease would have been reflected in the Balance Sheet instead.

Group Accounts

The Council established a wholly-owned subsidiary, Fenland Future Limited ('the company') in June 2020. The Council owns 100% of the company's share capital. During the 2024/25 financial year the company incurred expenditure consistent with its business plan approved by the Council's Investment Board in March 2023. The company did not generate any turnover from its activities during 2024/25.

As at 31 March 2025 the company had exchanged contracts to acquire land to the value of £0.2m and these transactions are provided as part of the related party transactions note to these financial statements (note 32).

These transactions were not deemed to be material at the time of these draft accounts and based upon the information above regarding 2024/25 transactions recognised by the company and its Balance Sheet as at 31 March 2025 the Council has not prepared Group Accounts.

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

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

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible assets respectively. This enables the assets to be written down to their residual value over their estimated useful lives and show an appropriate cost of the use of the asset in the Comprehensive Income and Expenditure Statement.</p> <p>Management judgement is used to determine the useful economic lives of the Plant and Equipment. The Council's valuers provide estimates for the useful life of property assets.</p> <p>The methodology for valuing properties at Depreciated Replacement Cost (DRC), e.g. Leisure Centres, includes an adjustment for obsolescence as deemed reasonable by the Council's valuers and management.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>It is estimated that the annual depreciation charge for buildings would increase by £12.5k for every year that useful life is reduced.</p> <p>A reduction of 10% in the value of assets valued on the basis of Existing-Use-Value and Fair Value would reduce the carrying value of Investment Property by £0.649m and the value of Property, Plant Equipment by £0.350m. An increase would result in an upward increase by the same amount.</p>
Pensions Liability	<p>Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension's liability of changes in individual assumptions can be measured. For example:</p> <ul style="list-style-type: none"> (i) a 0.1% decrease in the real discount rate assumption would result in an increase in the pension liability of £1.607m (ii) a 1 year increase in member life expectancy would result in an increase in the pension liability of £4691m (iii) a 0.1% increase in the salary increase rate would result in an increase in the pension liability of £0.063m (iv) a 0.1% increase in the pension increase rate would result in an increase in the pension liability of £1.588m <p>However, the assumptions interact in complex ways, so care should be taken when looking at changes in one variable in isolation.</p>

5. EXPENDITURE AND FUNDING ADJUSTMENTS ANALYSIS

Adjustments between Funding and Accounting Basis 2024/25	Adjustments for Capital Purposes (Note i) £000	Net Change for the Pensions Adjustment (Note ii) £000	Other Differences (Note iii) £000	Total Adjustments £000
Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement Amounts				
Growth and Infrastructure	1,932	(17)	(347)	1,568
Communities, Environment, Leisure and Planning	1,691	(278)	1,802	3,215
Resources and Customer Services	233	(173)	(2,262)	(2,202)
Net Cost of Services	3,856	(468)	(807)	2,581
Other Income and Expenditure from the Expenditure and Funding Analysis	(8,860)	310	480	(8,071)
Difference between General Fund Surplus and Comprehensive Income and Expenditure Statement Surplus on the Provision of Services	(5,004)	(158)	(327)	(5,489)

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

Note (i): Adjustments for Capital Purposes

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

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

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

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

Note (ii): Net Change for the Pensions Adjustments

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

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

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

Note (iii): Other Differences

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

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

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

Segmental Income

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

	2024/25	2023/24
	£000	£000
Growth and Infrastructure	(264)	(264)
Communities, Environment, Leisure and Planning	(5,407)	(5,407)
Resources and Customer Services	(442)	(442)
Financing and Investment Income	(2,251)	(2,251)
Total Fees, charges and other service income	(8,364)	(8,364)

6. EXPENDITURE AND INCOME ANALYSED BY NATURE

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

	2024/25 £000	2023/24 £000
<u>Expenditure/Income</u>		
<u>Expenditure</u>		
Employee Benefits Expenses	15,412	15,412
Other Service Expenses	34,174	34,174
Depreciation, Revaluation, Amortisation and Impairment	3,213	3,213
Interest Payments	683	683
Precepts and Levies	4,450	4,450
Gain on the Disposal of Assets	0	0
Total Expenditure	57,932	57,932
Fees, Charges and Other Service Income	(8,364)	(8,364)
Interest and Investment Income	(1,176)	(1,176)
Income from Council Tax and Non-Domestic Rates	(14,743)	(14,743)
Government Grants, Reimbursements and Other Contributions	(38,853)	(38,853)
Gain on the Disposal of Assets	(285)	(285)
Total Income	(63,421)	(63,421)
Surplus on Provision of Services	(5,489)	(5,489)

7. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATION

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

General Fund Balance

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

Capital Receipts Reserve

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

Capital Grants Unapplied Account

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

2024/25	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Capital Adjustment Account:				
<u>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Charges for depreciation of non-current assets	1,833	0	0	(1,833)
Deficit arising from revaluation and impairment of Property, Plant and Equipment	1,803	0	0	(1,803)
Movements in the market value of Investment Properties	(482)	0	0	482
Amortisation of intangible assets	28	0	0	(28)
Capital grants and contributions that have been applied to capital financing	(6,250)	0	0	6,250
Revenue expenditure funded from capital under statute	6,796	0	0	(6,796)
Disposals	0	0	0	0
<u>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</u>				
Statutory provision for the financing of capital investment	(451)	0	0	451
Capital expenditure charged against General Fund Balance	0	0	0	0
Adjustments primarily involving the Capital Receipts Reserve:				
Transfer of sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(59)	59	0	0
Use of Capital Receipts Reserve to finance new Capital expenditure	0	(59)	0	59
Adjustments primarily involving the Capital Grants Unapplied Account:				
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	(1,684)	0	1,684	0
Capital Grants Unapplied applied to Financing of Capital Expenditure	0	0	(3,087)	3,087

2024/25	Usable Reserves			
	General Fund Balance	Capital Receipts Reserve	Capital Grants Unapplied Account	Movement in Unusable Reserves
	£000	£000	£000	£000
Adjustments primarily involving the Pooled Investments Fund Adjustment Account:				
Movement in the fair value of Pooled Funds credited to the Comprehensive Income and Expenditure Statement	(307)	0	0	307
Adjustments primarily involving the Financial Instruments Adjustment Account:				
Amount by which finance costs charged to the Comprehensive Income and Expenditure Statement are different from finance costs chargeable in the year in	2	0	0	(2)
Adjustments primarily involving the LGPS Pensions Reserve:				
Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement	2,037	0	0	(2037)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,873)	0	0	2.873
Adjustments primarily involving the Collection Fund Adjustment Account:				
Amount by which Council Tax and non-domestic rating income credited to the Comprehensive Income and Expenditure Statement is different from the Council Tax and non-domestic rating income calculated for the year in accordance with statutory requirements	1,360	0	0	(1,360)
Adjustments primarily involving the Accumulated Absences Account:				
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	139	0	0	(139)
Total Adjustments	1,970	0	(1,402)	(569)

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

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

8. TRANSFERS (TO)/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund Balance in Earmarked Reserves to provide financing for future expenditure plans and the amounts posted back from Earmarked Reserves to meet General Fund expenditure in 2024/25.

	Note	Balance at 1 April 2023	Movements in year		Balance at 31 March 2024	Movements in year		Balance at 31 March 2025
			Receipts	Applied		Receipts	Applied	
		£000	£000	£000	£000	£000	£000	£000
Travellers Sites	1	448	31	0	479	63	0	542
Maintenance -Station Road, Whittlesey	2	10	3	0	13	3	0	16
CCTV	3	41	10	0	51	10	0	61
Management of Change Reserve	4	448	0	(214)	234	0	(207)	28
Specific Grants Reserve	5	1,467	944	(648)	1,763	737	(203)	2,297
Local Government Resource Review	6	1,051	0	(251)	800	0	0	800
Capital Contribution Reserve	7	131	0	(15)	116	0	0	116
Port – Buoy Maintenance	8	147	0	(1)	146	0	0	146
Repairs & Maintenance Reserve	9	705	0	(46)	659	150	0	809
Wisbech High St HLF Reserve	10	52	0	(2)	50	0	0	50
Solid Wall Remediation	11	100	0	0	100	0	0	100
Street Lighting	12	66	19	0	85	0	(3)	82
Investment Strategy Reserve	13	1,340	0	0	1,340	0	0	1,340
Budget Equalisation Reserve	14	1,866	0	(212)	1,654	558	0	2,212
Planning Reserve	15	326	10	0	336	328	0	664
Election Reserve	16	195	0	(83)	112	0	(4)	108
Covid Outbreak Management Fund	17	190	0	(190)	0	0	0	0
Pilots Development Training	18	24	0	(12)	12	0	0	12
Council Tax Energy Rebate	19	3	0	(3)	0	0	0	0
Cambridgeshire Horizons Reserve	20	2,515	0	(195)	2,320	0	(516)	1,804
Total		11,125	1,017	(1,872)	10,270	1,848	(933)	11,186

Notes

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

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

9. OTHER OPERATING EXPENDITURE

	2024/25	2023/24
	£000	£000
Parish Council Precepts	1,665	1,589
Drainage Board Levies	2,038	1,726
Loss/(Gain) on the Disposal of Non-Current Assets	(220)	(284)
Total	3,483	3,031

10. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

	2024/25	2023/24
	£000	£000
Surplus on Trading Accounts	(18)	(488)
Interest payable and similar charges	487	683
Interest on the net defined pension liability	(154)	340
Interest receivable and similar income	(1,104)	(1,176)
Income and expenditure in relation to investment properties and changes in their fair value	0	(142)
Total	(789)	(783)

11. TAXATION AND NON-SPECIFIC GRANT INCOME

	2024/25	2023/24
	£000	£000
Council Tax income	(9,725)	(9,562)
Net share of business rate income	(6,217)	(4,431)
Non-ring-fenced Government grants	(4,684)	(4,478)
Capital grants and contributions	(2,395)	(8,642)
Total	(23,021)	(27,113)

12. MEMBERS' ALLOWANCES

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

	2024/25	2023/24
	£000	£000
Allowances	438	426
Expenses	8	8
Total	446	434

13. EXTERNAL AUDIT COSTS

In 2024/25 Fenland District Council incurred the following fees relating to external audit and inspection:

	2024/25	2023/24
	£000	£000
Fees payable with regard to external audit services carried out by the appointed auditor	178	168
Fees payable for the certification of grant claims and returns	23	37
Fees payable to the Cabinet Office in respect of services provided – National Fraud Initiative	3	0
Total Audit Costs	204	205

The final fees for external audit services and grant certification work undertaken in relation to the 2022/23, 2023/24 and 2024/25 accounts at the time of writing are not finalised. The amounts disclosed in the 2024/25 column above include the Public Sector Audit Appointments Panel Ltd scale fee for 2024/25 and additional fees of £15,964 in respect of external audit service relating to 2022/23 financial year.

The total amount disclosed in the 2024/25 column in respect of fees payable for the certification of grant claims is estimated based on previous years expenses.

14. PROPERTY, PLANT AND EQUIPMENT

Movements in 2024/25:

	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Asset Under Construction	Community Assets	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At 1 April 2024	49,166	20,173	3,568	1,460	3,173	77,540
Additions	3,304	550	2,070	9	0	5,933
Revaluation Surplus/(Deficit) recognised in the Revaluation Reserve	(664)	0	0	0	103	(562)
Revaluation Surplus/(Deficit) recognised in the Deficit on the Provision of Services	(82)	0	0	0	0	(82)
Transfers	198	0	(2,336)	0	0	(2,138)
Disposals	0	0	0	0	0	0
At 31 March 2025	51,291	20,723	3,302	1,469	3,276	80,691
Accumulated Depreciation and Impairment						
At 1 April 2024	(1,241)	(16,380)	0	0	(550)	(18,171)
Depreciation charge	(624)	(906)	0	0	0	(1,530)
Impairments	(161)	0	0	0	0	(161)
Depreciation charge to the Revaluation Reserve	0	0	0	0	0	0
Depreciation charge written out to the Revaluation Reserve	516	0	0	0	0	516
Depreciation charge written out in respect of Disposals	0	0	0	0	0	0
At 31 March 2025	(1,510)	(17,286)	0	0	(550)	(19,346)
Net Book Value						
At 31 March 2025	50,411	3,437	3,302	1,469	2,726	61,345
At 31 March 2024	47,925	3,793	3,568	1,460	2,623	59,369

Comparative Movements in 2023/24:

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

Fair Value Hierarchy

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

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

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

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

Highest and Best Use

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

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

Valuation Process for Investment Properties

The Council's investment properties have been valued as at 31 March 2025 by Wilks Head & Eve in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Management obtained a market review from Wilks Head & Eve in May 2025. This indicated that relevant market data indicated that the value of the Council's Investment Properties was unlikely to have increased by a material amount between 1 April 2024 on 31 March 2025. Management has reviewed in detail the valuations provided in respect of the investment properties recognised in the Council's Balance Sheet and made an appropriate allowance to reflect anticipated changes in the value of each asset. The increases applied range from 0% to 15%.

Depreciation

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

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

Capital Commitments

At 31 March 2025 the Council had contractual capital commitments of £0.350m (31 March 2024 £3.203m).

Revaluations

A full re-valuation of all assets valued at current value or fair value was undertaken as at 31 March 2025. All assets required to be valued at current value are re-valued at least every 5 years. The Council also instructs its valuers to undertake an annual valuation, as at 1st April each year of all assets considered to be materially significant in the context of the Council's overall property portfolio. This includes all assets valued on the basis of fair value in accordance with IFRS13.

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

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

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

	Land & Buildings £000	Vehicles, Plant & Equipment £000	Community Assets £000	Surplus Assets £000	Infrastructure Assets £000	Total £000
Valued at historical cost	0	3,437	1,469	0	7,313	12,219
Valued at current/fair value as at:						
31 March 2025	50,733	0	0	2,726	0	53,459
Total	50,733	3,437	1,469	2,726	7,313	65,678

15. HIGHWAYS INFRASTRUCTURE

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

The authority has chosen not to disclose this information as the previously reported practices and resultant information deficits means that gross costs and accumulated depreciation are not measured accurately and would not provide the basis for users of the

financial statements to take economic or other decisions relating to the infrastructure assets.

	2024/25	2023/24
	£000	£000
Balance at start of the year	7,091	5,416
Transfers	597	477
Additions	(22)	1,523
Depreciation	(353)	(325)
Balance at end of the year	7,313	7,091

16. INVESTMENT PROPERTY

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

	2024/25	2023/24
	£000	£000
Rental income from investment property	(326)	(90)
Loss/(Gain) on revaluation of investment property	(481)	(52)
Net (Gain)/Loss	(807)	(142)

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

	2024/25	2023/24
	£000	£000
Balance at start of year	6,012	5,960
Additions	0	10
Impairment	0	(10)
Net gain/(loss) from fair value adjustments	481	52
Balance at end of the year	6,493	6,012

Fair Value Hierarchy

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

17. FINANCIAL INSTRUMENTS

Categories of financial instruments

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

	Carrying amount	
	31 March 2025 £000	31 March 2024 £000
Financial liabilities (Measured at Amortised Cost)		
Long Term Liabilities	(7,800)	(7,800)
Short Term Borrowings	(36)	(36)
Creditors	(3,757)	(3,829)
	(11,593)	(11,665)
Financial Assets (Fair Value Through Profit & loss)		
Long Term Investments (Measured at Amortised Cost)	3,558	3,251
Debtors	7,949	6,811
Cash & Cash Equivalents	3,765	11,660
	15,272	21,722

Income, expense, gains and losses

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

	Financial Liabilities Amortised Cost	Financial Assets		Total 31 March 2025
	£000	Amortised Cost £000	Fair Value Through Profit & Loss £000	
Gains from change in fair value	0	0	(307)	(307)
Interest Income – soft loans	0	(13)	0	(13)
Interest and Investment Income	0	(663)	0	(663)
Distribution Income	0	0	(121)	(121)
Increase in allowance for expected credit losses	0	217	0	217
Interest payable and similar charges	507	0	0	507
Net Gain for year	507	(459)	(428)	(380)

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

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

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

18. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

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

As at 31 March 2025 the Council held £11.714m financial assets and £11.593m liabilities for which level 3 valuations will not apply. All the financial assets, excluding investments in

pooled funds, are classed as loans and receivables and held within Notice Accounts. The financial liabilities are held with PWLB and market lenders. All of these investments and borrowings were not quoted on an active market and a Level 1 valuation is not available. To provide a fair value which provides a comparison to the carrying amount, for all long-term liabilities we have used a financial model valuation provided by MUFG Corporate Markets Treasury Limited. This valuation applies the net present value approach, which provides an estimate of the value of payments in the future in today's terms as at the balance sheet date. This is a widely accepted valuation technique commonly used by the private sector. Our accounting policy uses new borrowing rates to discount the future cash flows.

In accordance with advice received from MUFG Corporate Markets Treasury Limited the fair value of all financial instruments classified as being short-term in the balance sheet has been assumed to be the same as the book value.

	Carrying Amount 31 March 2025 £000	Fair Value 31 March 2025 £000	Carrying Amount 31 March 2024 £000	Fair Value 31 March 2024 £000
Financial liabilities				
Long Term Liabilities	(7,800)	(7,647)	(7,800)	(8,187)
Short Term Borrowing	(36)	(36)	(36)	(36)
Creditors	(3,757)	(3,757)	(3,829)	(3,829)
	(11,593)	(11,440)	(11,665)	(12,052)
Financial Assets				
Long Term Investment	3,558	3,558	3,251	3,251
Total Debtors	7,949	7,949	6,811	6,811
Cash & Cash Equivalents	3,765	3,765	11,660	11,660
	15,272	15,272	21,722	21,722
Total	3,679	3,832	10,057	9,670

The fair value of creditors is taken to be the invoiced amount.

The Council has a continuing ability to borrow at concessionary rates from the PWLB rather than from the markets, termed the PWLB Certainty interest rates. As a result of its PWLB commitments for fixed rate loans a comparison of the terms of these loans with the new borrowing rates available from the PWLB has been used to calculate the fair value. If a value is calculated on this basis, the carrying amount of £4.532m would be valued at £5.028m. But, if the Council were to seek to avoid the projected loss by repaying the loans to the PWLB, the PWLB would raise a penalty charge, based on the redemption interest rates, for early redemption of £0.722m for the additional interest that will not now be paid. The exit price for the PWLB loans including the penalty charge would be £5.254m.

This redemption charge is a supplementary measure of the fair value of the PWLB loans of £5.254m. It measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for market transactions undertaken at the Balance Sheet date, which has been assumed as the PWLB redemption interest rates. The difference between the carrying amount and the fair value, measures the additional interest

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

19. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

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

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

How the Council Manages These Risks

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

Credit Risk

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

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

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

At 31 March 2025 the Council had £3.350M with one approved counterparty.

In light of the above investment strategy, the Council considers that it has taken all reasonable steps to reduce to a minimum any exposure to credit risks in relation to investments at 31 March 2025 and that any residual risk cannot be quantified.

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

Maturity Bands

31 March 2025	Less than 3 Months	3 Months to 6 Months	6 Months to 1 year	Total
	£000	£000	£000	£000
Banks	3,350	0	0	3,350
	3,350	0	0	3,350
Maturity Bands				
31 March 2024	Less than 3 Months	3 Months to 6 Months	6 Months to 1 year	Total
	£000	£000	£000	£000
Banks	5,000	0	0	5,000
Local Authorities	6,000	0	0	6,000
	11,000	0	0	11,000

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

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

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

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

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

	12-Month Expected	Lifetime Expected	Lifetime Expected	Total
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	Credit Losses £000	Credit Losses – Not Credit Impaired £000	Credit Losses – Simplified Approach £000	£000
Opening Balance at 1 April 2024	897	200	336	1,433
New Financial Assets Originated or Purchased	0	0	0	0
Amounts Written Off	0	0	(35)	(35)
Changes in Model/ Risk Parameters	-90	0	274	184
As at 31 March 2025	807	200	575	1,582

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

The Council has the following exposure to credit risk:

Basis for Calculation of Expected Credit Loss	Gross Carrying Amount 31 March 2025 £000	Gross Carrying Amount 31 March 2024 £000
12-Month Expected Credit Losses	4,423	4,583
Lifetime Expected Credit Losses – Not Credit Impaired	200	200
Lifetime Expected Credit Losses – Simplified Approach	3,326	2,028

Liquidity Risk

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

The Council recognises that if it were to sell the units it holds in property funds typically there would be a delay before the Council was able to receive the associated cash as it

would usually be necessary to identify a purchaser on the secondary markets. This has not been assessed as a significant risk as the Council considers its investment in property funds to be a long-term investment and, as explained above, the Council has ready access to PWLB to fund its immediate liquidity needs.

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

	31 March 2025	31 March 2024
	£000	£000
Between 0 and 5 years	2,000	2,000
Between 5 and 10 years	2,500	2,500
Between 25 and 30 years	3,300	3,300
Total	7,800	7,800

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

Market Risk

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

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

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

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

The Council's treasury management officers play a pro-active role in assessing interest rate exposure that feeds into the Council's annual budget setting process and which is used to revise budget projections as necessary during the financial year. The assessment procedures indicate that if interest rates were one percentage point higher, with all other variables held constant, the effect in 2024/25 would have been interest foregone of £19,000 (£49,000 in 2023/24).

The impact of a one percentage point fall in interest rates would be the reverse of the net effect identified in the table above. The Code of Practice on Local Authority Accounting 2024/25 suggests a sensitivity analysis of one percentage point.

20. SHORT TERM DEBTORS

	31 March 2025	31 March 2024
	£000	£000
Central Government bodies	1,120	841
Trade Receivables	5,124	2,359
Other	3,584	3,281
Total	9,828	6,481

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

21. SHORT TERM CREDITORS

	31 March 2025	31 March 2024
	£000	£000
Central Government bodies	3,277	3,206
Trade	1,988	2,632
Other entities and individuals	3,967	2,829
Total	9,232	8,667

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

22. RECEIPTS IN ADVANCE

	31 March 2025	31 March 2024
	£000	£000
Central Government Bodies	19	0
Council Tax receipts in advance	219	230
Business Rates receipts in advance	571	537
Trade	269	97

Garden Waste receipts in advance	1029	888
Other	0	0
Total	2,107	1,752

23. PROVISIONS

	31 March 2025	31 March 2024
	£000	£000
Balance at 1 April	920	1,916
Additional Provision	444	0
Utilised in Year	0	(996)
Balance at 31 March	1,364	920

Included within Provisions are amounts set aside to meet potential future liabilities for Business Rates Appeals and amounts set aside in respect of exit packages associated with decisions taken by the Council prior to 31 March 2025.

24. USABLE RESERVES

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

25. UNUSABLE RESERVES

	31 March 2025	31 March 2024
	£000	£000
Capital Adjustment Account	36,066	37,630
Revaluation Reserve	23,056	23,246
Financial Instruments Adjustment Account	(257)	(255)
Pensions Reserve LGPS	(10,998)	1,448
Collection Fund Adjustment Account	501	1,861
Pooled Funds Adjustment Account	(443)	(750)
Accumulated Absences Account	(477)	(338)
Total	47,448	62,842

Capital Adjustment Account

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

with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

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

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 7 of the financial statements provide details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2024/25 £000	2023/24 £000
Balance at 1 April	37,630	32,891
Charges for depreciation of non-current assets	(1,883)	(1,677)
(Deficit)/Surplus arising from revaluation and impairment of Property, Plant and Equipment	(243)	(3,000)
Amortisation of intangible assets	(28)	(17)
Revenue expenditure funded from capital under statute	(6,796)	(1,795)
Adjusting amounts written out of the Revaluation Reserve	145	995
Use of the Capital Receipts Reserve to finance new capital expenditure	59	282
Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing	3,163	8,461
Application of grants to capital financing from the Capital Grants Unapplied Account	3,087	724
Transfer from Revaluation Reserve in respect of Non-Current assets transfers and assets sold or scrapped	0	(307)
Statutory provision for the financing of capital investment charged against the General Fund Balance	451	383
Capital expenditure charged against the General Fund Balance	0	637
Movements in the market value of Investment Properties credited to the Comprehensive Income and Expenditure Statement	481	52
Balance at 31 March	36,066	37,630

Revaluation Reserve

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

- revalued downwards or impaired and the gains are lost

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

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

	2024/25 £000	2023/24 £000
Balance at 1 April	23,246	26,640
Upward revaluation of assets	750	2,787
Downward revaluation of assets and impairment losses not charged to the Surplus on the Provision of Services	(796)	(5,575)
Surplus on revaluation of non-current assets not posted to the Surplus on the Provision of Services	(46)	(2,788)
Difference between fair value depreciation and historical cost depreciation	(131)	(342)
Accumulated gains on assets transferred, sold or scrapped	0	(264)
Amount written off to the Capital Adjustment Account	(14)	(606)
Balance at 31 March	23,055	23,246

Financial Instruments Adjustment Account

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

	2024/25 £000	2023/24 £000
Balance at 1 April	(255)	(261)
Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	(2)	6
Balance at 31 March	(257)	(255)

Pension Reserve – Local Government Pension Scheme

The Pension Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require a benefit earned to be financed as the

Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

	2024/25 £000	2023/24 £000
Balance at 1 April	1,448	(8,265)
Re-measurements of the net defined benefit liability	(13,282)	9,554
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(2,037)	(2,577)
Employer's pensions contributions and direct payments to pensioners payable in the year	2,873	2,736
Balance at 31 March	(10,998)	1,448

Collection Fund Adjustment Account

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

	2024/25 £000	2023/24 £000
Balance at 1 April	1,861	1,089
Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax and non-domestic rates income calculated for the year in accordance with statutory requirements	(1,361)	772
Balance at 31 March	500	1,861

Pooled Fund Adjustment Account

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

	2024/25 £000	2023/24 £000
Balance at 1 April	(750)	(550)

Increases/(decreases) in fair value recognised in the Comprehensive Income and Expenditure reversed to the Pooled Fund Adjustment Account in accordance with statutory requirements	307	(200)
Balance at 31 March	(443)	(750)

Accumulated Absences Account

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31 March. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

	2024/25		2023/24	
	£000	£000	£000	£000
Balance at 1 April	(338)		(359)	
Settlement or cancellation of accrual made at the end of the preceding year	338		359	
Amounts accrued at the end of the current year	(477)		(338)	
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(477)		(338)	
Balance at 31 March		(477)		(338)

26. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

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

	2024/25	2023/24
	£000	£000
Depreciation	1,833	1,677
Impairment & downward/upward revaluations	243	2,679
Amortisation	28	17
Increase/(decrease) in impairment for bad debts (operational debtors)	(91)	0
Increase/(decrease) in Creditors	(856)	(5,567)
(Increase)/decrease in Debtors	(4,764)	520
Decrease/(Increase) in inventories	(13)	(2)
Movement in pension liability	0	(159)
Contribution to/(from) provisions	(916)	(997)

Carrying amount of non-current assets and non-current assets held for sale, sold or de-recognised	0	307
Movement in fair value of investment properties	(481)	(52)
Other non-cash transactions	(37)	2
	(5,054)	(1,575)

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

	2024/25 £000	2023/24 £000
Capital grants credited to the deficit on the provisions of services	(2,395)	(3,990)
Proceeds from the sale of property, plant and equipment and repayment of loans	(59)	(308)
	(2,454)	(4,245)

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

	2024/25 £000	2023/24 £000
Interest received	1,104	1,067
Interest paid	(487)	(483)
	617	584

27. CASH FLOW STATEMENT – INVESTING ACTIVITIES

	2024/25 £000	2023/24 £000
Purchase of property, plant and equipment, investment property and intangible assets	(11,187)	(11,910)
Purchase of short-term investments	0	0

Purchase of long-term investments	0	0
Proceeds from the sale of property, plant and equipment, investment property and intangible assets and repayment of grants and loans	59	255
Proceeds from short-term investments	0	0
Other payments for investing activities	0	0
Other receipts from investing activities	10,275	10,303
Net cash (outflow)/inflows from investing activities	(853)	(1,352)

28. CASH FLOW STATEMENT – FINANCING ACTIVITIES

	2024/25 £000	2023/24 £000
Cash payments for the reduction of the outstanding liabilities relating to finance leases	0	(23)
Other (payments)/receipts for financing activities	193	(670)
Net cash (outflow)/inflows from investing activities	193	(693)

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	31 March 2024 £000	Financing Cash Flows £000	31 March 2025 £000
Long Term Borrowing	7,800	0	7,800
Lease Liabilities	0	0	0
Total Liabilities from financing activities	7,800	0	7,800

29. CASH AND CASH EQUIVALENTS

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

	31 March 2024 £000	31 March 2025 £000
Cash held by the Council	11,119	3,390
Bank Current Accounts	541	375
Total Cash and Cash Equivalents	11,660	3,765

30. EMPLOYEES' REMUNERATION

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

Senior Officers Remuneration

Name/Officer	Year	Gross Salary	Benefits in Kind (e.g. car allowance)	Total Remuneration (excl. Pension contributions)	Employers Pension Contributions	Total Remuneration (incl. pension contributions)
		£	£	£	£	£
Chief Executive	2024/25	164,218	2,000	166,218	28,902	195,120
	2023/24	160,213	2,000	162,213	28,197	190,410
Corporate Director and Chief Finance Officer	2024/25	99,121	9,450	108,571	16,051	124,622
	2023/24	96,704	9,450	106,154	15,575	121,729
Corporate Director and Monitoring Officer	2024/25	99,121	9,450	108,571	17,445	126,107
	2023/24	96,704	9,450	106,154	17,020	123,174
Assistant Director (Communities)	2024/25	77,380	6,897	84,277	13,619	97,896
	2023/24	75,493	6,729	82,222	13,287	95,509

Assistant Director (Transformation)	2024/25	77,380	6,897	84,277	13,619	97,896
	2023/24	75,493	6,729	82,222	13,287	95,509
Assistant Director (Statutory)	2024/25	77,380	6,897	84,277	13,619	97,896
	2023/24	75,493	6,729	82,222	13,287	95,509

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

Remuneration Band	Number of Employees	
	2024/25 Total	2023/24 Total
£50,000 - £54,999	12	5
£55,000 - £59,999	5	5
£60,000 - £64,999	13	9
£65,000 - £69,999	5	5
£70,000 - £74,999	4	5
£75,000 - £79,999	2	0
£80,000 - £84,999	3	3
£100,000 - £104,999	0	0
£105,000 - £109,999	2	2
£155,000 - £159,999	0	0
£160,000 - £164,999	1	1

The band changes from 2023/24 to 2024/25 are due to pay progression within individual's terms and conditions, and the nationally agreed cost of living increases.

The Council has had no exit packages during both 2023/24 and 2024/22.

31. GRANT INCOME

The Council credited the following significant grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25:

	2024/25 £000	2023/24 £000
Credited to Taxation and Non-Specific Grant Income		
Net Share of Business Rate Income	6,198	4,431
New Homes Bonus Grant	442	369
Capital Grants and Contributions	2,395	8,642
Business Rate Reliefs Funded by Government	3,242	3,184
Service Grant	211	324
CSP Guarantee Grant	788	0
Service & Funding Guarantee	0	601
Total	13,276	17,551
Credited to Services		
Housing Benefit Subsidy	19,558	19,914
Capital Grants and Contributions	0	1,448

Housing Benefits/Local Council Tax Support Admin	248	248
NNDR Cost of Collection	152	156
Homelessness Prevention	1,126	915
New Burdens Grant	139	224
Other	1,556	1,594
Total	22,779	24,497

32. RELATED PARTIES

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

Central Government

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. Council Tax bills, housing benefits). Grants received from Government departments are set out in note 6 Expenditure and Income Analysed by Nature, to the core financial statements.

Members

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

Entities Controlled or Significantly Influenced by the Council

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

This Council's share for 2024/25 was 13.76%. This Council's share of partnership transactions and balances are included within the relevant lines within the accounts.

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

The Council did not owe any monies to Fenland Future Limited as at 31 March 2025. There is no expenditure recognised in the Council's accounts in respect of amounts paid to Fenland Future Limited.

33. CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

	2024/25 £000	2023/24 £000
<i>Opening Capital Financing Requirement</i>	13,471	8,052
<i>Capital investment</i> (as reported in notes 14-16)		
Property, Plant and Equipment and Intangibles	6,021	11,213
Infrastructure	(22)	1,523
<i>Capital expenditure charged to Comprehensive Income and Expenditure Statement</i>		
Revenue Expenditure Funded from Capital under Statute	5,255	1,795
Loans to Fenland Future Ltd	150	1,300
Other Loans	27	16
<i>Sources of finance</i>		
Capital receipts	(59)	(282)

Government grants and other contributions	(6,251)	(9,125)
Sums set aside from revenue:		
Direct revenue contributions	0	(637)
Minimum Revenue Provision (MRP)	(451)	(384)
Closing Capital Financing Requirement	18,141	13,471
<i>Explanation of movements in year</i>		
Capital Expenditure Funded from Internal Borrowing	5,121	5,803
MRP charge to Revenue	(451)	(384)
<i>Increase/(decrease) in Capital Financing Requirement</i>	4,670	5,419

34. Council Leasing Arrangements

Change in Accounting Policy and Transition to IFRS 16 Lease Accounting In 2024/25, the Council applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value (value less than £20,000) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures.

However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date
- the weighted average of the incremental borrowing rates used to discount liabilities was 5.3%
- right-of-use assets are measured at the amount of the lease liability, adjusted for any prepaid or accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded
- all leases were assessed as to whether they were onerous at 31 March 2024 and it was determined that there were none.

Council as Lessee

Right of Use Assets

Movement of Right-of-use assets

Following a review of the leases where the Council is a lessee there were found to be two leases but due to their value being below the agreed minimum (below £20,000) the Council is not required to add these to the Council's Balance Sheet.

Council as Lessor

Operating Leases

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

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

	31 March 2025 £000	31 March 2024 £000
Not later than one year	375	363
Later than one year and not later than five years	1,468	1,267
Later than five years	5,514	4,827
	7,358	6,457

35. DEFINED BENEFIT PENSION SCHEMES

(i) The Local Government Pension Scheme

Participation in pension scheme

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

The Council participates in the following pension scheme:

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

	Local Government Pension Scheme	
Comprehensive Income and Expenditure Statement	2024/25 £000	2023/24 £000
<i>Cost of Services:</i>		
• Current service cost	2,191	2,237
• Past Service Cost (including curtailments)	0	0
<i>Financing and Investment Income and Expenditure</i>		
• Interest income on scheme assets	(5,271)	(4,662)
• Interest cost on defined benefit obligation	5,117	5,002

<i>Total Post Employment Benefit Charged to the Surplus or Deficit on the Provision of Services</i>	2,037	2,577
<i>Other Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>		
Remeasurement of the net defined benefit liability comprising:		
• Return on plan assets (excluding the amount included in the net interest expense)	3,563	(6,293)
• Actuarial gains and losses arising on changes in demographic assumptions	(185)	(570)
• Actuarial gains and losses arising on changes in financial assumptions	(16,469)	(6,169)
• Changes in the effect of the asset ceiling	27,390	0
• Other	(1,015)	3,478
<i>Total Remeasurement (Gains)/Losses</i>	13,284	(9,554)
<i>Total Post Employment Benefit Charged to the Comprehensive Income and Expenditure Statement</i>	(6,977)	(6,977)
Movement in Reserves Statement:		
• Reversal of net charges made to the Surplus or Deficit for the Provision of Services for post-employment benefits in accordance with the Code	836	159
Actual amount charged against General Fund Balance for pensions in the year:		
• Employers' contributions payable to scheme	1,991	4,468

Transactions Relating to Post-Employment Benefits

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

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

	Local Government Pension Scheme	
	2024/25	2023/24
	£000	£000
Opening fair value of scheme assets	109,595	97,774
Effect of Settlements	0	0
Interest income	5,271	4,662
Remeasurement gain/(loss):		
• The return on plan assets, excluding the amount included in the net interest expense	(3,563)	6,290
• Other experience		
Contributions from employer	1,991	4,468
Contributions from employees into the scheme	734	664
Benefits paid	(4,406)	(4,367)

Closing fair value of scheme assets	109,622	109,491
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Reconciliation of Present Value of the Scheme Liabilities

Local Government Pension Scheme		
	2024/25	2023/24
	£000	£000
Opening balance at 1 April	(106,314)	(106,039)
Current service cost	(2,191)	(2,237)
Past service cost (including curtailments)	0	0
Interest cost	(5,117)	(5,002)
Contributions from scheme participants	(734)	(664)
Re-measurement gains and (losses):		
• Actuarial gains/losses arising from changes In demographic assumptions	185	570
• Actuarial gains/losses arising from changes in financial assumptions	16,469	6,169
• Other experience	1,015	(3,478)
Benefits paid	4,406	4,367
Closing balance at 31 March	(92,281)	(106,314)

Local Government Pension Scheme assets comprised:

Fair Value of Scheme Assets								
2024/25					2023/24			
Asset Category	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets
Consumer	1,170	0	1,170	1%	1,248	0	1,248	1%
Manufacturing	1,183	0	1,183	1%	1,272	0	1,272	1%
Energy/Utilities	62	0	62	0%	132	0	132	0%
Financial Instit.	1,278	0	1,278	1%	1,218	0	1,218	1%
Health & Care	1,069	0	1,069	1%	1,026	0	1,026	1%
ICT	2,633	0	2,633	2%	2,403	0	2,403	2%
Other	124	0	124	0%	121	0	121	0%
Debt Securities:	0	11,309	11,309	10%	0	9,309	9,309	9%
UK Gov't								
Private Equity:								
All	0	14,504	14,504	13%	0	13,344	13,344	12%
Real Estate:								

UK Property	0	10,416	10,416	10%	0	8,845	8,845	8%
Investment Funds and Unit Trusts:								
Equities	0	40,444	40,444	38%	0	44,632	44,632	41%
Bonds	0	15,469	15,469	14%	0	15,714	15,714	14%
Infrastructure	0	8,111	8,111	7%	0	7,850	7,850	7%
Derivatives:								
Foreign Exch.	0	0	0	0%	0	1	1	0%
Cash and Cash Equivalents:								
All	1,850	0	1,850	2%	2,377	0	2,377	2%
TOTALS	9,369	100,253	109,622	100%	9,797	99,694	109,491	100%

Pension Assets and Liabilities Recognised in the Balance Sheet

	Local Government Pension Scheme	
	2024/25	2023/24
	£000	£000
Present value of funded liabilities	(105,496)	(105,496)
Present value of unfunded liabilities	(818)	(818)
Fair value of plan assets	109,595	109,491
Net asset/(liability) arising from defined benefit obligation	3,281	3,177

Basis for Estimating Assets and Liabilities

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

The principal assumptions used by the actuary have been:

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	Local Government Pension Scheme	
	2024/25	2023/24
<i>Longevity at 65 for current pensioners</i>		
Men	21.3 years	21.4 years
Women	24.2 years	24.2 years
<i>Longevity at 65 for future pensioners</i>		
Men	22.3 years	22.4 years
Women	25.6 years	25.6 years
Rate of increase in pensions	2.75%	2.75%
Rate of increase in salaries	3.25%	3.25%
Rate for discounting scheme liabilities	5.80%	4.85%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit cost method. The methods and types of assumptions used in preparing the sensitivity analysis below did not change from those used in 2023/24.

Change in assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate Monetary Amount £000
0.1% decrease in real discount rate	2%	1,607
1 year increase in member life expectancy	4%	3,691
0.1% increase in the salary increase rate	0%	63
0.1% increase in the pension increase rate	2%	1,588

Impact on the Council's Cash Flows

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

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

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

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

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

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

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

36. CONTINGENT LIABILITIES

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

Stock Transfer

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

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

Pilots' National Pension Fund (PNPF)

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

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

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

Pension Contingent Liabilities

Leisure Centres Management Contract

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

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

37. GOING CONCERN

The accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts have been prepared on the going concern basis.

In carrying out its assessment that this basis is appropriate for the going concern period to 30 September 2025, management of the Council has undertaken forecasting of both income and expenditure, the expected impact on reserves, and cashflow forecasting. Our most recent year-end balances, as reported in these statements are as follows:

Date	General Fund	Earmarked reserves
31 March 2025	£2.000m	£11,056m

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

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

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

The Council has in the previous year overspent its budget at year-end but the Council's provisional General Fund position is a net surplus of £129,905 for the financial year 2024/25. This is an improvement of £480,316 compared to the projected deficit of £350,411 as reported to Council in February 2025.

The surplus of £129,905 will be transferred to the Budget Equalisation Reserve in accordance with the decision made by Council at their meeting on 9th January 2020 which established this reserve and approved that any underspend/deficit at financial year-end will be transferred to this reserve. As at 31 March 2025, this reserve has a balance of £2,210,847.13.

On this basis, the Council has a reasonable expectation that it will have adequate resources to continue in operational existence throughout the going concern period up to 30 September 2025, maintaining the provision of its services. For this reason, alongside the statutory guidance, we continue to adopt the going concern basis in preparing these financial statements.

38. EVENTS AFTER THE BALANCE SHEET DATE

The Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2025. This is the date up to which events after the balance sheet have been considered. Management has assessed whether any events have occurred after the Balance Sheet date which might need to be disclosed as non-adjusting events within the notes to the financial statements. No such events have been identified.

THE COLLECTION FUND

Total 2023/24 £000		Note	Council Tax 2024/25 £000	NNDR 2024/25 £000	Total 2024/25 £000
INCOME					
70,098	Council Tax Receivable	2	74,802	0	74,802
29,947	Business Rates Receivable	3	0	31,769	31,769
100,045	Total Income		74,802	31,769	106,571
EXPENDITURE					
Precepts, Demands and Shares:					
13,197	Central Government		0	13,972	13,972
20,075	Fenland District Council			11,178	20,887
50,296	Cambridgeshire County Council		51,139	2,515	53,654
8,464	Cambs. Police & Crime Commissioner		9,013	0	9,013
2,746	Cambridgeshire Fire Authority		2,597	279	2,876
373	Cambs & P'boro Combined Authority		1,137	0	1,137
95,151			73,595	27,944	101,539
Distribution of Previous Year Surplus /(Deficit):					
(264)	Central Government		0	1,615	1,615
(124)	Fenland District Council		58	1,292	1,350
384	Cambridgeshire County Council		292	291	583

76	Cambs. Police & Crime Commissioner		51	0	51
17	Cambridgeshire Fire Authority		15	32	47
0	Cambs & P'boro Combined Authority		2	0	2
89			418	3,230	3,648
Charges to Collection Fund:					
121	Cost of Collection Allowance		0	121	121
19	Interest Charges to the Collection Fund		0	46	46
1,445	Increase in Bad Debts Provision	4	1,086	(196)	890
(1,584)	Increase/(Reduction) in Provision for Appeals	5	0	2,183	2,183
1,430	Renewable Energy Retention		0	1,498	1,498
1,431			1,086	3,652	4,738
96,671	Total Expenditure		75,099	34,826	109,925
(3,374)	(Surplus)/Deficit for the Year		297	3,057	3,354
COLLECTION FUND BALANCE					
(1,067)	(Surplus)/Deficit b/fwd at 1 April		(413)	(4,029)	(4,442)
(3,374)	(Surplus)/Deficit for the year (as above)		297	(3,057)	(3,354)
(4,441)	(Surplus)/Deficit c/fwd at 31 March	6	(116)	(972)	(1,088)

NOTES TO THE COLLECTION FUND ACCOUNTS

1. GENERAL

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

2. COUNCIL TAXPAYERS

Council Tax income is derived from charges raised according to the value of residential properties, which have been classified into 8 valuation bands using estimated valuations as at 1 April 1991. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Cambridgeshire County Council, Cambridgeshire Police Authority, Cambridgeshire Fire Authority, Cambridgeshire and Peterborough Combined Authority and the Council for the forthcoming year and dividing this figure by the Council Tax base of 31,571 in 2024/25 (2023/24: 31,059). The increase in Council Tax base in 2024/25 is a result of a combination of new builds and lower numbers of Council Tax Support claimants.

The Council Tax base is the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent adjusted for discounts etc. This basic amount of tax for a Band D property (average of £2,331 for 2024/25 compared to £2,214 for 2023/24) is then multiplied by the proportion specified for the particular Band (after adjusting for individual Parish Council precepts) to give an individual amount due.

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

	Total Dwellings No.	Equivalent Dwellings after Discounts, Reliefs, Exemptions & LCTS No.	Ratio to Band D	Band D Equivalent Dwellings
Band A	17,323	12,117	6/9	8,030
Band B	12,862	10,514	7/9	8,147
Band C	8,890	7,755	8/9	6,869
Band D	4,851	4,435	1	4,416
Band E	2,477	2,284	11/9	2,782
Band F	683	643	13/9	925
Band G	179	158	15/9	263
Band H	26	17	18/9	31
	<hr/> 47,291	<hr/> 37,923		<hr/> 31,463

Income receivable from Council Taxpayers in 2024/25 was £74,802m (£70.098m in 2023/24).

3. NATIONAL NON-DOMESTIC RATES (NNDR)

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

The business rates share payable for 2024/25 were estimated before the start of the financial year as £13.197m to Central Government, £2.376m to Cambridgeshire County Council, £0.264m to Cambridgeshire Fire Authority and £10.558m to Fenland District Council. These sums have been paid in 2023/24 and charged to the collection fund in year.

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

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

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

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

Business Rates Pooling Arrangement 2024/25

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

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

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

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

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

Council Tax Bad Debts Provision

2023/24		2024/25
£000		£000
3,795	Balance at 1 April	4,283
(521)	Write-offs during year for previous years	(299)
1,009	Increase in provision during year	1,086
4,283	Balance at 31 March	5,070

The Council's proportion of this provision at 31 March 2025 is £645,065 (£565,152 at 31 March 2024).

Non- Domestic Rates Bad Debts Provision

2023/24		2024/25
£000		£000
2,133	Balance at 1 April	2,439

(130)	Write-offs during year for previous years	(237)
436	Increase in provision during year	(196)
2,439	Balance at 31 March	2,006

The Council's proportion of this provision at 31 March 2025 is £802,323 (£975,343 at 31 March 2024).

5. PROVISION FOR APPEALS – NON-DOMESTIC RATES

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

2023/24		2024/25
£000		£000
4,775	Balance at 1 April	2,299
(892)	Write-offs during year for previous years	(1,071)
(1,584)	Increase/(Reduction) in provision during year	2,183
2,299	Balance at 31 March	3,411

The Council's proportion of this provision at 31 March 2025 is £1,364,428 (£919,816 at 31 March 2024).

6. DEFICIT/ (SURPLUS) ON COLLECTION FUND

Council Tax Collection Fund

The surplus of £115,510 at 31 March 2025 (£412,578 surplus at 31 March 2024), which related to Council Tax, will be reimbursed in subsequent financial years to Cambridgeshire County Council, Cambridgeshire Police and Fire Authorities, Cambridgeshire & Peterborough Combined Authority and the Council in proportion to their shares of the total Council Tax raised.

This Council's share of the surplus, £15,342 is reported within the Collection Fund Adjustment Account.

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

	31 March 2024	31 March 2025
	£000	£000
Fenland District Council	(57)	(15)
Cambridgeshire County Council	(288)	(80)
Cambridgeshire Police & Crime Commissioner	(51)	(14)
Cambridgeshire Fire Authority	(15)	(4)
Cambs & Peterborough Combined Authority	(2)	(2)
Total (Surplus)	(413)	(115)

Non-Domestic Rates Collection Fund

The surplus of £973,474 at 31 March 2025 (4,029,493 surplus at 31 March 2024), which related to Business Rates, will be reimbursed in subsequent financial years by Cambridgeshire County Council, Cambridgeshire Fire Authority, Central Government and the Council in proportion to their shares of business rates income.

This Council's share of the surplus £389,390 is reported within the Collection Fund Adjustment Account.

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

	31 March 2024	31 March 2025
	£000	£000
Fenland District Council	(1,612)	(389)
Cambridgeshire County Council	(362)	(88)
Cambridgeshire Fire Authority	(40)	(10)
Central Government	(2,015)	(487)
Total Deficit/(Surplus)	(4,029)	(974)

Collection Fund Adjustment Account

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

	31 March 2024 £000	Movement in Year £000	31 March 2025 £000
Council Tax	(57)	42	(15)
NNDR - Renewable Energy	(192)	96	(96)
NNDR - Core	(1,612)	(1,223)	(389)
TOTAL COLLECTION FUND ADJUSTMENT ACCOUNT	(1,861)	(1,361)	(500)

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

GLOSSARY OF TERMS

ACCOUNTING PERIOD

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

ACCOUNTING POLICIES

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

ACCRUALS

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

AMORTISATION

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

BAD DEBT

Debts whose repayment is known to be impossible or unlikely.

BUDGET

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

BILLING AUTHORITY

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

CAPITAL CHARGES

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

CAPITAL EXPENDITURE

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

CAPITAL FINANCING COSTS

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

CAPITAL RECEIPTS

The proceeds from the disposal of land or other assets.

COLLECTION FUND

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

COMMUNITY ASSETS

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

CONTINGENT LIABILITIES

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

CREDITORS

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

CURRENT ASSETS

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

CURRENT LIABILITIES

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

DEBT MANAGEMENT OFFICE

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

DEBTORS

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

DEPRECIATION

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

DERECOGNITION

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

EFFECTIVE RATE OF INTEREST

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

FAIR VALUE

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

FINANCE LEASE

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

FINANCIAL ASSET

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

FINANCIAL LIABILITY

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

FINANCIAL INSTRUMENT

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

GENERAL FUND

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

HERITAGE ASSETS

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

GOVERNMENT GRANTS

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

IMPAIRMENT

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

INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS)

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

MINIMUM REVENUE PROVISION

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

NON-CURRENT ASSETS

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

OPERATING LEASES

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

OUTTURN

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

PRECEPT

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

PRECEPTING AUTHORITIES

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

PROVISIONS AND RESERVES

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

PUBLIC WORKS LOAN BOARD

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

REVENUE EXPENDITURE

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

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

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

REVENUE SUPPORT GRANT

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

THE CODE

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

ABBREVIATIONS USED IN THE ACCOUNTS

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

LGPS	Local Government Pension Scheme
IAS	International Accounting Standards