

# **Cambridge City Council**

**Unaudited Statement of Accounts  
for the year ended 31 March 2025**

Introduction

This Statement of Accounts gives an overview of the Council’s finances for the year ended 31 March 2025. It has been written to help residents and others to:

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

The document is split into the following key sections:

- The **Narrative Report** explains how the Council is organised, managed and governed. It sets out the Council’s vision and priorities, and the main risks faced in the achievement of these. It also contains commentary on the Council’s financial and non-financial performance for the year.
- The **Council Financial Statements** set out in more detail the financial cost to the Council of the services it has provided during the year, and its financial position at the year-end. It consists of a number of main statements and notes, as set out in the Contents table opposite. It is prepared in line with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, and the Council’s accounting policies which are explained in more detail at note 2.
- The **Group Financial Statements** explain the impact on the Council’s finances of its involvement with Cambridge City Housing Company Ltd (a wholly owned subsidiary) and the Cambridge Investment Partnership (a joint venture partnership).
- The **Glossary** contains a definition of any complex accounting terms used throughout this Statement of Accounts.

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Introduction

The past year has been a period of change and uncertainty across the globe as well as locally in Cambridge. Inflation has reduced, but we continue to support many of our residents who face difficulties with the cost of living. We have progressed further on our own transformation journey to make ourselves as adaptable as possible in the face of ever evolving challenges. We have worked together with partners to address pressures in the city, including housing, climate change and the cost-of-living crisis, as well as the continuing growth of the city.

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

The Council has an ambitious savings target, with the latest Medium Term Financial Strategy identifying a need to deliver annual savings of around £11.5 million over a five-year period. Whilst the ‘Our Cambridge’ programme is contributing significantly to the achievement of these targets; the Council is having to take difficult decisions to respond to the financial challenges. The Budget Setting Report 2025/26 identified £4.9 million per year of ongoing savings, making a significant contribution to this target.

In 2024/25, the Council budgeted for a reduction in the unallocated General Fund reserve of £22.8 million. This was mainly as a result of decisions to allocate reserves to specific earmarked purposes, including £20 million towards the Civic Quarter project to deliver regeneration of the Guildhall, Corn Exchange and Market Square.

In the event, there was a net underspend on General Fund services of £2.5 million. This was mainly driven by significant investment income as the Council benefited from continuing high interest rates and high cash balances owing to slippage on the capital programme. However, this income will decrease over time as interest rates come down, and the Council uses its cash reserves to fund significant capital projects.

After adjusting for non-service variances (such as business rates and government funding), and the impact of budgeting timing differences, the General Fund finished with an overall net underspend of £3.8 million. This has been transferred to the Civic Quarter reserve, in addition to the £20 million above, in line with a decision taken by Full Council in February 2025.

After this transfer, the final position on the General Fund was a reduction of £22.0 million, against the budget of £22.8 million. The £0.8 million difference relates to budget timing differences, and will now be utilised in 2025/26.

The Council also collected £56.9 million of rent and other income through the Housing Revenue Account. This is used solely to provide services to the Council’s housing tenants and leaseholders, and to support the construction of new council housing and improvements to existing properties.

Local authorities remain subject to considerable uncertainty as the impacts of proposed local government funding reform and associated changes relating to business rates are not yet fully clear. Planned local government reorganisation also creates risk and uncertainty for the coming few years. This creates numerous challenges as the Council seeks to plan for the long-term and deliver against

its vision for the city. We continue to engage with central government and the other councils in Cambridgeshire along with residents, businesses and other stakeholders, to find a solution that will work for Cambridge City.

Organisational Overview and External Environment

About Cambridge

Cambridge covers a relatively small urban area (measuring 3 miles by 5 miles). The city had the fastest growing population of any city in England and Wales between 2011 and 2021. The population has increased further from 145,800 in 2021 (Census 2021) to 150,000 in 2023 (ONS mid-year population estimate 2023).
In the 2021 Census, an estimated 71,600 residents – 31% of the population – across the Cambridge City & Fringe were born outside the UK, up from 23% in 2011, and a rate ahead of national (17%) and national city (22%) benchmarks.
In addition, over 10,000 people travel to work into the city each day.
50 languages are spoken in the city. People from around the world are attracted to study and work in Cambridge, with international students making up just over a third of all higher education places in the city.
We have a student population of over 40,000 and consequently a high rate of population turnover each year.
Data from the Cambridge Business Improvement District (BID) shows that annual city centre footfall was over 56 million in 2024, unchanged from 2023.
International research indicates resident’s perception of their quality of life continues to improve with Cambridge scoring higher than any other UK city beside Edinburgh.
The delivery of new homes in Cambridge has continued to outpace benchmarks with one of the highest housebuilding rates in the country. In the 2 years from 2023/24 to 2024/25 a total of 890 new homes were built.
The proportion of homes in Cambridge that are owned outright or with a mortgage increased to 50.4% in 2021, up from 48.3% six years ago. This rate lags behind national (63.5%) and national city (58.9%) benchmarks, though these gaps are slowly closing. Only Oxford and Hull had a lower home ownership rate than Cambridge in 2021.
In 2024, 162 households in Cambridge were in temporary accommodation due to homelessness.
Relative to local pay, Cambridge has remained one of the least affordable places outside London for buying or renting a home in the country. The median house price is 11.3 times median earnings (compared to 7.7 for England as a whole), while the median rental price is 33% of median pay.

When adjusted for population, Cambridge recorded 102.1 criminal offences per 1,000 residents in 2024, which was higher than the national average, but lower than the national city average.

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

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

Council Vision and Priorities

Cambridge City Council has a vision:

**‘One Cambridge Fair for All’**

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

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

To achieve this vision, our Corporate Plan priorities are:

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

Tackling poverty and inequality and helping people in the greatest need

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

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

The [Corporate Plan 2022-27](#)<sup>1</sup> can be found on the Council’s website.

Our Services

Our services have been reported to management and committees in the following portfolios during 2024/25:

Portfolio	Examples of services included
Climate Action and Environment	Environmental Health, Licensing, Waste & Recycling
Communities	Children & Youth, Culture, Sport & Leisure, Community Centres
Community Wealth Building and Community Safety	Community Safety, Voluntary Sector, Tourism
Finance, Resources and Transformation	Finance, Human Resources, Property Services, Legal, ICT, Transformation
Housing and Homelessness	Housing Strategy and Advice, Homelessness Prevention, Temporary Accommodation
The Leader	Chief Executive, Corporate Strategy, Democratic Services
Open Spaces and City Services	Open Space Management, Bereavement Services
Planning, Building Control and Infrastructure	Planning, Development
Housing Revenue Account	Housing services to council tenants and leaseholders

Our Companies

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

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

Further information can be found in the Group Financial Statements.

Our People

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

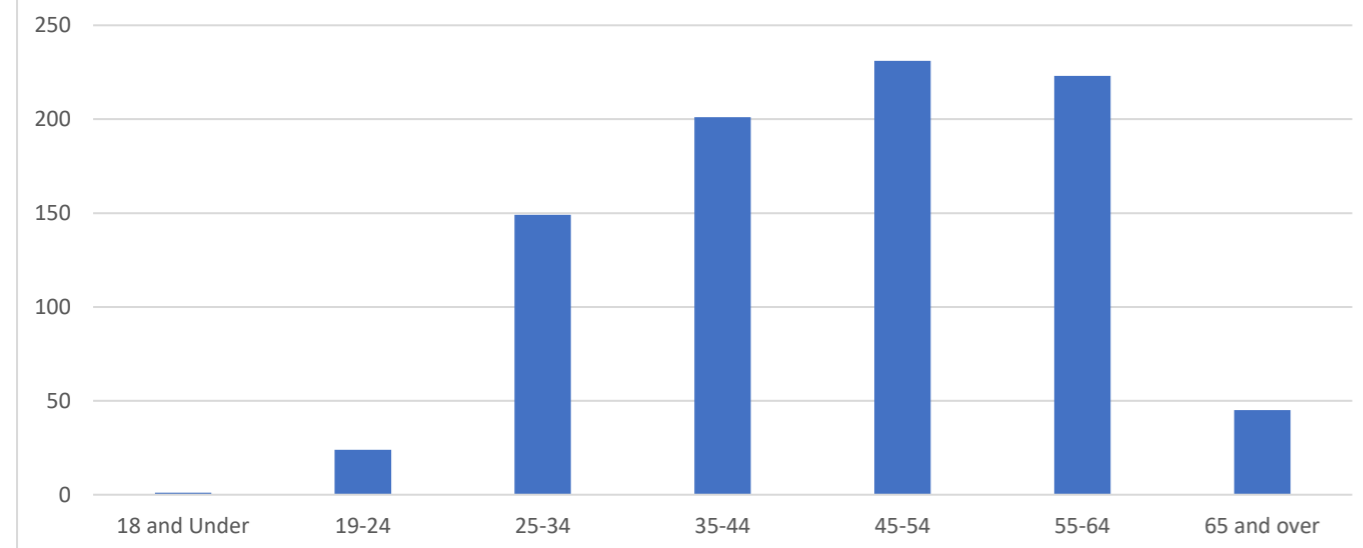
As at 31 March 2025, the City Council employed 874 staff directly as well as delivering services through others who are based in our shared services and arm's length partnership arrangements. We are committed to developing and supporting our staff through effective leadership and continuous improvement that supports the Council's vision.

We have 598 full time and 276 part time employees

Just under half of our workforce is female and just over half is male

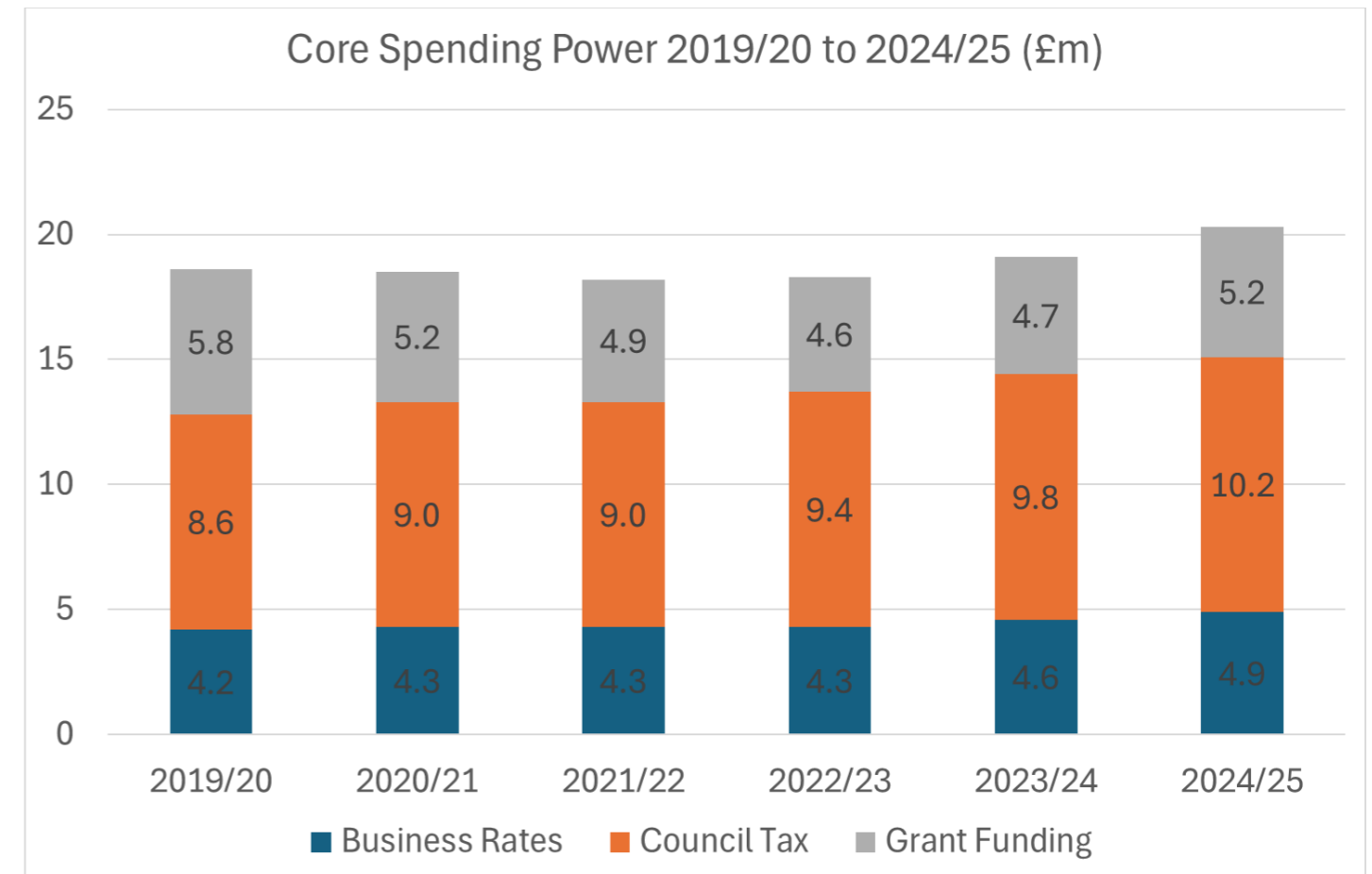
39% of staff have been with the Council for over 10 years

Staff in Post by Age



### Our Funding

The Settlement Funding Assessment is the core government funding for the Council. The following chart shows how the proportion of the council's core spending power funded through government grants fell from 31% in 2019/20 to 25% in 2023/24, before increasing slightly in 2024/25.



### Our External Economic Outlook

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

Soaring inflation, including the significant spike in energy prices, has impacted service delivery in recent years. Forward purchasing of energy, together with investment in energy-saving technologies, reduced the Council's degree of exposure in 2024/25, but with prices not expected to return to levels seen prior to the pandemic the long-term impact of increased energy costs will affect the Council. The cost-of-living crisis has impacted our residents, and many will continue to need the Council's support going forward. So far, however, collection rates for business rates and council tax have remained high and above the targets set at the start of the year.

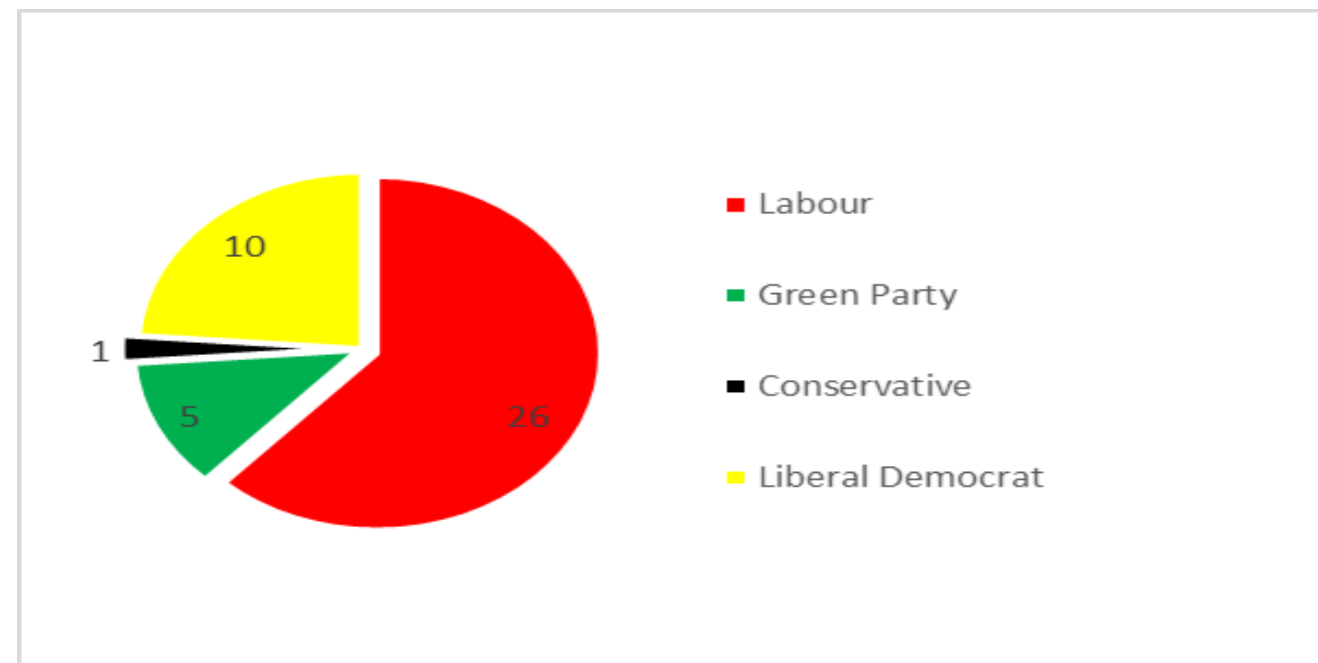
The combination of high inflation and high interest rates has had a pronounced impact on the affordability and viability of capital projects, particularly those relating to housing because increases in social housing rents are subject to regulation by central government.

Funding for the 2024/25 pay settlement was agreed part-way through the year, and funding for this uplift had been built into the original 2024/25 budget. Negotiations regarding the 2025/26 uplift are expected to conclude over the coming months and this will have an impact on the Council's cost base.

Like many local authorities the Council uses temporary staff to provide interim support and expertise for fixed periods. The cost of staff engaged on such arrangements continues to increase owing to tight labour market conditions and high demand for experienced and technically competent officers. This will continue to impact on service budgets.

### How the Council is Governed

Cambridge City Council has 14 wards represented by 42 elected members (councillors). Prior to elections which took place in May 2025, Councillors were combined into political groups as follows during the 2024/25 financial year.



The Council's constitution sets out the governance arrangements of the Council, which during 2024/25 comprised a hybrid Leader and Executive system with pre-scrutiny committees. In May 2025, the Council resolved to change to a Leader and Cabinet model with effect from the 2025/26 municipal year. The [Constitution](https://www.cambridge.gov.uk/constitution)<sup>2</sup> can be found on the Council's website.

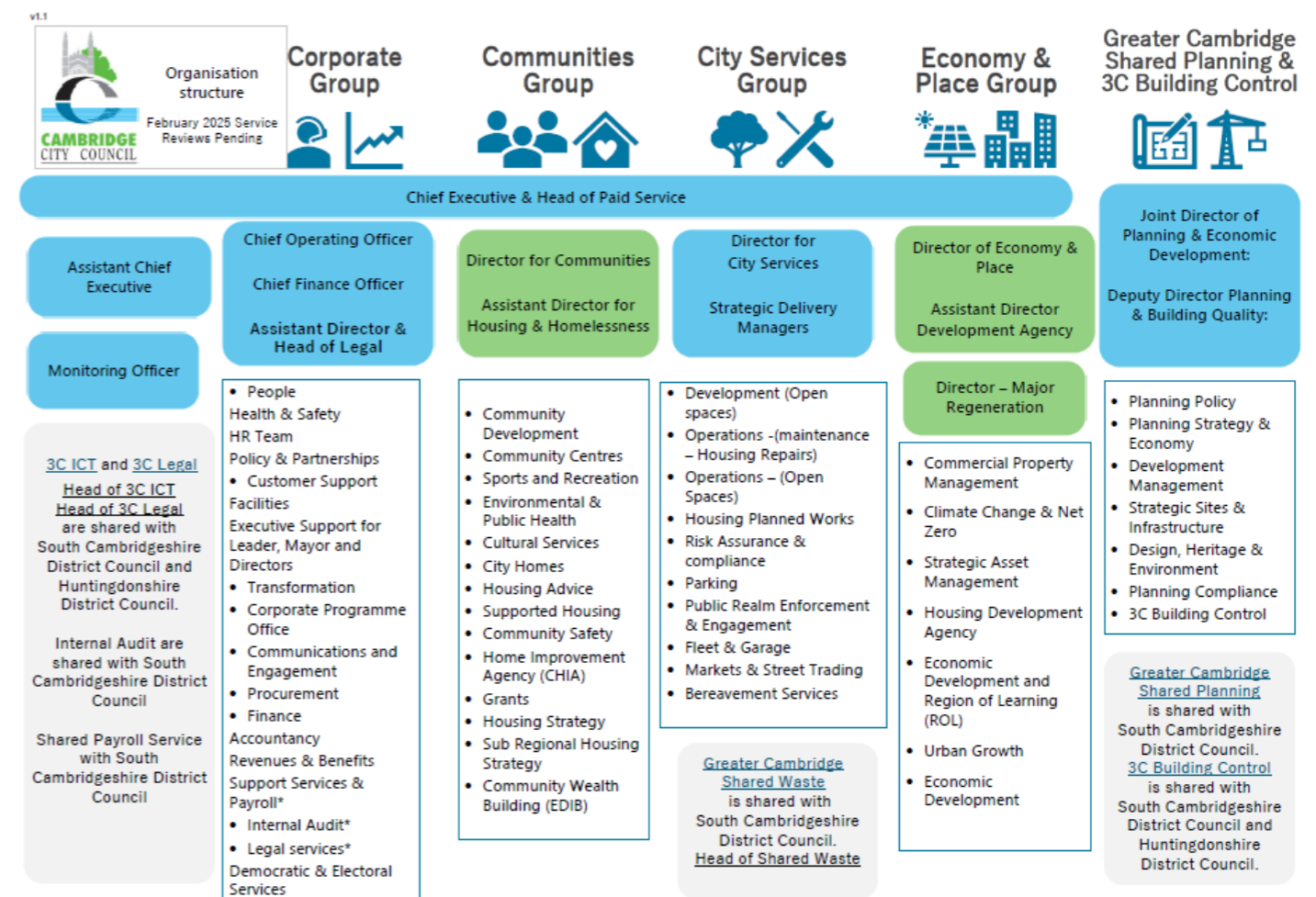
The [Annual Governance Statement 2024/25](https://www.cambridge.gov.uk/statement-of-accounts)<sup>3</sup> is also available on the Council's website. This is published alongside the Statement of Accounts and provides details of the annual review of the

effectiveness of the Council's governance framework, including the system of internal control. It also includes the annual opinion of the Head of Internal Audit.

It is the opinion of the Head of Internal Audit that, taking into account all available evidence, reasonable assurance may be awarded over the adequacy and effectiveness of the Council's overall internal control environment during the financial year 2024/25, and this remains at a similar level to the previous year.

### How the Council Operates

The Council operates to achieve its objectives through utilising its resources (inputs) to achieve value for money (effective, efficient and economical outputs). The Leadership Team under the leadership of the Chief Executive, Robert Pollock, is responsible for the management of the organisation, and initiatives and projects to support delivery of the Corporate Plan. The chart below shows the structure which was in place at the end of the 2024/25 financial year. Further service reviews will take place during the 2025/26 financial year.



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

<sup>3</sup> <https://www.cambridge.gov.uk/statement-of-accounts>

Performance Highlights

Our Corporate Plan has four priority themes and the boxes below highlight the most significant achievements for each theme in 2024/25.

**Leading Cambridge’s response to the climate change and biodiversity emergencies**

Our External Wall Insulation Programme for council homes continued with 225 homes with poor energy efficiency getting external wall insulation installed alongside improved ventilation and where necessary, replacement external doors and loft insulation top ups.

Following a successful bid to the Government’s Warm Homes: Social Fund, the council has been awarded £3.8 million to upgrade a further 370 homes between 2025 and 2028. This phase will include a similar suite of energy efficiency measures, together with replacement of gas boilers with air source heat pumps in 37 homes.

The Council has invested up to £5 million to fully retrofit 48 homes to net zero carbon standards. Monitoring and evaluation results are key to this project to inform future retrofit projects and outcomes.

We continued to support energy efficiency improvements to privately-owned homes through leading the delivery with our Action on Energy collaboration, successfully retrofitting over 420 homes within Cambridgeshire. Action on Energy has been awarded a further £8.6 million to retrofit 400-600 homes between 2025 and 2028.

We have recently won Salix funding for decarbonisation measures for the crematorium, Brown’s Field Community Centre and Trumpington Community Centre – including systems controls, insulation, lighting replacement and solar panel installation.

We are working collaboratively with Shared Planning Service in delivering a water retrofit programme. £5 million has been awarded to reduce water consumption in council homes as well as non-domestic buildings such as the pools and splash pads.

**Tackling poverty and inequality and helping people in the greatest need**

This was the first year for implementation of the approved Community Wealth Building Strategy that sets out how we will help address poverty and inequality in the city.

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

Through our Single Equality Scheme, we have continued to work towards enabling all residents to have equal access to public activities and spaces in Cambridge and enable full participation in the community and in making decisions about the places where they live. Through the transformation programme we have agreed two new Community Equity Officer roles, to amplify the voices of those most in need and improve our services and local offers to residents.

We continue to support asylum seekers and refugees in Cambridge and the surrounding areas, delivering a specialist in-house wrap around support service and commissioning specialist services for areas such as immigration advice and employment. We conducted a needs assessment with those with lived experience and partner organisations to better understand the needs of refugees and gaps in provision. In March 2025, we reaffirmed our commitment to those seeking sanctuary by renewing our resettlement pledge for 2025-2030.

We have carried out a range of activities to tackle and highlight domestic abuse, including the marking of White Ribbon Day and the United Nations International Day for the Elimination of Violence Against Women. This included a White Ribbon Day football match with Cambridge United engaging men to take a stand against violence towards women and girls.

Through our five community centres, we also provided warm and welcoming spaces where local people came together and participated in activities or simply chatted.

We continue to offer tailored advice on the take-up of benefits to help maximise incomes and assist with budgeting to help reduce debt and prevent eviction. This work helps to prevent or relieve homelessness for vulnerable households.

We used some of our community grants budget in the year to fund 26 voluntary and community sector organisations explicitly organising activities for protected characteristic groups that reduce social and/or economic inequality.

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

To support physical activity, we have continued to provide 50% reductions on entry prices at our leisure centres for people receiving means-tested benefits.

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

We are building new council homes, primarily via the Cambridge Investment Partnership (CIP). We completed 94 new council homes during 2024/25, including 14 homes designed to Passivhaus standards. We also facilitated delivery of 4 modular homes on Council land for former rough-sleepers. We are on track to deliver 1,000 new homes since the creation of this partnership, during 2025.

We have started building work on a further 434 new homes including 253 council homes; 48 of which will be at Social rents, benefiting the most vulnerable groups in the City. 105 of these homes will be let at 80% of market rents, helping local workers who are a low priority for social housing, but for whom renting or buying on the open market is a challenge.

A small number of existing properties were purchased as council stock to serve Afghan refugees, part funded through the Local Authority Housing Fund (LAHF).

Our dedicated team has been investigating reports of damp and mould in properties and addressing this issue.

Cambridge City is the lead authority for Cambs HIA, a shared service, which completed £3.3m worth of disabled adaptations last year helping to reduce housing inequality of over 300 people with disabilities and long-term health conditions in Cambridge City, South Cambridgeshire and Huntingdonshire.

Incentivising private landlords and letting agents to accept referrals of low-income households has had a positive impact as we successfully accommodated 159 households in the private rented sector to prevent and relieve homelessness in 2024/25.

With government funding, we continue to put measures in place to tackle the issue of rough sleeping. We have targeted some of this funding on supporting the large number of non-locally connected rough sleepers to access accommodation in other areas.

We have entered into a three-year contract with CHS Group to provide employment and related advice to homeless and recently homeless people.

We are about to embark, following a procurement exercise, on a full homelessness systems, services and accommodation review ahead of producing a new homelessness strategy in 2026.

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

Our Cambridge has been a multi-year transformation programme with three main strands: how we work with our communities and partners, how we are organised internally, and how we deliver our services. Across the year, major strategic changes to how we operate were made, including implementation of our new target operating model. Changes to staffing arrangements were agreed, with implementation to be completed in 2025/26.

In 2024/25 the process of changing our governance structures proceeded with implementation to be completed in 2025/26. We have continued the process of digitisation and becoming a truly digital council, so that those who want to access services virtually can do so.

Our UK Shared Prosperity Fund Programme concluded this year and supported a number of impactful projects to support local businesses and residents. We partnered with Indie Cambridge to support their work to develop our local independent businesses, Cambridge BID on visitor economy development and Get Synergised to support the development of the With Purpose Network to bring non-profits together with business to work together for social benefit. 20 businesses in Cambridge reduced carbon emissions and saved on energy costs with access to grant funding and net zero business planning advice via our Green Business Impact programme, delivered by Allia and PECT and in partnership with South Cambridgeshire and Huntingdonshire District Councils. 20 Market Traders operating in the City and South Cambridgeshire markets benefited from access to grants and advice to help them grow their businesses and 15 young people were given the opportunity to consider market trading and received enterprise training and launched their business ideas at Cambridge Market.

Our innovative Region of Learning project helped over 2,000 people improve their career prospects and 90 employers with workforce development through the use of digital credentials to capture skills gaining from volunteering and professional development activity. 35 refugees have received support to secure employment in a pilot project which aims to harness the skills and knowledge the individuals already hold, by providing opportunities and resources to access employment. One-to-one casework is combined with financial support, which comes from public donations.

During 2024/25, we have been consulting widely on our plans to develop Cambridge's Civic Quarter. This is a once-in-a century opportunity to make improvements to the Market Square, the Guildhall (our historic headquarters), the Corn Exchange, and the public areas in between, to secure the continuing success of the market and to make the ageing buildings fit for the future.

Our Abbey Ward community wealth project – 'Focus On Abbey' – concluded this year and with UK Shared Prosperity Fund support, brought together people from the community, voluntary, charitable, public and private sectors to support and provide grant funding for community-led projects aimed at empowering local people to improve quality of life in the area.

Linked to the Our Cambridge transformation programme and the community wealth building approach, we continued to support the establishment of an independent Social Impact Investment Fund to help tackle systemic inequalities that lead to unacceptable differences in life chances in our communities. Our seed fund investment is helping to catalyse external investment and we have budgeted for a further £0.8 million investment, subject to £5 million being raised from other parties.

## Financial Performance

The detailed [Outturn Report](#)<sup>4</sup> setting out the Council's financial performance for the year will be available on the Council's website from 7 July 2025.

### General Fund

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

The final outturn on the General Fund for 2024/25 (after adjusting for budget timing differences) was an underspend of £3.762 million. This represents 13.8% of the final net budget for General Fund services. The main reasons for the variance were as follows:

- Investment Income: £2.901 million underspend –due to continued high levels of interest earned as a result of sustained higher interest rates and higher than anticipated cash balances to invest.
- Parking Services: £876,000 underspend due to higher usage and savings on utility and staffing costs
- Shared IT Service: £685,000 underspend owing to new cost-sharing arrangements with partners, cost-effective procurement and retirement of more expensive systems
- Shared Planning Service: £609,000 underspend due to major applications generating more fees along with additional government grants and streamlining of workflows to reduce costs.

These underspends were partly offset by overspends in other individual services:

- Streets and open spaces: £419,000 overspend – this is the result of a variety of factors including higher costs for cleaning following re-procurement, costs of vehicle repairs and reduced revenue grant income.
- Waste and recycling: £396,000 overspend – this is due to the higher cost of the new Materials Recovery Facilities contract which is heavily influenced by global prices for recyclables.
- Garage services: £358,000 overspend – this is caused by reduced income from external customers and higher expenditure than planned on running costs such as parts and agency staffing.
- Insurance: £351,000 overspend – there were two large fires and five other claims where the Council had to pay the excess. A property coverage review resulted in higher premiums and there was a need to procure events insurance at a higher cost than previously paid.

The table on the next page sets out in detail the General Fund revenue outturn for the year for each service portfolio. The accounting adjustments column reflects differences between the way in which

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

### Earmarked Reserves

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

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

The movements on earmarked reserves during 2024/25 were as follows:

	General Fund earmarked reserves £'000	Housing Revenue Account earmarked reserves £'000	Total earmarked reserves £'000
<b>Balance at 1 April 2024</b>	<b>(29,044)</b>	<b>(2,804)</b>	<b>(31,848)</b>
Contributions to earmarked reserves	(39,185)	(309)	(39,494)
Use of earmarked reserves to fund expenditure	15,939	425	16,364
<b>Balance at 31 March 2025</b>	<b>(52,290)</b>	<b>(2,688)</b>	<b>(54,978)</b>

The most significant movements were as follows:

- A contribution of £23.762 million from the General Fund towards the Civic Quarter Development Fund, which will fund a project to improve the Guildhall, Corn Exchange and Market Square.
- A drawdown of £6.716 million from reserves earmarked for capital purposes to fund capital expenditure in year.

<sup>4</sup> <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=532&MId=4631&Ver=4>

- A contribution of £3.746 million to the Collection Fund deficit reserve to cover the Council's share of the Collection Fund deficit which will need to be repaid in 2026/27, funded mainly for excess business rates income recognised in year.

	Original budget	Final budget	Overspend / (underspend)	Outturn	Accounting adjustments	Total chargeable to General Fund
	£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment	4,832	7,683	1,068	8,751	(1,042)	7,709
Communities	7,776	6,687	(96)	6,591	(2,171)	4,420
Community Wealth Building and Community Safety	1,041	1,181	(90)	1,091	(52)	1,039
Finance, Resources and Transformation	(2,975)	1,007	(3,664)	(2,657)	13,363	10,706
Housing and Homelessness	4,223	3,368	49	3,417	(1,798)	1,619
The Leader	5,821	6,801	(28)	6,773	1,012	7,785
Open Spaces and City Services	4,671	(1,389)	(396)	(1,785)	(1,577)	(3,362)
Planning, Building Control and Infrastructure	2,170	2,006	(157)	1,849	(595)	1,254
Share of net underspend attributable to HRA and ringfenced services	0	0	817	817	(817)	0
<b>Total cost of services</b>	<b>27,559</b>	<b>27,344</b>	<b>(2,497)</b>	<b>24,847</b>	<b>6,323</b>	<b>31,170</b>
Other income and expenditure	0	0	0	0	(13,919)	(13,919)
Capital accounting adjustments	(5,997)	(5,737)	(643)	(6,380)	5,925	(455)
Capital expenditure financed from revenue	130	2,803	(2,387)	416	8,703	9,119
Cost of revised capital financing strategy	41	0	0	0	0	0
Collection Fund deficit	1,114	1,114	0	1,114	0	1,114
Contributions to earmarked funds	21,319	22,500	3,654	26,154	13,031	39,185
<b>Net spending requirement</b>	<b>44,166</b>	<b>48,024</b>	<b>(1,873)</b>	<b>46,151</b>	<b>20,063</b>	<b>66,214</b>
<b>Financed by:</b>						
Settlement Funding Assessment	(4,853)	(4,853)	0	(4,853)	0	(4,853)
Locally retained business rates – growth element / additional income	(5,313)	(5,313)	1,098	(4,215)	(4,410)	(8,625)
Core funding grants	(3,180)	(3,675)	(52)	(3,727)	897	(2,830)
New Homes Bonus	(1,733)	(1,733)	0	(1,733)	0	(1,733)
Appropriations from earmarked funds	0	612	0	612	(16,551)	(15,939)
Council Tax	(10,253)	(10,253)	0	(10,253)	0	(10,253)
Contributions from reserves	(18,834)	(22,809)	827	(21,982)	1	(21,981)
<b>Total financing</b>	<b>(44,166)</b>	<b>(48,024)</b>	<b>1,873</b>	<b>(46,151)</b>	<b>(20,063)</b>	<b>(66,214)</b>

Housing Revenue Account (HRA)

The Housing Revenue Account (HRA) reflects the statutory requirement for the Council to maintain a separate revenue account for council housing provision. It contains the balance of income and expenditure in connection with the Council’s landlord function (for example rental income), which can only be used to fund expenditure on HRA services in the future. The final position for the HRA for 2024/25 is a reported net operating overspend of £2.066 million. This position incorporates a significant overspend on repairs activity, which is partially offset by an over-achievement of income in the year and underspending in general management expenditure.

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

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

The HRA benefited from an underspend of £1.345 million on interest payable, owing to slippage on the capital programme which meant that less borrowing was required in-year than had been anticipated. To ensure that the HRA could maintain the target level of reserves as at 31 March 2025, the use of revenue resources to finance capital expenditure was reduced by £0.924 million, with the balance of financing made up from borrowing.

Following these changes, the final position for the HRA reserve was a decrease of £6,000, against a budgeted decrease of £172,000. The following table sets out the HRA outturn for the year compared to budget:

	Original budget £’000	Final budget £’000	Final outturn £’000	Overspend / (underspend) £’000
Dwelling rents and other income	(55,105)	(56,285)	(56,872)	(587)
Expenditure	36,188	36,918	39,467	2,549
Interest receivable	(1,426)	(1,062)	(958)	104
<b>HRA operating (surplus) / deficit for the year</b>	<b>(20,343)</b>	<b>(20,429)</b>	<b>(18,363)</b>	<b>2,066</b>
Interest payable	9,654	9,287	7,942	(1,345)
Capital expenditure financed from Housing Revenue Account	10,035	11,044	10,121	(923)
Transfer to / (from) earmarked reserves	0	270	306	36
<b>(Surplus) / deficit for the year</b>	<b>(654)</b>	<b>172</b>	<b>6</b>	<b>(166)</b>

Assets

The most significant assets on the Council’s Balance Sheet are its property, plant and equipment (£1.108 billion) and investment properties (£170 million). These are revalued on a regular basis in line with accounting requirements and are therefore subject to large fluctuations in value. However, under statutory provisions these movements do not impact on the usable resources of the Council.

At 31 March 2025 the Council held investments totalling £69 million (including loans of £35 million to its subsidiary and joint ventures). These are mostly held at amortised cost – further detail is given in note 18 to the Council Financial Statements. Cash and cash equivalents held on 31 March 2025 totalled £13 million. These have reduced over the course of the year as our ambitious capital programme has progressed, using cash balances in a planned and sustainable way.

In the year there was significant expenditure on the construction of new council dwellings, many of which were completed during the year, which resulted in a net increase in dwelling stock of 51 over the year and contributed towards an increase in the total value of dwellings of £11 million. Council dwellings are revalued annually. The impact of the valuations is accounted for within the HRA and revaluation reserve. Since council dwellings are valued with reference to their use as social housing it is common for a downward valuation to be recognised when they are first brought into use. This reflects the difference between the cost of construction, which includes funding from capital grants,

and the valuation which is based on the rents that the Council is able to charge. Again, under statutory provisions, stock revaluation movements do not impact on the usable resources of the HRA.

### Pension Fund Liability

There is a net liability on the Balance Sheet of £30.6 million in relation to the Local Government Pension Scheme (LGPS), compared to a net asset of £18.1 million the previous year. The Council's pension assets and liabilities are revalued by an external actuary on an annual basis and are subject to large valuation movements because of changes to assumptions, such as rates of inflation and longevity assumptions. However, gains and losses of this nature do not impact on the Council's usable resources under statutory provisions. A funding strategy is agreed with the actuary every three years to ensure that the Council is making sufficient contributions (and charging enough to the General Fund and HRA) to ensure that all liabilities can be paid by the pension fund as they fall due. Currently, the pension fund is in a net surplus position – however accounting standards require an 'asset ceiling' to be applied to the Council's share of fund assets, which has resulted in the overall liability position this year.

### Liabilities

The Council has external borrowing of £214 million with the Public Works Loan Board (PWLb). This was taken out to fund the HRA self-financing payment to central government in March 2012. The Council drew down further external borrowing of £30 million in April 2024 and anticipates a further £55 million in 2025/26 in order to fund its future capital programme, in particular the redevelopment of the Park Street car park. All borrowing is in accordance with the [Treasury Management Strategy](#)<sup>5</sup> which is available on the Council's website. Prudent provision is made within the Council's budgets for the repayment of debt in accordance with statutory guidance.

### Collection Fund

The Council is required to operate a separate Collection Fund in respect of council tax and business rates it collects on behalf of itself, local preceptors and central government. The Collection Fund had a deficit of £15.7 million on 31 March 2025, of which the Council's share is £6.1 million. The Council will pay its share of the deficit from 2025/26 onwards, and resource has already been set aside for this purpose. The deficit on the Collection Fund mainly reflects the impact of business rates appeals, both in respect of the need to provide for future appeals, together with the impact of appeals settled in 2024/25 which had a larger impact than previously estimated. This occurred due to the Valuation Office Agency (VOA) clearing a large backlog following the recent deadline for submission of appeals against the 2017 rating list.

### Group Performance

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

Cambridge Investment Partnership (CIP). The Council's share of subsidiary and joint venture reserves decreased by £268,000 during the year.

### Risks and Opportunities

The Council manages all risks in line with its [Risk Management Strategy and Framework](#)<sup>6</sup>, which is approved by the Civic Affairs Committee. As part of the process, comprehensive strategic, service and project risk registers are maintained, and processes are in place for risk identification, evaluation and prioritisation. Resources can then be allocated to manage risks in the most efficient way possible.

Financial risks are specifically identified and considered within the General Fund and Housing Revenue Account [Medium Term Financial Strategies](#)<sup>7</sup> (MTFS), and as part of the budget setting process. These risks are then monitored throughout the year, with quarterly financial monitoring reports reviewed by the Leadership Team and members.

The key strategic risks for the council are:

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

### Future Outlook

The Council's [Corporate Plan 2022 - 2027](#)<sup>8</sup> sets out the current strategic priorities. The General Fund and Housing Revenue Account [Budget Setting Reports](#)<sup>9</sup> set out how these will be funded. These are all available on the Council's website.

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

The prudent minimum balance for the General Fund has been set at £6.541 million based on current understanding of financial risk. The balance of this reserve at 31 March 2025 was £18.863 million, although it is planned to use £7.649 million of this over the following five years, including £4.774

<sup>5</sup>

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

<sup>6</sup> <https://democracy.cambridge.gov.uk/documents/s65091/Risk%20Management%20Strategy%20Framework%20-%20January%202024.pdf>

<sup>7</sup> <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=4446>

<sup>8</sup> <https://www.cambridge.gov.uk/corporate-plan-2022-27-our-priorities-for-cambridge>

<sup>9</sup> <https://democracy.cambridge.gov.uk/ieListDocuments.aspx?CId=116&MId=4457>

million to smooth future savings requirements. The strategy set out in the Budget Setting Report will ensure that reserve levels remain above the prudent minimum balance in the medium term.

The Council has approved the following capital programme for the period 1 April 2025 to 31 March 2029:

	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000
General Fund capital expenditure	22,747	3,025	2,245	1,890
Housing Revenue Account capital expenditure	81,980	120,189	137,235	112,592
<b>Total capital expenditure</b>	<b>104,727</b>	<b>123,214</b>	<b>139,480</b>	<b>114,482</b>
<b>Financed by:</b>				
Capital receipts	(2,731)	(1,185)	(1,563)	(1,373)
Other contributions and balances (including capital grants)	(41,179)	(76,082)	(100,034)	(96,055)
<b>Total capital financing to be applied</b>	<b>(43,910)</b>	<b>(77,267)</b>	<b>(101,597)</b>	<b>(97,428)</b>
<b>Total to be financed from internal and external borrowing</b>	<b>(60,817)</b>	<b>(45,947)</b>	<b>(37,883)</b>	<b>(17,054)</b>

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## Statement of Responsibilities

### The Council's Responsibilities

The Council is required to:

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

### The Chief Finance Officer's Responsibilities

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

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

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

The Chief Finance Officer has also:

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

### Certification

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

**Jody Etherington**  
**Chief Finance Officer and Section 151 Officer**  
**30 June 2025**

**Councillor Russ McPherson**  
**Chair of Civic Affairs Committee**  
**30 June 2025**



### Comprehensive Income and Expenditure Statement (CIES)

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

	Note	2024/25			2023/24		
		Gross expenditure £'000	Gross income £'000	Net expenditure £'000	Gross expenditure £'000	Gross income £'000	Net expenditure £'000
Climate Action and Environment		12,368	(3,516)	8,852	11,788	(3,367)	8,421
Communities		16,027	(6,807)	9,220	13,403	(7,166)	6,237
Community Wealth Building and Community Safety		1,611	(497)	1,114	1,555	(338)	1,217
Finance, Resources and Transformation		42,971	(31,857)	11,114	43,182	(29,784)	13,398
Housing and Homelessness		10,821	(4,140)	6,681	12,324	(5,674)	6,650
The Leader		6,591	(812)	5,779	7,712	(879)	6,833
Open Spaces and City Services		16,002	(12,236)	3,766	14,343	(11,913)	2,430
Planning, Building Control and Infrastructure		4,377	(2,947)	1,430	4,837	(2,202)	2,635
Housing Revenue Account		61,051	(56,091)	4,960	77,598	(50,928)	26,670
<b>Cost of services</b>		<b>171,819</b>	<b>(118,903)</b>	<b>52,916</b>	<b>186,742</b>	<b>(112,251)</b>	<b>74,491</b>
Other operating income and expenditure	9	0	(2,170)	(2,170)	0	(480)	(480)
Financing and investment income and expenditure	10	10,090	(23,852)	(13,762)	11,277	(32,502)	(21,225)
Taxation and non-specific grant income	11	0	(41,108)	(41,108)	0	(39,010)	(39,010)
<b>(Surplus) / deficit on the provision of services</b>	<b>1</b>	<b>181,909</b>	<b>(186,033)</b>	<b>(4,124)</b>	<b>198,019</b>	<b>(184,243)</b>	<b>13,776</b>
Deficit / (surplus) on revaluation of non-current assets	15			3,197			(7,248)
Remeasurement of the net defined benefit asset / liability	23			51,450			(9,368)
<b>Other comprehensive income</b>				<b>54,647</b>			<b>(16,616)</b>
<b>Total comprehensive income</b>				<b>50,523</b>			<b>(2,840)</b>

### Movement in Reserves Statement (MIRS)

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

	Note	General Fund	Earmarked General Fund reserves	Housing Revenue Account (HRA)	Earmarked HRA reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total usable reserves	Unusable reserves	Total Council reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2023</b>		<b>(28,061)</b>	<b>(28,788)</b>	<b>(6,695)</b>	<b>(17,328)</b>	<b>(35,729)</b>	<b>(7,684)</b>	<b>(21,203)</b>	<b>(145,488)</b>	<b>(958,802)</b>	<b>(1,104,290)</b>
<b>Movement in reserves during 2023/24:</b>											
Total comprehensive income and expenditure	CIES	(4,464)	0	18,240	0	0	0	0	13,776	(16,616)	(2,840)
Adjustments between accounting basis and funding basis under statutory provisions	12	(8,575)	0	(4,587)	0	10,731	7,684	8,887	14,140	(14,140)	0
Transfers to / from earmarked reserves	13	256	(256)	(14,524)	14,524	0	0	0	0	0	0
<b>(Increase) / decrease in year</b>		<b>(12,783)</b>	<b>(256)</b>	<b>(871)</b>	<b>14,524</b>	<b>10,731</b>	<b>7,684</b>	<b>8,887</b>	<b>27,916</b>	<b>(30,756)</b>	<b>(2,840)</b>
<b>Balance at 31 March 2024</b>		<b>(40,844)</b>	<b>(29,044)</b>	<b>(7,566)</b>	<b>(2,804)</b>	<b>(24,998)</b>	<b>0</b>	<b>(12,316)</b>	<b>(117,572)</b>	<b>(989,558)</b>	<b>(1,107,130)</b>
<b>Movement in reserves during 2024/25:</b>											
Total comprehensive income and expenditure	CIES	(3,804)	0	(320)	0	0	0	0	(4,124)	54,647	50,523
Adjustments between accounting basis and funding basis under statutory provisions	12	2,539	0	442	0	9,010	0	(6,392)	5,599	(5,599)	0
Transfers to / from earmarked reserves	13	23,246	(23,246)	(116)	116	0	0	0	0	0	0
<b>(Increase) / decrease in year</b>		<b>21,981</b>	<b>(23,246)</b>	<b>6</b>	<b>116</b>	<b>9,010</b>	<b>0</b>	<b>(6,392)</b>	<b>1,475</b>	<b>49,048</b>	<b>50,523</b>
<b>Balance at 31 March 2025</b>		<b>(18,863)</b>	<b>(52,290)</b>	<b>(7,560)</b>	<b>(2,688)</b>	<b>(15,988)</b>	<b>0</b>	<b>(18,708)</b>	<b>(116,097)</b>	<b>(940,510)</b>	<b>(1,056,607)</b>

## Balance Sheet

	Note	31 March 2025		31 March 2024	
		£'000	£'000	£'000	£'000
Property, plant and equipment	15	1,075,939		1,061,192	
Heritage assets		669		669	
Investment property	16	170,021		164,421	
Right-of-use assets	17	37,027		0	
Intangible assets		255		404	
Loans to joint ventures	18	27,483		19,228	
Loan to subsidiary	18	7,500		7,500	
Other long-term investments	18	17,084		16,815	
Long-term debtors	19	831		3,912	
Net defined benefit pension asset	23	0		18,073	
<b>Long-term assets</b>			<b>1,336,809</b>		<b>1,292,214</b>
Investment property held for sale	16	1,250		1,250	
Short-term investments	18	16,490		50,038	
Short-term debtors	20	17,229		13,322	
Inventories		197		171	
Cash and cash equivalents	CFS	12,793		21,872	
<b>Current assets</b>			<b>47,959</b>		<b>86,653</b>
Short-term borrowing	18	(705)		(82)	
Short-term creditors	21	(43,285)		(54,270)	
Provisions	22	(5,812)		(3,757)	
<b>Current liabilities</b>			<b>(49,802)</b>		<b>(58,109)</b>
Long-term borrowing	18	(242,985)		(213,572)	
Long-term creditors		(737)		0	
Long-term receipts in advance		(48)		(56)	
Net defined benefit pension liability	23	(30,631)		0	
<b>Long-term liabilities</b>			<b>(274,401)</b>		<b>(213,628)</b>
<b>Net assets</b>			<b>1,060,565</b>		<b>1,107,130</b>
Usable reserves	MIRS	(116,097)		(117,572)	
Unusable reserves	14	(944,468)		(989,558)	
<b>Total reserves</b>			<b>(1,060,565)</b>		<b>(1,107,130)</b>

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Council is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold. It also includes reserves which reflect timing differences between the recognition of income and expenditure under generally accepted accounting practices, and the point at which it must be credited or charged to usable reserves under statutory provisions.

**Jody Etherington**  
**Chief Finance Officer**  
**30 June 2025**

## Cash Flow Statement (CFS)

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

	Note	2024/25		2023/24	
		£'000	£'000	£'000	£'000
Net surplus / (deficit) on the provision of services	CIES	4,124		(13,776)	
Adjust net surplus or deficit on the provision of services for non-cash movements	24	41,582		47,512	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	24	(27,261)		(18,568)	
<b>Net cash flows from operating activities</b>			<b>18,445</b>		<b>15,168</b>
<b>Investing activities:</b>					
Purchase of property, plant and equipment, investment property and intangible assets		(102,590)		(91,472)	
Purchase of short-term and long-term investments		(72,213)		(154,081)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets		6,592		5,179	
Proceeds from short-term and long-term investments		97,500		210,569	
Capital grants received		20,156		13,144	
Other receipts from investing activities		23		24	
<b>Net cash flows from investing activities</b>			<b>(50,532)</b>		<b>(16,637)</b>
<b>Financing activities</b>	25		<b>23,008</b>		<b>(8,449)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>			<b>(9,079)</b>		<b>(9,918)</b>
<b>Cash and cash equivalents at the beginning of the year:</b>					
Overnight money market funds		15,000		30,000	
Bank accounts		6,866		1,780	
Cash held by the Council		6		10	
<b>Total cash and cash equivalents at the beginning of the year</b>			<b>21,872</b>		<b>31,790</b>
<b>Cash and cash equivalents at the end of the year:</b>					
Overnight money market funds		0		15,000	
Bank accounts		12,788		6,866	
Cash held by the Council		5		6	
<b>Total cash and cash equivalents at the end of the year</b>			<b>12,793</b>		<b>21,872</b>

### Note 1 – Expenditure and Funding Analysis

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

	Note	2024/25					2023/24				
		Net expenditure chargeable to the General Fund and HRA balances	Adjustments for capital purposes	Pensions adjustments	Other statutory adjustments	Net expenditure in the Comprehensive Income and Expenditure Statement	Net expenditure chargeable to the General Fund and HRA balances	Adjustments for capital purposes	Pensions adjustments	Other statutory adjustments	Net expenditure in the Comprehensive Income and Expenditure Statement
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Climate Action and Environment		7,709	1,014	129	0	8,852	7,569	751	101	0	8,421
Communities		4,420	4,677	123	0	9,220	4,817	1,174	246	0	6,237
Community Wealth Building and Community Safety		1,039	53	22	0	1,114	1,018	150	49	0	1,217
Finance, Resources and Transformation		10,706	146	215	47	11,114	8,326	4,967	105	0	13,398
Housing and Homelessness		1,619	4,970	92	0	6,681	3,047	3,354	249	0	6,650
The Leader		7,785	9	(2,015)	0	5,779	9,235	(32)	(2,370)	0	6,833
Open Spaces and City Services		(3,362)	7,056	72	0	3,766	(357)	2,375	412	0	2,430
Planning, Building Control and Infrastructure		1,254	118	58	0	1,430	2,375	155	105	0	2,635
Housing Revenue Account		(6,232)	11,550	(348)	(10)	4,960	8,932	18,004	(266)	0	26,670
<b>Net cost of services</b>		<b>24,938</b>	<b>29,593</b>	<b>(1,652)</b>	<b>37</b>	<b>52,916</b>	<b>44,962</b>	<b>30,898</b>	<b>(1,369)</b>	<b>0</b>	<b>74,491</b>
Other income and expenditure		(26,081)	(36,125)	(1,093)	6,259	(57,040)	(44,348)	(20,826)	(471)	4,930	(60,715)
<b>(Surplus) / deficit</b>		<b>(1,143)</b>	<b>(6,532)</b>	<b>(2,745)</b>	<b>6,296</b>	<b>(4,124)</b>	<b>614</b>	<b>10,072</b>	<b>(1,840)</b>	<b>4,930</b>	<b>13,776</b>
Opening General Fund and HRA balance	MIRS	(80,258)					(80,872)				
<b>Closing General Fund and HRA balance</b>	<b>MIRS</b>	<b>(81,401)</b>					<b>(80,258)</b>				

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

Note 2 – Accounting Policies

1 General Principles

This Statement of Accounts summarises the Council’s transactions for the 2024/25 financial year and its financial 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 Regulations 2015, which must be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (‘the Code’), supported by International Financial Reporting Standards (IFRS).

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

2 Going Concern

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

In making its assessment that this basis is appropriate, for the going concern period to 30 June 2026, the Council has carried out forecasting of income and expenditure, the impact on reserve balances, and cash flows.

The Council’s assessment of going concern can be found at note 33.

3 Changes in Accounting Policies and Estimates

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

IFRS 16 Leases was implemented as of 1 April 2024. This is the only significant change in accounting policies during 2024/25.

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

4 Fair Value Measurement

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

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurement assumes that the transaction to sell

the asset takes place either in the principal market for the asset, or, in the absence of a principal market, in the most advantageous market.

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

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

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

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

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

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

5 Income and Expenditure Accruals

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

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

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

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

6 Council Tax and Business Rates

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

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

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

7 Grants and Contributions

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

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

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

8 Employee Benefits

Short-term Employee Benefits

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

Termination Benefits

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

Local Government Pension Scheme

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

The Council’s share of pension fund liabilities is included on the Balance Sheet on an actuarial basis using the projected unit method, i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based upon assumptions about mortality rates, employee turnover rates, projected earnings for current employees, etc.

Liabilities are discounted to their value at current prices, using a discount rate of 5.80% (based upon constituents of the iBoxx AA corporate bond index).

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

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

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

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

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

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

Additionally, the Council has applied the asset ceiling principle set out in IAS 19 which limits the extent to which an entity can recognise a pension asset where an actuarial valuation indicates that the value of pension assets exceeds the value of pension liabilities. The net defined benefit pension asset on the Balance Sheet is based on the actuary’s assessment of the difference between the net present value of future service costs and the net present value of future contributions by the employer. This is then adjusted to reflect any additional liability arising from existing commitments to make past service contributions in future years.

9 Overheads and Support Services

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

10 VAT

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

11 Investment Property

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

Recognition and Measurement

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

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

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

Investment Properties Held for Sale and Disposals

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

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

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

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

12 Property, Plant and Equipment

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

Recognition and Measurement

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Council and the cost of the item can be reliably measured.

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

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

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

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

Assets measured at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, and as a minimum every five years.

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

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

Revaluation and impairment losses are accounted for as follows:

- Where there is a balance of previous revaluation gains for the asset in the Revaluation Reserve, the loss will be charged to other comprehensive income within the CIES, and the Revaluation Reserve reduced accordingly.
- Where there is no balance for the asset in the Revaluation Reserve, or the balance is insufficient to cover the full amount of the loss, any excess amount will be charged to the relevant service line in the CIES.

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

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

Depreciation

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

Asset Class	Depreciation Method	Useful Economic Lives
Council dwellings	Land: Not depreciated as indefinite useful economic life  Buildings: Straight line using a weighted average life for all significant components	As advised by external valuer:  Houses / Bungalows: 53 years  Flats / Maisonettes: 51 years
Other land and buildings	Land: Not depreciated as indefinite useful economic life  Buildings: Straight line	Buildings: 5 – 90 years (as advised by external valuer), with shorter lives applied to individual components where the impact is material
Vehicles, plant, furniture and equipment	Straight line	3 – 25 years
Infrastructure assets	Straight line	10 – 40 years
Community assets	Not depreciated	Not applicable
Surplus assets	Not depreciated	Not applicable
Assets under construction	Not depreciated	Not applicable

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

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

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

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

### Disposals

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

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

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

### Donations

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

## 13 Leases

### Council as Lessee

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

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

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

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

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

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

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

### Council as Lessor

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

### Council as Lessor – Operating Leases

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

## 14 Investments in Other Entities

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

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

## 15 Financial Instruments

### Financial Assets

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

- Amortised cost
- Fair value through profit or loss

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

#### Financial Assets Measured at Amortised Cost

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

#### Expected Credit Loss Model

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

Impairment losses are calculated to reflect the expectation that future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an asset was recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed based on 12-month expected losses.

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

#### Financial Assets Measured at Fair Value through Profit or Loss

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

#### Financial Liabilities

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

### 16 Cash and Cash Equivalents

Cash comprises cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition, and that are readily convertible to known amounts of cash with insignificant risk of change in value.

### 17 Provisions and Contingencies

#### Provisions

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

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

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

#### Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset, whose existence will only be confirmed by the outcome of future uncertain events not entirely within the Council's control.

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

### 18 Earmarked Reserves

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

Note 3 – Accounting Standards Issued but not yet Adopted

The following accounting standards are adopted by the Code of Practice on Local Authority Accounting in the United Kingdom 2025/26 and therefore apply to the Council with effect from 1 April 2025. None are anticipated to have a material impact on the Statement of Accounts 2025/26:

- IAS 21 The effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- IFRS 17 Insurance Contracts issued in May 2017.
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

Note 4 – Critical Judgement in Applying Accounting Policies

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

- There is a high degree of uncertainty about future levels of funding for local government. However, the Council has determined that this uncertainty is not sufficient to indicate that its assets might be impaired, for example as a result of a need to close facilities or reduce levels of service provision.
- On 16 December 2024, the government published its English Devolution White Paper. This set out the government’s intention to reorganise local government in two tier areas, through closing existing upper and lower tier authorities and replacing these with larger unitary authorities. However, there remains significant uncertainty about the nature and timing of any reorganisation and its impact on the Council. Furthermore, there is an expectation of continuity of current services within the new authority. As such, the Council has determined that this uncertainty is not sufficient to indicate that its assets might be impaired, for example as a result of a need to close facilities or reduce levels of service provision.

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

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

The items in the Balance Sheet as at 31 March 2025 at significant risk of material adjustment in the following year are set out below. These are the estimates which require the most difficult, subjective or complex judgements. More detailed information about each estimate is set out within the relevant disclosure note.

Balance Sheet Item	Source of Estimation Uncertainty	31 March 2025 £'000	31 March 2024 £'000	Note
Property, plant and equipment	Assets are depreciated over useful lives dependent on assumptions made about the level of repairs and maintenance that will be carried out. Should the Council not sustain an appropriate level of spending on repairs and maintenance, asset lives may be reduced leading to a higher annual depreciation charge.  Operational property assets are revalued by the Council’s external valuers, using valuation techniques which are based upon observable data wherever possible. Where such data is not available, professional judgements must be made taking into account considerations such as uncertainty and risk. Changes in the assumptions used could affect the valuation amount.	1,072,162	1,061,192	15
Investment property	Investment property assets are held at fair value as determined by the Council’s external valuers, using valuation techniques which are based upon observable data wherever possible. Where such data is not available, professional judgements must be made that reflect considerations such as uncertainty and risk. Changes in the assumptions used could affect the valuation amount.	169,840	164,421	16
Right-of-use assets	Assets are depreciated over the shorter of the lease term and the remaining useful lives of the underlying assets.  Assets that have nil or peppercorn rent are revalued by the Council’s external valuers, using valuation techniques which are based upon observable data wherever possible. Where such data is not available, professional judgements must be made taking into account considerations such as uncertainty and risk. Changes in the assumptions used could affect the valuation amount.	37,027	0	17
Provisions – business rates appeals provision	The Council is liable for its share (40%) of current and previous years’ business rates income lost due to successful rating appeals. An external expert has been engaged to assist with calculating a best estimate of the provision required, but inherent uncertainties remain around the quantity, value and success rates of appeals, both already submitted and still to come.	(3,462)	(2,378)	22
Net defined benefit pension (liability) / asset	The net pension liability / asset depends on a number of complex judgements, e.g. the discount rate used, the rate at which salaries are expected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets.  The assumptions used are themselves highly sensitive to external economic factors, for example increasing interest rates could have a detrimental impact on asset returns. The Council engages a professional actuary to carry out the valuation of the net pension liability.  See note 23 for more information on sensitivity analysis and the quantification of some of these uncertainties.	(30,631)	18,073	23

Note 6 – Events After the Reporting Period

This Statement of Accounts was authorised for issue by the Chief Finance Officer on 30 June 2025. Events taking place after this date are not reflected in the accounts or notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the accounts and notes have been adjusted to reflect the impact of this information

Note 7 – Income and Expenditure Analysed by Nature

	Note	2024/25 £'000	2023/24 £'000
<b>Income</b>			
Fees, charges and other service income	8	(85,835)	(77,573)
Interest and investment income	10	(22,349)	(24,916)
Share of profits from connected entities	10	(750)	(6,000)
Income from council tax and business rates	11	(12,643)	(15,286)
Government grants and contributions	29	(62,286)	(59,988)
Gain on disposal of non-current assets	9	(2,170)	(480)
<b>Total income</b>		<b>(186,033)</b>	<b>(184,243)</b>
<b>Expenditure</b>			
Employee benefits expenses		44,783	44,096
Other service expenses		82,610	82,946
Depreciation, amortisation and impairment		45,191	61,470
Interest payments and investment expenses	10	9,325	9,507
<b>Total expenditure</b>		<b>181,909</b>	<b>198,019</b>
<b>Deficit on the provision of services</b>		<b>(4,124)</b>	<b>13,776</b>

Included within other service expenses is expenditure associated with housing benefits of £27.9 million (2023/24: £28.6 million). Within the CIES, this is included in Finance, Resources and Transformation expenditure.

Note 8 – Segmental Fees, Charges and Other Service Income

	2024/25 £'000	2023/24 £'000
Climate Action and Environment	(3,496)	(3,358)
Communities	(6,273)	(5,926)
Community Wealth Building and Community Safety	(24)	(34)
Finance, Resources and Transformation	(3,499)	(874)
Housing and Homelessness	(1,744)	(1,695)
The Leader	(259)	(91)
Open Spaces and City Services	(12,039)	(11,702)
Planning, Building Control and Infrastructure	(2,253)	(2,003)
Housing Revenue Account	(55,495)	(50,304)
Financing and investment income	(753)	(1,586)
<b>Total fees, charges and other service income</b>	<b>(85,835)</b>	<b>(77,573)</b>

Note 9 – Other Operating Income and Expenditure

	2024/25		2023/24	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Gains on the disposal of non-current assets	(2,170)	0	(480)	0
<b>Total other operating income and expenditure</b>	<b>(2,170)</b>	<b>0</b>	<b>(480)</b>	<b>0</b>

Note 10 – Financing and Investment Income and Expenditure

	2024/25		2023/24	
	Income £'000	Expenditure £'000	Income £'000	Expenditure £'000
Interest payable and similar charges	0	7,980	0	7,494
Interest on net defined benefit pension asset	(1,093)	0	(471)	0
Interest receivable and similar income	(5,940)	0	(7,849)	0
Investment property income and expenditure	(10,057)	1,345	(10,547)	1,726
Changes in fair value of investment property	(4,684)	0	(6,049)	0
(Gains) / losses on financial instruments classified as fair value through profit or loss	(575)	0	0	287
Share of profits from connected entities	(750)	0	(6,000)	0
Trading account income and expenditure	(753)	765	(1,586)	1,770
<b>Total financing and investment income and expenditure</b>	<b>(23,852)</b>	<b>10,090</b>	<b>(32,502)</b>	<b>11,277</b>

Note 11 – Taxation and Non-Specific Grant Income

	2024/5		2023/24	
	£'000	£'000	£'000	£'000
Council tax		(10,155)		(9,919)
Business rates:				
Council share of business rates income collected	(45,309)		(45,512)	
Less tariff payable to central government	42,821		40,145	
Net retained business rates income		(2,488)		(5,367)
Non-ringfenced government grants		(8,309)		(10,580)
Capital grants and contributions		(20,156)		(13,144)
<b>Total taxation and non-specific grant income</b>		<b>(41,108)</b>		<b>(39,010)</b>

Note 12 – Adjustments Between Accounting Basis and Funding Basis Under Statutory Provisions

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

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

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

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

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

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

	2024/25						2023/24						Unusable Reserve Affected
	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<u>Adjustments for capital purposes</u>													
<b>Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:</b>													
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(9,904)	(21,897)	0	(11,964)	0	43,765	(8,926)	(40,965)	0	(11,380)	0	61,271	Capital Adjustment Account
Amortisation of intangible assets	(95)	0	0	(129)	0	224	(95)	0	0	(104)	0	199	Capital Adjustment Account
Movements in the fair value of investment properties	4,755	111	0	0	0	(4,866)	6,384	(335)	0	0	0	(6,049)	Capital Adjustment Account
Capital grants and contributions	11,276	8,880	0	0	(20,156)	0	203	12,941	0	0	(13,144)	0	
Revenue expenditure funded from capital under statute	(6,841)	(8)	0	0	0	6,849	(4,083)	0	0	0	0	4,083	Capital Adjustment Account
Costs of disposal funded from capital receipts	0	(117)	117	0	0	0	0	(150)	150	0	0	0	
Carrying value of non-current assets and non-current assets held for sale written off on disposal	0	(4,935)	0	0	0	4,935	(825)	(4,119)	0	0	0	4,944	Capital Adjustment Account
Proceeds from the disposal of non-current assets and non-current assets held for sale (greater than £10,000)	0	7,105	(7,105)	0	0	0	819	4,592	(5,411)	0	0	0	
<b>Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:</b>													
Minimum revenue provision for repayment of debt	326	0	0	0	0	(326)	314	0	0	0	0	(314)	Capital Adjustment Account
Financing of capital expenditure from usable reserves	8,869	10,473	16,049	12,093	13,764	(61,248)	1,030	23,111	25,785	19,168	22,031	(91,125)	Capital Adjustment Account
Other capital adjustments	(76)	0	0	0	0	76	39	0	0	0	0	(39)	Capital Adjustment Account
Transfers on repayment of loans	(7)	0	(51)	0	0	58	(7)	0	(9,793)	0	0	9,800	Capital Adjustment Account
Total adjustments for capital purposes	8,303	(388)	9,010	0	(6,392)	(10,533)	(5,147)	(4,925)	10,731	7,684	8,887	(17,230)	
<u>Pensions adjustments</u>													
Reversal of pension costs charged to the Comprehensive Income and Expenditure Statement in accordance with IAS 19	(4,247)	(1,254)	0	0	0	5,501	(5,684)	(1,482)	0	0	0	7,166	Pensions Reserve
Insertion of contributions due under the pension scheme regulations	6,645	1,601	0	0	0	(8,246)	7,258	1,748	0	0	0	(9,006)	Pensions Reserve
Total pensions adjustments	2,398	347	0	0	0	(2,745)	1,574	266	0	0	0	(1,840)	
Total adjustments for capital purposes and pensions adjustments	10,701	(41)	9,010	0	(6,392)	(13,278)	(3,573)	(4,659)	10,731	7,684	8,887	(19,070)	

	2024/25						2023/24						Unusable Reserve Affected
	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	General Fund	Housing Revenue Account (HRA)	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Unusable reserves	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Total adjustments for capital purposes and pensions adjustments	9,294	(17)	9,010	0	(6,392)	(11,895)	(3,573)	(4,659)	10,731	7,684	8,887	(19,070)	
<b>Other statutory adjustments</b>													
Transfers between the General Fund and Housing Revenue Account under statutory provisions	(448)	448	0	0	0	0	(72)	72	0	0	0	0	
<b>Adjustments for differences between the income and expenditure included in the Comprehensive Income and Expenditure Statement and the amounts charged to the General Fund and HRA under statutory provisions, in respect of:</b>													
Finance income and expenditure	1	0	0	0	0	(1)	(9)	0	0	0	0	9	Financial Instruments Adjustment Account
Council tax and business rates income	(6,227)	0	0	0	0	6,227	(4,680)	0	0	0	0	4,680	Collection Fund Adjustment Account
Fair value gains and losses on pooled investment funds	(33)	0	0	0	0	33	(241)	0	0	0	0	241	Pooled Investment Adjustment Account
Movements in the accumulated absences accrual	(48)	11	0	0	0	37	0	0	0	0	0	0	Accumulated Absences Account
<b>Total other statutory adjustments</b>	<b>(6,755)</b>	<b>459</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,296</b>	<b>(5,002)</b>	<b>72</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,930</b>	
<b>Total adjustments between accounting basis and funding basis under statutory provisions</b>	<b>2,539</b>	<b>442</b>	<b>9,010</b>	<b>0</b>	<b>(6,392)</b>	<b>(5,599)</b>	<b>(8,575)</b>	<b>(4,587)</b>	<b>10,731</b>	<b>7,684</b>	<b>8,887</b>	<b>(14,140)</b>	

## Note 13 – Earmarked Reserves

	1 April 2023 £'000	Transfers In £'000	Transfers Out £'000	31 March 2024 £'000	Transfers In £'000	Transfers Out £'000	31 March 2025 £'000
<b>General Fund</b>							
Civic Quarter Development Fund	0	0	0	0	(23,762)	1,983	(21,779)
Collection Fund deficit reserve	(124)	0	0	(124)	(3,746)	0	(3,870)
Earmarked for capital use	(10,832)	(6,531)	1,471	(15,892)	(2,081)	6,716	(11,257)
Greater Cambridge Partnership	(5,260)	(6)	5,266	0	0	0	0
Other shared / partnership working	(2,315)	(277)	469	(2,123)	(361)	220	(2,264)
Insurance Fund	(1,294)	0	537	(757)	(63)	91	(729)
Service specific reserves	(5,928)	(4,144)	1,769	(8,303)	(7,798)	5,860	(10,241)
Transformation	(3,002)	0	1,412	(1,590)	(974)	961	(1,603)
Other	(33)	(600)	378	(255)	(400)	108	(547)
<b>Total General Fund earmarked reserves</b>	<b>(28,788)</b>	<b>(11,558)</b>	<b>11,302</b>	<b>(29,044)</b>	<b>(39,185)</b>	<b>15,939</b>	<b>(52,290)</b>
<b>Housing Revenue Account (HRA)</b>							
Asset repair and renewal reserves	(2,587)	(283)	99	(2,771)	(273)	425	(2,619)
Earmarked for HRA debt redemption / reinvestment	(14,705)	0	14,705	0	0	0	0
Other	(36)	(8)	11	(33)	(36)	0	(69)
<b>Total HRA earmarked reserves</b>	<b>(17,328)</b>	<b>(291)</b>	<b>14,815</b>	<b>(2,804)</b>	<b>(309)</b>	<b>425</b>	<b>(2,688)</b>

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

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

## Note 14 – Unusable Reserves

The Council's principal unusable reserves are as follows:

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

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

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

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

	Note	Capital Adjustment Account	Revaluation Reserve	Pensions Reserve	Collection Fund Adjustment Account	Pooled Investment Adjustment Account	Accumulated Absences Account	Financial Instruments Adjustment Account	Deferred Capital Receipts Reserve	Total unusable reserves
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2023</b>		<b>(662,829)</b>	<b>(285,145)</b>	<b>(6,866)</b>	<b>(4,835)</b>	<b>492</b>	<b>287</b>	<b>166</b>	<b>(72)</b>	<b>(958,802)</b>
<b>Other comprehensive income and expenditure:</b>										
Gain on revaluation of non-current assets	CIES	0	(7,248)	0	0	0	0	0	0	(7,248)
Remeasurement of the net defined benefit liability	CIES	0	0	(9,368)	0	0	0	0	0	(9,368)
<b>Adjustments between accounting basis and funding basis under statutory provisions:</b>										
Adjustments for capital purposes	12	(17,230)	0	0	0	0	0	0	0	(17,230)
Pensions adjustments	12	0	0	(1,840)	0	0	0	0	0	(1,840)
Other statutory adjustments	12	0	0	0	4,680	241	0	9	0	4,930
<b>Transfers between unusable reserves:</b>										
Difference between fair value depreciation and historic cost depreciation		(4,740)	4,740	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(845)	845	0	0	0	0	0	0	0
<b>Balance at 31 March 2024</b>		<b>(685,644)</b>	<b>(286,808)</b>	<b>(18,074)</b>	<b>(155)</b>	<b>733</b>	<b>287</b>	<b>175</b>	<b>(72)</b>	<b>(989,558)</b>
<b>Other comprehensive income and expenditure:</b>										
Gain on revaluation of non-current assets	CIES	0	(761)	0	0	0	0	0	0	(761)
Remeasurement of the net defined benefit liability	CIES	0	0	51,450	0	0	0	0	0	51,450
<b>Adjustments between accounting basis and funding basis under statutory provisions:</b>										
Adjustments for capital purposes	12	(9,150)	0	0	0	0	0	0	0	(9,150)
Pensions adjustments	12	0	0	(2,745)	0	0	0	0	0	(2,745)
Other statutory adjustments	12	0	0	0	6,227	33	37	(1)	0	6,296
<b>Transfers between unusable reserves:</b>										
Difference between fair value depreciation and historic cost depreciation		(5,022)	5,022	0	0	0	0	0	0	0
Accumulated gains on non-current assets disposed of		(895)	895	0	0	0	0	0	0	0
<b>Balance at 31 March 2025</b>		<b>(700,711)</b>	<b>(281,6)</b>	<b>30,631</b>	<b>6,072</b>	<b>766</b>	<b>324</b>	<b>174</b>	<b>(72)</b>	<b>(944,468)</b>

## Note 15 – Property, Plant and Equipment

## Movements on Balances

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
<b>Balance at 1 April 2023:</b>								
Gross carrying amount	784,298	151,982	20,671	8,238	1,346	50	78,764	1,045,349
Accumulated depreciation and impairment	0	(1,588)	(14,282)	(1,519)	0	0	0	(17,389)
<b>Net book value</b>	<b>784,298</b>	<b>150,394</b>	<b>6,389</b>	<b>6,719</b>	<b>1,346</b>	<b>50</b>	<b>78,764</b>	<b>1,027,960</b>
Additions	43,429	1,131	1,759	866	0	0	41,904	89,089
Disposals	(4,119)	0	0	0	0	0	0	(4,119)
Revaluation increases recognised in the revaluation reserve	674	6,574	0	0	0	0	0	7,248
Revaluation decreases recognised in the surplus / deficit on the provision of services	(41,125)	(3,005)	0	0	0	0	0	(44,130)
Assets reclassified from investment properties or intangible assets	0	2,267	0	0	0	0	0	2,267
Assets reclassified (to) / from other categories of property, plant and equipment	47,898	469	46	0	0	0	(48,413)	0
Other movement	0	(29)	(40)	0	0	0	87	18
Depreciation charge	(11,114)	(3,817)	(2,000)	(210)	0	0	0	(17,141)
<b>Balance at 1 April 2024:</b>								
Gross carrying amount	819,941	155,715	22,152	9,099	1,346	50	72,342	1,080,645
Accumulated depreciation and impairment	0	(1,731)	(15,998)	(1,724)	0	0	0	(19,453)
<b>Net book value</b>	<b>819,941</b>	<b>153,984</b>	<b>6,154</b>	<b>7,375</b>	<b>1,346</b>	<b>50</b>	<b>72,342</b>	<b>1,061,192</b>
Additions	38,949	322	2,452	772	0	0	58,259	100,754
Disposals	(4,935)	0	0	0	0	0	0	(4,935)
Revaluation increases / (decreases) recognised in the revaluation reserve	219	(1,467)	0	0	0	0	0	(1,248)
Revaluation decreases recognised in the surplus / deficit on the provision of services	(22,165)	(13)	0	0	0	0	0	(24,171)
Assets reclassified (to) investment properties or intangible assets or right-of-use assets	0	(40,975)	0	0	0	0	(566)	(41,541)
Assets reclassified (to) / from other categories of property, plant and equipment	10,977	6,906	261	0	0	48	(18,192)	0
Other movement	0	0	(59)	0	0	0	(17)	(76)
Depreciation charge	(11,655)	(3,087)	(1,708)	(211)	0	0	0	(16,661)
<b>Balance at 31 March 2025:</b>								
Gross carrying amount	831,331	117,401	24,422	9,871	1,346	98	111,826	1,096,295
Accumulated depreciation and impairment	0	(1,099)	(17,322)	(1,935)	0	0	0	(20,356)
<b>Net book value</b>	<b>831,331</b>	<b>116,302</b>	<b>7,100</b>	<b>7,936</b>	<b>1,346</b>	<b>98</b>	<b>111,826</b>	<b>1,075,939</b>

Valuation

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

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

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

**Other land and buildings** are subject to revaluation on at least a 5-yearly rolling basis, with additional valuations carried out where there is a risk that values have moved significantly in the intervening period. Valuations are undertaken by an external valuer in accordance with the RICS Valuation – Professional Standards (‘Red Book’), with one departure in respect of the physical inspection of properties. **The valuer inspects only a sample of properties, relying on information supplied by the Council for the remainder, in order to secure best value for money. In addition to the revalued asset base, there is a group of assets with a carrying value of £336,000 for which depreciated historical cost is used as an appropriate proxy for current value. These assets are individually immaterial, and the difference between depreciated cost and current value is not considered material. In line with the CIPFA Code, these items are therefore excluded from the five-year rolling revaluation programme.**

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

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
Valued at current value as at:				
31 March 2025	831,331	104,251	296	935,878
31 March 2024	0	203	0	203
31 March 2023	0	84	0	84
31 March 2022	0	363	0	363
31 March 2021	0	310	0	310
Prior to 2021	0	336	0	336
Total	831,331	105,547	296	937,174

Capital Commitments

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

	31 March 2025	31 March 2024
	£'000	£'000
Park Street car park redevelopment	32,797	64,262
New build dwellings	45,066	27,826
Capital works on existing dwellings	13,611	10,525
Depot relocation	3,495	8,884
Other property, plant and equipment	766	2,276
Total contractual commitments for property, plant and equipment	95,735	113,773

## Note 16 – Investment Property

## Movements on Balances

	Central Cambridge shopping centres £'000	Other retail £'000	Offices £'000	Industrial £'000	Land £'000	Leisure £'000	Other £'000	Total investment properties £'000	Investment properties held for sale £'000	Total £'000
<b>Balance at 1 April 2023</b>	<b>11,380</b>	<b>29,380</b>	<b>12,136</b>	<b>32,250</b>	<b>42,992</b>	<b>3,569</b>	<b>30,001</b>	<b>161,708</b>	<b>825</b>	<b>162,533</b>
Adjustment to opening balance	0	0	9	0	0	0	0	9	0	9
Additions – subsequent expenditure	0	0	36	21	0	0	115	172	0	172
Unrealised revaluation gains / (losses)	(460)	1,095	(781)	2,866	1,836	(35)	1,528	6,049	0	6,049
Disposals	0	0	0	0	0	0	0	0	(825)	(825)
Transfers (to) / from held for sale	0	(1,250)	0	0	0	0	0	(1,250)	1,250	0
Transfers (to) / from property, plant and equipment	0	0	748	0	(3,015)	0	0	(2,267)	0	(2,267)
<b>Balance at 31 March 2024</b>	<b>10,920</b>	<b>29,225</b>	<b>12,148</b>	<b>35,137</b>	<b>41,813</b>	<b>3,534</b>	<b>31,644</b>	<b>164,421</b>	<b>1,250</b>	<b>165,671</b>
Acquisitions	0	182	0	0	0	0	0	182	0	182
Additions – subsequent expenditure	0	22	6	0	0	0	0	28	0	28
Unrealised revaluation gains / (losses)	410	530	(215)	(589)	885	(81)	3,926	4,866	0	4,866
Disposals	0	0	0	0	0	0	0	0	0	0
Transfers from property, plant and equipment	0	524	0	0	0	0	0	524	0	524
<b>Balance at 31 March 2025</b>	<b>11,330</b>	<b>30,483</b>	<b>11,939</b>	<b>34,548</b>	<b>42,698</b>	<b>3,453</b>	<b>35,570</b>	<b>170,021</b>	<b>1,250</b>	<b>171,271</b>

Fair Value Measurement

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

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

Investment property class	Predominant valuation technique	Key unobservable inputs	Range of inputs
Central Cambridge shopping centres	Investment	Net initial yield	7.00% - 7.03%
Other retail	Investment	Yield	6.13% - 11.22%
Offices	Investment	Yield	6.11% - 10.21%
Industrial	Investment	Yield	4.64% - 8.25%
Land	Investment / Comparable	Net initial yield	2.40% - 6.09%
		Equivalent yield	4.26% - 8.19%
Leisure	Investment / Comparable	Equivalent yield	7.51% - 8.30%
Other	Investment / Comparable	Yield	4.00% - 12.00%

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

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

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

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

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

Income and Expenditure

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

	2024/25 £’000	2023/24 £’000
Rental income from investment property	(10,057)	(10,547)
Direct operating expenses arising from investment property	1,337	866
Net gain	(8,720)	(9,681)

Highest and Best Use

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

Operating Leases

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

	31 March 2025 £’000	31 March 2024 £’000
Not later than one year	7,054	6,574
Between one and five years	17,077	19,454
Later than five years	108,044	113,095
Total future minimum lease payments due under non-cancellable leases	132,175	139,123

The future minimum lease payments above do not include contingent rents. In 2024/25, contingent rents of £1,615,000 (2023/24: £1,600,000) were receivable.

Note 17 - Leases

The Council adopted the new leasing standard IFRS 16 from 1 April 2024.

The main impact of the new requirements is that for arrangements previously accounted for as operating leases (i.e. 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 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 4.88%.
- Right-of-use assets are measured at the amount for 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 none were.

This has resulted in the following additions to the balance sheet as at 1 April 2024:

- £984,000 Property, plant and equipment – buildings (right-of-use assets)
- £113,000 Short term creditors (lease liabilities)
- £861,000 Long term creditors (lease liabilities)

At 1 April 2024, £40,975,000 has been reclassified from property, plant and equipment (other land and buildings) to right-of-use Assets. This relates to three car parks held by the Council under finance leases. Since the leases are at peppercorn rent, there is no associated lease liability.

No operating lease commitments were disclosed in the 2023/24 financial statements as these were not material.

Movement on Right-of-Use Assets

This table shows the change in the value of the right-of-use assets held under lease by the Council:

	Land and buildings £'000
Balance at 1 April 2024	984
Assets reclassified from property, plant and equipment	40,975
Revaluation decreases recognised in the revaluation reserve	(797)
Revaluation decreases recognised in the surplus on the provision of services	(2,995)
Depreciation	(1,140)
Balance at 31 March 2025	37,027

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

	Right-of-use Asset £'000
Valued at current value as at:	
31 March 2025	36,164
31 March 2024	863
Total	37,027

Transactions under Leases

The authority incurred the following expenses and cash flows in relation to leases:

	2024/25 £'000
Comprehensive income and expenditure statement	
Interest expense on lease liabilities	6
Revaluation recognised in the surplus on the provision of services	2,995

Maturity analysis of lease liabilities

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

	31 March 2025 £'000
Not later than one year	124
Between one and five years	256
Later than five years	481
Total undiscounted liabilities	861

Note 18 – Financial Instruments

Categories of Financial Instruments

Financial Assets

	Long-term								Short-term						Total	
	Loans to joint ventures		Loan to subsidiary		Other long-term investments		Debtors		Investments		Cash and cash equivalents		Debtors			
	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000
Fair value through profit or loss	0	0	0	0	14,234	13,965	596	646	0	10,302	0	0	0	0	14,830	24,913
Amortised cost	27,483	19,228	7,500	7,500	2,850	2,850	8	819	16,490	39,736	12,793	21,872	9,191	7,487	76,315	99,492
<b>Total financial assets</b>	<b>27,483</b>	<b>19,228</b>	<b>7,500</b>	<b>7,500</b>	<b>17,084</b>	<b>16,815</b>	<b>604</b>	<b>1,465</b>	<b>16,490</b>	<b>50,038</b>	<b>12,793</b>	<b>21,872</b>	<b>9,191</b>	<b>7,487</b>	<b>91,145</b>	<b>124,405</b>
Assets not defined as financial instruments	0	0	0	0	0	0	227	2,447	0	0	0	0	8,038	5,835	8,265	8,282
<b>Total</b>	<b>27,483</b>	<b>19,228</b>	<b>7,500</b>	<b>7,500</b>	<b>17,084</b>	<b>26,815</b>	<b>831</b>	<b>3,912</b>	<b>16,490</b>	<b>50,038</b>	<b>12,793</b>	<b>21,872</b>	<b>17,229</b>	<b>13,322</b>	<b>99,410</b>	<b>132,687</b>

Financial Liabilities

	Long-term				Short-term				Total	
	Borrowing		Creditors		Borrowing		Creditors			
	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000
Amortised cost	(242,985)	(213,572)	(737)	0	(705)	(82)	(22,348)	(21,739)	(266,775)	(235,393)
<b>Total financial liabilities</b>	<b>(242,985)</b>	<b>(213,572)</b>	<b>(737)</b>	<b>0</b>	<b>(705)</b>	<b>(82)</b>	<b>(22,348)</b>	<b>(21,739)</b>	<b>(266,775)</b>	<b>(235,393)</b>
Liabilities not defined as financial instruments	0	0	0	0	0	0	(20,937)	(32,531)	(20,937)	(32,531)
<b>Total</b>	<b>(242,985)</b>	<b>(213,572)</b>	<b>(737)</b>	<b>0</b>	<b>(705)</b>	<b>(82)</b>	<b>(43,285)</b>	<b>(54,270)</b>	<b>(287,712)</b>	<b>(267,924)</b>

### Income, Expense, Gains and Losses

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

	2024/25		2023/24	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
<b>Net (gains) / losses on:</b>				
Financial assets measured at fair value through profit or loss	(575)		287	
<b>Total net (gains) / losses</b>		<b>(575)</b>		<b>287</b>
<b>Interest revenue:</b>				
Financial assets measured at fair value through profit or loss	(752)		(742)	
Financial assets measured at amortised cost	(5,188)		(7,107)	
<b>Total interest revenue</b>		<b>(5,940)</b>		<b>(7,849)</b>
Interest expense on financial liabilities measured at amortised cost		7,980		7,494
<b>Net (income) / expenditure recognised in surplus or deficit on the provision of services</b>		<b>1,465</b>		<b>(68)</b>

### Fair Value

#### Financial Assets Measured at Fair Value

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

	<b>Fair value hierarchy input level</b>	<b>Valuation technique</b>	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Investments in pooled investment vehicles	Level 1	Unadjusted quoted prices in active markets for identical units	14,234	23,017
Soft loans	Level 3	Present value of likely future cash flows	596	646
Contingent proceeds from disposal of assets	Level 3	Present value of likely estimated sales proceeds	0	1,250
<b>Total financial assets held at fair value</b>			<b>14,830</b>	<b>24,913</b>

#### Financial Assets Not Measured at Fair Value

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

- For instruments which will mature in the next 12 months, carrying value is taken as an approximation of fair value.
- No early repayments are assumed.
- The fair value of long-term borrowing from the Public Works Loan Board (PWLb) is calculated using the average new loans rate for the year of 5.90% (2023/24: 5.17%).

	31 March 2025		31 March 2024	
	<b>Carrying amount £'000</b>	<b>Fair value £'000</b>	<b>Carrying amount £'000</b>	<b>Fair value £'000</b>
<b>Financial assets</b>				
Loans to joint ventures	27,483	25,948	19,228	18,548
Loan to subsidiary	7,500	6,955	7,500	7,041
Other long-term investments	2,850	2,722	2,850	2,662
Long-term debtors	8	8	819	819
Short-term investments	16,490	16,490	39,736	39,736
Cash and cash equivalents	12,793	12,793	21,872	21,872
Short-term debtors	9,191	9,191	7,487	7,487
<b>Total financial assets held at amortised cost</b>	<b>76,315</b>	<b>74,107</b>	<b>99,492</b>	<b>98,165</b>
<b>Financial liabilities</b>				
Long-term borrowing	(242,985)	(165,112)	(213,572)	(190,669)
Short-term borrowing	(705)	(705)	(82)	(82)
Long-term creditors	(737)	(737)	0	0
Short-term creditors	(22,348)	(22,348)	(21,739)	(21,739)
<b>Total financial liabilities held at amortised cost</b>	<b>(266,775)</b>	<b>(189,902)</b>	<b>(235,393)</b>	<b>(212,490)</b>

### Note 19 – Long-term Debtors

	<b>31 March 2025 £'000</b>	<b>31 March 2024 £'000</b>
Prepayments	71	2,291
Other receivables	760	1,621
<b>Total long-term debtors</b>	<b>831</b>	<b>3,912</b>



## Note 20 – Short-term Debtors

	31 March 2025	31 March 2024
	<u>£'000</u>	<u>£'000</u>
Trade receivables	3,802	4,605
Prepayments	3,007	3,605
Other receivables	10,420	5,112
<b>Total short-term debtors</b>	<b>17,229</b>	<b>13,322</b>

## Note 21 – Short-term Creditors

	31 March 2025	31 March 2024
	<u>£'000</u>	<u>£'000</u>
Trade creditors	(213)	(6,191)
Receipts in advance	(12,913)	(7,879)
Other creditors	(30,035)	(40,200)
Lease liability	(124)	0
<b>Total short-term creditors</b>	<b>(43,285)</b>	<b>(54,270)</b>

## Note 22 – Provisions and Contingencies

## Provisions

	Business rates appeals <u>£'000</u>	Other <u>£'000</u>	Total <u>£'000</u>
<b>Balance at 1 April 2023</b>	<b>(2,984)</b>	<b>(907)</b>	<b>(3,891)</b>
Additional provisions made	(2,378)	(703)	(3,081)
Amounts used	2,984	66	3,050
Unused amounts reversed	0	165	165
<b>Balance at 31 March 2024</b>	<b>(2,378)</b>	<b>(1,379)</b>	<b>(3,757)</b>
Additional provisions made	(3,779)	(2,359)	(6,138)
Amounts used	2,695	746	3,441
Unused amounts reversed	0	642	642
<b>Balance at 31 March 2025</b>	<b>(3,462)</b>	<b>(2,350)</b>	<b>(5,812)</b>

The **business rates appeals provision** represents the best estimate of the Council's share of the amount repayable to ratepayers, for years up to 31 March 2025, following successful rating valuation appeals. The estimate is calculated with the assistance of an external expert, using data from the Valuation Office Agency (VOA) on outstanding appeals and the outcomes of historic appeals. The timing and amount of payments remains uncertain, as the settlement of appeals is outside of the Council's control.

**Other provisions** reflect amounts provided for in respect of redundancy costs linked to restructuring approved prior to 31 March 2025 and the Council's estimate of costs it will incur to settle insurance claims accepted by the Council's insurers as at 31 March 2025.

## Contingent Assets

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

## Note 23 – Defined Benefit Pension Scheme

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

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

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

Transactions relating to the Defined Benefit Pension Scheme

<b>Total charged to General Fund and Housing Revenue Account</b>	<b>8,246</b>	<b>9,006</b>
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	<b>2024/25</b>		<b>2023/24</b>	
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Comprehensive Income and Expenditure Statement</u></b>				
<b>Cost of services:</b>				
Current service cost	6,203		6,596	
Past service costs (including settlements and curtailments)	391		1,041	
<b>Financing and investment expenditure:</b>				
Net interest income	(1,093)		(471)	
<b>Total charged to surplus or deficit on the provision of services</b>		<b>5,501</b>		<b>7,166</b>
<b>Remeasurement of the net defined benefit asset:</b>				
Return on plan assets (excluding amount included in net interest expense)	10,322		(19,367)	
Changes in demographic assumptions	(516)		(1,560)	
Changes in financial assumptions	(45,201)		(16,856)	
Other experience	(2,863)		9,360	
Changes in the effect of the asset ceiling	89,708		19,055	
<b>Total charged to other comprehensive income and expenditure</b>		<b>51,450</b>		<b>(9,368)</b>
<b>Total charged to Comprehensive Income and Expenditure Statement</b>		<b>56,951</b>		<b>(2,202)</b>
<b><u>Movement in Reserves Statement – General Fund and Housing Revenue Account</u></b>				
Net charges included in surplus or deficit on the provision of services as above		5,501		7,166
Reversal of net charges included in surplus or deficit on the provision of services		(5,501)		(7,166)
Insertion of employer contributions due under the pension scheme regulations		8,246		9,006

Reconciliation of Plan Assets and Liabilities

	Plan assets		Plan liabilities		Net defined benefit liability	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 April	312,555	298,488	(294,482)	(291,623)	18,073	6,865
Current service cost	0	0	(6,203)	(6,596)	(6,203)	(6,596)
Past service costs (including settlements and curtailments)	0	0	(391)	(1,041)	(391)	(1,041)
Interest income and expense	15,303	14,279	(14,210)	(13,808)	1,093	471
Remeasurement of the net defined benefit asset:						
Return on plan assets (excluding amount included in net interest expense)	(10,321)	19,367	0	0	(10,321)	19,367
Changes in demographic assumptions	0	0	516	1,560	516	1,560
Changes in financial assumptions	0	0	45,201	16,856	45,201	16,856
Other experience	0	0	2,863	(9,360)	2,863	(9,360)
Contributions from employer	8,246	9,006	0	0	8,246	9,006
Contributions from employees	2,009	1,960	(2,009)	(1,960)	0	0
Benefits paid	(11,220)	(11,490)	11,220	11,490	0	0
Changes in the effect of the asset ceiling	(89,708)	(19,055)	0	0	(89,708)	(19,055)
Balance at 31 March	226,864	312,555	(257,495)	(294,482)	(30,631)	18,073

Fair Value of Plan Assets

	31 March 2025			31 March 2024		
	Quoted prices in active markets	Quoted prices not in active markets	Total	Quoted prices in active markets	Quoted prices not in active markets	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Equity securities	16,041	0	16,041	21,182	0	21,182
Debt securities – UK government	0	20,121	20,121	0	26,572	26,572
Private equity	0	28,736	28,736	0	38,093	38,093
Real estate – UK property	0	21,418	21,418	0	25,248	25,248
Derivatives	0	(3)	(3)	0	2	2
Cash and cash equivalents	5,287	0	5,287	6,785	0	6,785
Investment funds and unit trusts:						
Equities	0	88,947	88,947	0	127,407	127,407
Bonds	0	29,870	29,870	0	44,859	44,859
Infrastructure	0	16,447	16,447	0	22,407	22,407
Total plan assets	21,328	205,536	226,864	27,967	284,588	312,555

Actuarial Assumptions

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

	31 March 2025	31 March 2024
Pension increase rate (CPI)	2.75%	2.75%
Salary increase rate	3.25%	3.25%
Discount rate (for plan liabilities)	5.80%	4.85%
Longevity at 65:		
Current pensioners – men	21.4 years	21.5 years
Current pensioners – women	24.2 years	24.3 years
Future pensioners (aged 45 at last valuation date) – men	22.4 years	22.5 years
Future pensioners (aged 45 at last valuation date) – women	25.9 years	25.9 years

The estimation of the plan liabilities is sensitive to the actuarial assumptions in the table above. The sensitivity analysis below is based upon reasonably possible changes to the assumptions used at the Balance Sheet date. It assumes in each case that the assumption analysed changes whilst all other assumptions remain constant. In practice, this is unlikely to occur, as changes in some of the

assumptions may be interrelated. The estimations used in the sensitivity analysis have followed the accounting policies for the scheme.

Change in assumption as at 31 March 2025	Approximate increase in plan liabilities	
	%	£'000
0.1% decrease in real discount rate	2	4,453
1 year increase in member life expectancy	4	10,300
0.1% increase in salary increase rate	0	202
0.1% increase in pension increase rate (CPI)	2	4,375

Funding Policy

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

Employer contributions in 2025/26 are projected to be £5.352 million.

Note 24 – Cash Flows from Operating Activities

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

	2024/25	2023/24
	£'000	£'000
Interest received	4,893	7,387
Interest paid	(7,500)	(7,494)
Dividends received	729	677

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

	2024/25	2023/24
	£'000	£'000
<b><u>Non-cash movements</u></b>		
Depreciation	17,680	17,141
Amortisation	224	199
Increase in impairment for bad debts	352	335
Decrease in creditors	(3,661)	(5,717)
Decrease / (increase) in debtors	1,186	(5,493)
(Increase) / decrease in inventories	(26)	29
Movement in pension liability	(2,745)	(1,840)
Carrying amount of non-current assets and assets held for sale disposed of	4,935	4,944
Other non-cash items credited to surplus on the provision of services	23,637	37,916
<b>Total adjustments to net surplus or deficit on the provision of services for non-cash movements</b>	<b>41,582</b>	<b>47,512</b>
<b><u>Items that are investing and financing activities</u></b>		
Proceeds from sale of property, plant and equipment, investment property and intangible assets	(7,105)	(5,424)
Capital grants receivable	(20,156)	(13,144)
<b>Total adjustments from items included in the net surplus or deficit on the provision of services that are investing or financing activities</b>	<b>(27,261)</b>	<b>(18,568)</b>

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

	1 April 2023	Financing Cash Flows	31 March 2024	Financing Cash Flows	31 March 2025
	£'000	£'000	£'000	£'000	£'000
Long-term borrowings	(213,572)	0	(213,572)	(29,413)	(242,985)
Short-term borrowings	(82)	0	(82)	(623)	(705)
Short-term creditors: business rates and council tax collected as an agent for others	(19,179)	8,449	(10,730)	5,873	(4,857)
<b>Total liabilities from financing activities</b>	<b>(232,833)</b>	<b>8,449</b>	<b>(224,384)</b>	<b>(24,163)</b>	<b>(248,547)</b>
Short-term debtors: business rates and council tax collected as an agent for others	0	0	0	1,155	1,155
<b>Total assets from financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,155</b>	<b>1,155</b>

Note 26 – Members’ Allowances

The total of members’ allowances and expenses paid in the year was £534,000 (2023/24: £484,000).

## Note 27 – Officers' Remuneration

## Senior Employees

	2024/25				2023/24		
	Salary, fees, allowances £	Pension contribution £	Termination payments £	Total £	Salary, fees, allowances £	Pension contribution £	Total £
Chief Executive	140,438	24,717	0	165,155	121,819	23,222	145,041
Assistant Chief Executive <sup>1</sup>	91,447	16,095	222,559	330,101	88,473	15,571	104,044
Director Major Regeneration <sup>2</sup>	109,368	19,249	0	128,617	109,368	19,249	128,617
Director of Communities <sup>3</sup>	108,215	19,046	0	127,261	43,990	7,742	51,732
Chief Operating Officer <sup>4</sup>	106,228	18,730	0	124,958	107,787	18,971	126,758
Director of City Services <sup>5</sup>	106,228	18,730	0	124,958	87,014	15,314	102,328
Chief Finance Officer <sup>6</sup>	74,940	13,231	0	88,171	0	0	0
Director of Economy and Place <sup>7</sup>	25,256	4,445	0	29,701	0	0	0

1. Redundant 31 March 2025

2. Previously Director of Enterprise and Sustainable Development until 29 November 2023

3. Appointed 1 November 2023

4. Previously Director of Communities & Neighbourhoods until 23 May 2023; also includes remuneration in respect of a period of acting up to Chief Executive from 16 November 2023 to 29 January 2024

5. Appointed 24 May 2023

6. Appointed 28 May 2024

7. Appointed 13 January 2025

## Other Employees

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

Remuneration band	2024/25 No. of employees	2023/24 No. of employees
£50,000 - £54,999	52	42
£55,000 - £59,999	32	16
£60,000 - £64,999	9	11
£65,000 - £69,999	3	4
£70,000 - £74,999	5	3
£75,000 - £79,999	2	1
£80,000 - £84,999	2	0
£85,000 - £89,999	3	3

## Exit Packages

Exit package cost band (including special payments)	Total number of exit packages		Total cost of exit packages	
	2024/25 No.	2023/24 No.	2024/25 £'000	2023/24 £'000
<b>Compulsory redundancies</b>				
£0 - £20,000	12	2	131	30
£20,001 - £40,000	11	2	333	58
£40,001 - £60,000	3	0	135	0
£60,001 - £80,000	5	0	367	0
£80,001 - £100,000	1	0	96	0
£100,001 and above	3	5	408	756
<b>Total compulsory redundancies</b>	<b>35</b>	<b>9</b>	<b>1,470</b>	<b>844</b>
<b>Other departures</b>				
£0 - £20,000	6	2	35	12
<b>Total other departures</b>	<b>6</b>	<b>2</b>	<b>35</b>	<b>12</b>
<b>Total exit packages</b>	<b>41</b>	<b>11</b>	<b>1,505</b>	<b>856</b>

Note 28 – Related Party Transactions

Central Government and Other Public Bodies

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

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

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

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

Members

Members of the Council have direct control over its financial and operating policies. The total of members’ allowances and expenses paid in 2024/25 is set out at note 26.

Members are required to make declarations of interest concerning third parties. Details are recorded in the Council’s [Register of Interests](#)<sup>10</sup> which is open to public inspection and available on the Council’s website. The following table sets out transactions and balances (material to either party) between the Council and other organisations in which members have declared a controlling interest:

Organisation	Relationship	Income from services provided		Grants paid to organisation		Year-end debtor / (creditor)	
		2024/25	2023/24	2024/25	2023/24	31 March 2025	31 March 2024
		£’000	£’000	£’000	£’000	£’000	£’000
Cambridge BID Ltd	One member was a director	(103)	(114)	27	191	0	(23)
Cambridge Sustainable Food CIC	Two members sat on Partnership Board	(21)	(20)	58	106	(2)	(1)

In addition to the amounts in the table above, the Council acts as agent for Cambridge BID Ltd in collecting levy payments from local businesses. During 2024/25, the Council collected £1.157 million (2023/24: £1.193 million) and paid £1.151 million (2023/24: £1.192 million) to Cambridge BID Ltd. On 31 March 2025, the outstanding creditor balance in respect of levies due was nil (31 March 2024: £21,000).

Subsidiaries and Joint Ventures

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

	Cambridge Investment Partnership		Cambridge City Housing Company		Storey’s Field Community Trust	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
	£’000	£’000	£’000	£’000	£’000	£’000
<b>Income</b>						
Management fees and recharged costs	(372)	(381)	(70)	(83)	(116)	(176)
Section 106 capital contributions	(1,024)	(168)	0	0	0	0
Interest receivable on loans	0	0	(152)	(152)	0	0
<b>Expenditure</b>						
Capital expenditure – new development	10,039	8,300	0	0	0	0
Grants paid	0	0	9	5	0	0
Services provided	0	0	0	0	3	4
<b>Balance Sheet</b>						
Loans	27,483	19,228	7,500	7,500	0	0
Short-term debtors	416	12	0	0	0	116

<sup>10</sup> <https://www.cambridge.gov.uk/councillors-duties-conduct-and-allowances>

Short-term creditors	0	0	0	0	0	(1)
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The **Cambridge Investment Partnership (CIP)** consists of the following four limited liability partnerships (LLPs) in which the Council holds a 50% interest and exercises joint control:

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

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

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

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

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

Income amounts received from Virido Management Company Limited during 2024/25 totalled £24,000 (2023/24: £24,000). The 31 March 2025 year-end debtor balance was £26,000 (31 March 2024: £24,000). Amounts paid by the Council to Virido Management Company Limited in 2024/25 were £261,000 (2023/24: £229,000), and the outstanding creditor balance was nil (31 March 2024: £111,000). There were no transactions in 2024/25 or 2023/24 in relation to the other entities.

Both Cambridge Live and Cambridge Live (Trading) Limited were dissolved on 2 April 2024. Their former activities were reintegrated back into the Council.

Note 29 – Grant Income

	2024/25		2023/24	
	£’000	£’000	£’000	£’000
<b><u>Credited to taxation and non-specific grant income</u></b>				
Business rates relief grant – retail discount, nursery relief and Covid-19 Additional Relief Fund	26		(3,295)	
Business rates relief grant – other	(3,772)		(3,235)	
Capital grants and contributions	(20,156)		(13,144)	
New Homes Bonus	(1,733)		(53)	
Other grants and contributions	(2,830)		(3,997)	
<b>Total credited to taxation and non-specific grant income</b>		<b>(28,465)</b>		<b>(23,726)</b>
<b><u>Credited to services</u></b>				
Housing benefit subsidy	(27,403)		(27,905)	
Other grants and contributions	(6,418)		(8,357)	
<b>Total credited to services</b>		<b>(33,821)</b>		<b>(36,262)</b>
<b>Total grants and contributions</b>		<b>(62,286)</b>		<b>(59,988)</b>

Council Acting as Distributary Agent

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

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

	Housing Infrastructure Fund £'000	Other £'000	Total £'000
<b>Balance at 1 April 2023</b>	<b>0</b>	<b>(326)</b>	<b>(326)</b>
Cash received from central government	0	(586)	(586)
Cash distributed to grant recipients	0	419	419
Cash repaid to central government	0	493	493
<b>Balance at 31 March 2024</b>	<b>0</b>	<b>0</b>	<b>0</b>
Cash received from central government	(11,541)	0	0
Cash distributed to grant recipients	11,541	0	0
Cash repaid to central government	0	0	0
<b>Balance at 31 March 2025</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

### Note 30 – External Audit Costs

	2024/25 £'000	2023/24 £'000
Fees payable to EY for external audit services carried out by the appointed auditor for the year	180	90
Additional fees payable to EY for external audit services carried out by the appointed auditor for previous years	84	35
Fees payable to EY for the certification of grant claims and returns	18	12
<b>Total fees payable to EY</b>	<b>282</b>	<b>137</b>

### Note 31 – Capital Expenditure and Financing

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

	2024/25 £'000	2023/24 £'000
<b>Capital Financing Requirement at 1 April</b>	<b>285,942</b>	<b>269,964</b>
<b>Capital investment:</b>		
Property, plant and equipment	100,754	89,089
Investment property	210	172
Intangible assets	42	47
Revenue expenditure funded from capital under statute	6,849	4,083
Repayment of Capital Grants	0	107
Capital loans advanced	7,213	13,919
<b>Capital financing applied:</b>		
Capital receipts	(16,049)	(25,785)
Capital grants and contributions	(13,764)	(22,031)
Major Repairs Reserve	(12,093)	(19,168)
Direct revenue contributions (towards in year capital investment)	(19,342)	(24,141)
Minimum revenue provision (towards historic unfinanced capital investment)	(326)	(314)
<b>Increase in Capital Financing Requirement</b>	<b>53,494</b>	<b>15,978</b>
<b>Capital Financing Requirement at 31 March</b>	<b>339,436</b>	<b>285,942</b>

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

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

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

The Council's approach to managing these risks is set out in the Treasury Management Strategy and Capital Strategy. These are refreshed annually and approved by Full Council and are available to

view on the Council's [website](#)<sup>11</sup>. Day to day risk management is carried out by the Finance team in accordance with these strategies.

### Credit Risk

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

### Investments

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

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

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

In light of the above, there are no expected credit losses arising from investments as of 31 March 2025 (31 March 2024: nil).

### Receivables

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

	2024/25 £'000	2023/24 £'000
<b>Balance at 1 April</b>	<b>(3,587)</b>	<b>(3,154)</b>
Opening balance adjustment	(392)	0
Amounts written off	275	3
Increase in credit loss allowance	(372)	(436)
<b>Balance at 31 March</b>	<b>(4,076)</b>	<b>(3,587)</b>

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

	31 March 2025			31 March 2024		
	Gross debtor £'000	Credit loss allowance £'000	Carrying value £'000	Gross debtor £'000	Credit loss allowance £'000	Carrying value £'000
Current and former HRA tenants	3,760	(2,882)	878	2,847	(2,356)	491
Other debtors	9,515	(1,194)	8,321	9,438	(1,623)	7,815
<b>Total</b>	<b>13,275</b>	<b>(4,076)</b>	<b>9,199</b>	<b>12,285</b>	<b>(3,979)</b>	<b>8,306</b>

### Liquidity Risk

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

	31 March 2025			31 March 2024		
	Principal repayments £'000	Interest payments £'000	Total payments £'000	Principal repayments £'000	Interest payments £'000	Total payments £'000
Less than 1 year	391	7,991	8,382	0	7,494	7,494
Between 1 and 5 years	1,630	31,900	33,530	0	29,977	29,977
Between 5 and 10 years	2,196	39,715	41,911	0	37,471	37,471
Between 10 and 15 years	34,423	38,415	72,838	21,357	37,102	58,459
Between 15 and 20 years	55,988	30,021	86,009	53,393	30,044	83,437
Between 20 and 25 years	56,213	20,406	76,619	53,393	20,667	74,060
Between 25 and 30 years	56,458	10,748	67,206	53,393	11,253	64,646
Between 30 and 35 years	24,689	2,231	26,920	32,036	2,246	34,282
Between 35 and 40 years	3,621	819	4,440	0	0	0
Between 40 and 45 years	3,936	504	4,440	0	0	0
Between 45 and 50 years	3,834	162	3,996	0	0	0
<b>Total</b>	<b>243,379</b>	<b>182,912</b>	<b>426,291</b>	<b>213,572</b>	<b>176,254</b>	<b>389,826</b>

<sup>11</sup> <https://democracy.cambridge.gov.uk/mgAi.aspx?ID=34008#mgDocuments>

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

Market Risk

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

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

The following investment balances are subject to price risk:

Investment type	Fair value at 31 March 2025	Change in value considered reasonably possible	Impact on surplus or deficit on the provision of services of reasonably possible change in value
	£’000	%	£’000
Pooled investment vehicles	14,234	20	2,847

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

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

Note 33 – Going Concern

The Council has applied the going concern basis to prepare these financial statements having considered its forecast reserve balances, forecast income and expenditure, and accompanying cash flows for the period to 30 June 2026.

Reserve Balances

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

The Council’s General Fund reserve balance at 31 March 2025, as reported in these statements, is £18.863 million.

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

Date	General Fund £’000
31 March 2026	10,727

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

Liquidity

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

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

External Factors

The Council recognises that delivery of its [Medium-Term Financial Strategy](#)<sup>12</sup> (MTFS) is partly dependent on the accuracy of the assumptions management have made about the economic environment in which the Council operates. The MTFS includes, at section 7, a series of scenarios exploring the impact on the Council’s future finances should actual experience differ from the assumptions made in key areas, such as inflation, interest rates, and the future of local government funding. The Council continues to hold sufficient reserve balances to be able to manage the impact of such changes over a reasonable period of time, as set out above.

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

<sup>12</sup> <https://democracy.cambridge.gov.uk/documents/s67048/Appendix%201%20-%20GF%20MTFS%202025-26%20to%202034-35.pdf>



## Housing Revenue Account Income and Expenditure Statement

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

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
<b>Expenditure:</b>				
Repairs and maintenance	16,328		14,332	
Supervision and management	9,417		9,394	
Rents, rates, taxes and other charges	268		365	
Depreciation, impairment, derecognition and revaluation losses on non-current assets (net of reversals)	33,990		52,450	
Movement in the allowance for bad debts	527		483	
HRA share of corporate and democratic core costs	521		574	
<b>Total expenditure</b>		<b>61,051</b>		<b>77,598</b>
<b>Income:</b>				
Dwelling rents	(50,549)		(44,460)	
Non-dwelling rents	(834)		(840)	
Charges for services and facilities	(4,112)		(5,005)	
Contributions towards expenditure	(559)		(531)	
Reimbursement of costs	(37)		(92)	
<b>Total income</b>		<b>(56,091)</b>		<b>(50,928)</b>
<b>Net expenditure on HRA services as included in the Comprehensive Income and Expenditure Statement</b>		<b>4,960</b>		<b>26,670</b>
<b>HRA share of other income and expenditure included in the Comprehensive Income and Expenditure Statement:</b>				
Gain on sale of HRA non-current assets	(2,170)		(473)	
Interest payable and similar charges	7,494		7,494	
HRA interest and investment income	(1,724)		(2,510)	
Capital grants and contributions	(8,880)		(12,941)	
<b>(Surplus) / deficit for the year on HRA services</b>		<b>(320)</b>		<b>18,240</b>

## Movement on the Housing Revenue Account Statement

	2024/25		2023/24	
	£'000	£'000	£'000	£'000
(Surplus) / deficit for the year on HRA services		(320)		18,240
<b>Adjustments between accounting basis and funding basis under statutory provisions:</b>				
Depreciation, derecognition, impairment and revaluation gains and losses on property, plant and equipment	(21,897)		(40,965)	
Movements in the fair value of investment properties	135		(335)	
Capital grants and contributions	8,880		12,941	
Revenue expenditure funded from capital under statute	(8)		0	
Costs of disposal funded from capital receipts	(117)		(150)	
Gain on sale of HRA non-current assets	2,170		473	
Capital expenditure funded by the HRA	10,473		23,111	
HRA share of contributions to the Pensions Reserve	347		266	
Transfers to the General Fund under statutory provisions	448		72	
Movements in the accumulated absences accrual	11		0	
<b>Total adjustments between accounting basis and funding basis under statutory provisions</b>		<b>442</b>		<b>(4,587)</b>
<b>Net increase in HRA before transfers from earmarked reserves</b>		<b>122</b>		<b>13,653</b>
Transfers from earmarked reserves		(116)		(14,524)
<b>Decrease / (increase) in year in the HRA</b>		<b>6</b>		<b>(871)</b>
<b>Balance at 1 April</b>		<b>(7,566)</b>		<b>(6,695)</b>
<b>Balance at 31 March</b>		<b>(7,560)</b>		<b>(7,566)</b>

## Notes to the Housing Revenue Account Statements

## 1 Dwelling Stock

	31 March 2025 No.	31 March 2024 No.
Sheltered housing units	522	522
Shared ownership properties (whole property equivalent)	41	42
Other houses and bungalows	3,567	3,562
Other flats and maisonettes	3,550	3,503
<b>Total dwelling stock (whole property equivalent)</b>	<b>7,680</b>	<b>7,629</b>

## 2 Non-Current Assets

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

	Net Book Value		Depreciation charged for the year	
	31 March 2025 £'000	31 March 2024 £'000	2024/25 £'000	2023/24 £'000
<b>Property, plant and equipment:</b>				
Council dwellings	831,331	819,941	11,655	11,114
Other land and buildings	9,275	9,660	163	163
Vehicles, plant, furniture and equipment	101	76	26	13
Infrastructure assets	5,869	5,229	120	91
Assets under construction	37,934	31,332	0	0
<b>Total property, plant and equipment</b>	<b>884,510</b>	<b>866,238</b>	<b>11,964</b>	<b>11,381</b>
Investment property	7,508	7,537	0	0
Intangible assets	62	209	129	104
<b>Total non-current assets</b>	<b>892,080</b>	<b>873,984</b>	<b>12,093</b>	<b>11,485</b>

The value of council dwellings at 31 March 2025, based upon vacant possession, was £2.188 billion (31 March 2024: £2.158 billion). This is the estimate of the total sum that would be received if all dwellings were sold with vacant possession on the open market. However, the Balance Sheet value above is calculated based on existing use value – social housing (EUV-SH), which considers the fact that the dwellings are subject to ongoing tenancies at less than market rent. The difference between the two valuations shows the economic cost of providing housing at less than market rents.

## 3 Capital Expenditure and Financing

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

	2024/25 £'000	2023/24 £'000
<b>Capital expenditure:</b>		
Property, plant and equipment	57,146	70,951
Investment property	30	0
Intangible assets	2	92
<b>Total capital expenditure</b>	<b>57,178</b>	<b>71,043</b>
<b>Financed by:</b>		
Capital receipts	(13,016)	(12,128)
Capital grants and contributions	(6,382)	(16,636)
Major Repairs Reserve	(12,093)	(19,168)
Direct revenue contributions	(10,473)	(23,111)
Borrowing	(15,214)	0
<b>Total capital financing applied</b>	<b>(57,178)</b>	<b>(71,043)</b>

## 4 Capital Receipts

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

	2024/25 £'000	2023/24 £'000
<b>Capital receipts from the disposal of:</b>		
Council dwellings	6,883	4,512
Other land	222	80
<b>Total capital receipts retained by Council</b>	<b>7,105</b>	<b>4,592</b>

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

## 5 Rent Arrears

Rent arrears at 31 March 2025 were £3.760 million (31 March 2024: £2.847 million). At 31 March 2025, a net provision for bad debt of £2.882 million was held on the Balance Sheet (31 March 2024: £2.356 million).

Collection Fund Statement

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

	Council tax		Business rates	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
<b><u>Income</u></b>				
Council tax and business rates receivable from taxpayers	(101,934)	(95,709)	(121,920)	(117,103)
Transitional protection payment receivable from central government	0	0	0	(8,114)
Transfers from General Fund in respect of locally funded discounts	(89)	(74)	0	0
<b>Contributions towards previous year’s Collection Fund deficit:</b>				
Cambridge City Council	0	0	(1,237)	0
Cambridgeshire County Council	0	0	(278)	0
Cambridgeshire and Peterborough Fire Authority	0	0	(31)	0
Central government	0	0	(1,547)	0
<b><u>Expenditure</u></b>				
<b>Council tax precepts and shares of business rates income distributed:</b>				
Cambridge City Council	10,253	9,813	54,412	51,472
Cambridgeshire County Council	73,686	69,178	12,243	11,581
Cambridgeshire and Peterborough Police and Crime Commissioner	12,986	12,219	0	0
Cambridgeshire and Peterborough Fire Authority	3,742	3,583	1,360	1,287
Cambridgeshire and Peterborough Combined Authority	1,638	538	0	0
Central government	0	0	68,014	64,339
<b>Distribution of previous year’s Collection Fund surplus:</b>				
Cambridge City Council	123	21	0	3,840
Cambridgeshire County Council	868	145	0	864
Cambridgeshire and Peterborough Police and Crime Commissioner	153	29	0	0
Cambridgeshire and Peterborough Fire Authority	45	6	0	96
Cambridgeshire and Peterborough Combined Authority	7	0	0	0
Central government	0	0	0	4,801
<b>Other expenditure:</b>				
Increase / (decrease) in provision for outstanding arrears	713	(594)	371	131
Increase / (decrease) in provision for outstanding appeals	0	0	2,710	(1,514)
Transitional protection payment payable to central government	0	0	290	0
Allowable collection costs payable to General Fund	0	0	236	238
Interest payable	0	0	391	0
<b>Total movement on fund balance</b>	<b>2,191</b>	<b>(845)</b>	<b>15,014</b>	<b>11,918</b>
<b>Collection Fund surplus at 1 April</b>	<b>(1,509)</b>	<b>(664)</b>	<b>(5)</b>	<b>(11,923)</b>
<b>Collection Fund (surplus) / deficit at 31 March</b>	<b>682</b>	<b>(1,509)</b>	<b>15,009</b>	<b>(5)</b>

Notes to the Collection Fund Statement

1 Collection Fund Balances

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

Entity	Council tax		Business rates	
	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000
Cambridge City Council	68	(153)	6,004	(2)
Cambridgeshire County Council	497	(1,099)	1,351	0
Cambridgeshire and Peterborough Police and Crime Commissioner	81	(197)	0	0
Cambridgeshire and Peterborough Fire Authority	25	(55)	149	0
Cambridgeshire and Peterborough Combined Authority	11	(5)	0	0
Central government	0	0	7,505	(3)
Total (surplus) / deficit	682	(1,509)	15,009	(5)

2 Council Tax Base

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

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

Entity	Council tax per band D property	
	2024/25 £	2023/24 £
Cambridge City Council	225.39	218.85
Cambridgeshire County Council	1,619.82	1,542.87
Cambridgeshire and Peterborough Police and Crime Commissioner	285.52	272.52
Cambridgeshire and Peterborough Fire Authority	82.26	79.92
Cambridgeshire and Peterborough Combined Authority	36.00	12.00
Total council tax due per band D property	2,248.99	2,126.16

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

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

Valuation band	2024/25				2023/24			
	Total chargeable dwellings	Equivalent dwellings after discounts, reliefs and exemptions	Ratio to band D	Band D equivalent dwellings	Total chargeable dwellings	Equivalent dwellings after discounts, reliefs and exemptions	Ratio to band D	Band D equivalent dwellings
	No.	No.		No.	No.	No.		No.
A	4,419	2,587	6/9	1,725	3,815	3,322	6/9	2,215
B	11,070	8,891	7/9	6,915	10,290	8,822	7/9	6,862
C	20,771	17,888	8/9	15,900	19,414	17,779	8/9	15,804
D	10,547	8,941	1	8,941	9,678	9,001	1	9,001
E	6,040	5,173	11/9	6,323	5,531	5,186	11/9	6,338
F	3,967	3,432	13/9	4,957	3,582	3,388	13/9	4,894
G	3,267	2,724	15/9	4,540	2,846	2,725	15/9	4,542
H	502	317	18/9	634	332	321	18/9	642
Total	60,583	49,953		49,935	55,488	50,544		50,298
Adjustments to tax base				(4,445)				(5,461)
Forecast tax base				45,490				44,837

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

3 Business Rates Multiplier and Rateable Value

The total rateable value of non-domestic properties within the Council area at 31 March 2025 was £354,272,266 (31 March 2024: £345,593,902). The standard business rates multiplier for 2024/25 as set by central government was 54.6p (2023/24: 51.2p).

### Group Comprehensive Income and Expenditure Statement (GCIES)

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

	Note	2024/25			2023/24		
		Gross expenditure £'000	Gross income £'000	Net expenditure £'000	Gross expenditure £'000	Gross income £'000	Net expenditure £'000
Climate Action and Environment		12,368	(3,516)	8,852	11,788	(3,367)	8,421
Communities		16,027	(6,807)	9,220	13,403	(7,166)	6,237
Community Wealth Building and Community Safety		1,611	(497)	1,114	1,555	(338)	1,217
Finance, Resources and Transformation		42,971	(31,852)	11,119	43,182	(29,779)	13,403
Housing and Homelessness		10,813	(4,118)	6,695	12,319	(5,653)	6,666
The Leader		6,591	(812)	5,779	7,712	(879)	6,833
Open Spaces and City Services		16,002	(12,236)	3,766	14,343	(11,913)	2,430
Planning, Building Control and Infrastructure		4,377	(2,947)	1,430	4,837	(2,202)	2,635
Housing Revenue Account		61,051	(56,062)	4,989	77,598	(50,890)	26,708
Other group housing services		151	(339)	(188)	132	(318)	(186)
<b>Cost of services</b>		<b>171,962</b>	<b>(119,186)</b>	<b>52,776</b>	<b>186,869</b>	<b>(112,505)</b>	<b>74,364</b>
Other operating income and expenditure		0	(2,170)	(2,170)	0	(480)	(480)
Financing and investment income and expenditure		10,090	(22,956)	(12,866)	11,277	(26,349)	(15,072)
Taxation and non-specific grant income		0	(41,108)	(41,108)	0	(39,010)	(39,010)
<b>(Surplus) / deficit on the provision of services</b>		<b>182,052</b>	<b>(185,420)</b>	<b>(3,368)</b>	<b>198,146</b>	<b>(178,344)</b>	<b>19,802</b>
Share of the (surplus) / deficit on the provision of services by joint ventures	3			(387)			(1,518)
<b>Group deficit</b>				<b>(3,755)</b>			<b>18,284</b>
Deficit / (surplus) on revaluation of non-current assets				3,096			(7,341)
Remeasurement of the net defined benefit asset / liability				51,450			(9,368)
<b>Other comprehensive income</b>				<b>54,546</b>			<b>(16,709)</b>
<b>Total comprehensive income</b>				<b>50,791</b>			<b>1,575</b>

## Group Movement in Reserves Statement (GMIRS)

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

	General Fund	Other earmarked General Fund reserves	Housing Revenue Account (HRA)	Earmarked HRA reserves	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Reserve	Total usable reserves	Unusable reserves	Total Council reserves	Council share of subsidiary and joint venture reserves	Total Group reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Balance at 1 April 2023</b>	<b>(28,061)</b>	<b>(28,788)</b>	<b>(6,695)</b>	<b>(17,328)</b>	<b>(35,729)</b>	<b>(7,684)</b>	<b>(21,203)</b>	<b>(145,488)</b>	<b>(958,802)</b>	<b>(1,104,290)</b>	<b>(6,208)</b>	<b>(1,110,498)</b>
<b>Movement in reserves during 2023/24:</b>												
Total comprehensive income and expenditure	1,714	0	18,278	0	0	0	0	19,992	(16,616)	3,376	(1,801)	1,575
Adjustments between Group accounts and Council accounts	(6,178)	0	(38)	0	0	0	0	(6,216)	0	(6,216)	6,216	0
<b>Net (increase) / decrease before transfers</b>	<b>(4,464)</b>	<b>0</b>	<b>18,240</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13,776</b>	<b>(16,616)</b>	<b>(2,840)</b>	<b>4,415</b>	<b>1,575</b>
Adjustments between accounting basis and funding basis under statutory provisions	(8,575)	0	(4,587)	0	10,731	7,684	8,887	14,140	(14,140)	0	0	0
Transfers to / from earmarked reserves	256	(256)	(14,524)	14,524	0	0	0	0	0	0	0	0
<b>(Increase) / decrease in year</b>	<b>(12,783)</b>	<b>(256)</b>	<b>(871)</b>	<b>14,524</b>	<b>10,731</b>	<b>7,684</b>	<b>8,887</b>	<b>27,916</b>	<b>(30,756)</b>	<b>(2,840)</b>	<b>4,415</b>	<b>1,575</b>
<b>Balance at 31 March 2024</b>	<b>(40,844)</b>	<b>(29,044)</b>	<b>(7,566)</b>	<b>(2,804)</b>	<b>(24,998)</b>	<b>0</b>	<b>(12,316)</b>	<b>(117,572)</b>	<b>(989,558)</b>	<b>(1,107,130)</b>	<b>(1,793)</b>	<b>(1,108,923)</b>
<b>Movement in reserves during 2024/25:</b>												
Total comprehensive income and expenditure	(2,879)	0	(291)	0	0	0	0	(3,170)	54,647	51,477	(686)	50,791
Adjustments between Group accounts and Council accounts	(925)	0	(29)	0	0	0	0	(954)	0	(954)	954	0
<b>Net (increase) / decrease before transfers</b>	<b>(3,804)</b>	<b>0</b>	<b>(320)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(4,124)</b>	<b>54,647</b>	<b>50,523</b>	<b>268</b>	<b>50,791</b>
Adjustments between accounting basis and funding basis under statutory provisions	2,539	0	442	0	9,010	0	(6,392)	5,599	(5,599)	0	0	0
Transfers to / from earmarked reserves	23,246	(23,246)	(116)	116	0	0	0	0	0	0	0	0
<b>(Increase) / decrease in year</b>	<b>21,981</b>	<b>(23,246)</b>	<b>6</b>	<b>116</b>	<b>9,010</b>	<b>0</b>	<b>(6,392)</b>	<b>1,475</b>	<b>49,048</b>	<b>50,523</b>	<b>268</b>	<b>50,791</b>
<b>Balance at 31 March 2025</b>	<b>(18,863)</b>	<b>(52,290)</b>	<b>(7,560)</b>	<b>(2,688)</b>	<b>(15,988)</b>	<b>0</b>	<b>(18,708)</b>	<b>(116,097)</b>	<b>(940,510)</b>	<b>(1,056,607)</b>	<b>(1,525)</b>	<b>(1,058,132)</b>

## Group Balance Sheet

	Note	31 March 2025		31 March 2024	
		£'000	£'000	£'000	£'000
Property, plant and equipment	4	1,080,444		1,069,473	
Heritage assets		669		669	
Investment property		169,840		164,421	
Right-of-use assets		37,027		0	
Intangible assets		255		404	
Loans to joint ventures		27,483		19,228	
Investments in joint ventures	3	376		739	
Other long-term investments		17,126		16,857	
Long-term debtors		831		3,912	
Net defined benefit pension asset		0		18,073	
<b>Long-term assets</b>		<b>1,334,051</b>		<b>1,293,776</b>	
Investment property held for sale		1,250		1,250	
Short-term investments		16,490		50,038	
Short-term debtors		17,230		13,324	
Inventories		197		171	
Cash and cash equivalents	GCFS	13,371		22,340	
<b>Current assets</b>		<b>48,538</b>		<b>87,123</b>	
Short-term borrowing		(705)		(82)	
Short-term creditors		(43,334)		(54,304)	
Provisions		(5,812)		(3,757)	
<b>Current liabilities</b>		<b>(49,851)</b>		<b>(58,143)</b>	
Long-term borrowing		(242,985)		(213,572)	
Long-term creditors		(737)		0	
Long-term receipts in advance		(89)		(97)	
Net defined benefit pension liability		(30,631)		0	
Other long-term liabilities		(164)		(164)	
<b>Long-term liabilities</b>		<b>(274,606)</b>		<b>(213,833)</b>	
<b>Net assets</b>		<b>1,058,132</b>		<b>1,108,923</b>	
Usable reserves		(116,426)		(118,177)	
Unusable reserves		(941,706)		(990,746)	
<b>Total reserves</b>		<b>(1,058,132)</b>		<b>(1,108,923)</b>	

The Group Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Group. The net assets of the Group (assets less liabilities) are matched by the reserves held by the Group. Reserves are reported in two categories. The first category of reserves are usable reserves, i.e. those reserves that may be used to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the capital receipts reserve may only be used to fund capital expenditure or repay debt). The second category of reserves are those that the Group is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (for example the revaluation reserve), where amounts would only become available to provide services if the assets are sold. It also includes reserves which reflect timing differences between the recognition of income and expenditure under generally accepted accounting practices, and the point at which it must be credited or charged to usable reserves under statutory provisions.

### Group Cash Flow Statement (GCFS)

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

	2024/25		2023/24	
	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>	<u>£'000</u>
Net surplus / (deficit) on the provision of services	3,368		(19,802)	
Adjust net surplus or deficit on the provision of services for non-cash movements	42,441		53,589	
Adjust for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(27,254)		(18,562)	
<b>Net cash flows from operating activities</b>		<b>18,555</b>		<b>15,225</b>
<b>Investing activities:</b>				
Purchase of property, plant and equipment, investment property and intangible assets	(102,590)		(91,472)	
Purchase of short-term and long-term investments	(72,213)		(154,081)	
Proceeds from the sale of property, plant and equipment, assets held for sale, investment property and intangible assets	6,592		5,179	
Proceeds from short-term and long-term investments	97,500		210,569	
Capital grants received	20,156		13,144	
Other receipts and payments from investing activities	23		24	
<b>Net cash flows from investing activities</b>		<b>(50,532)</b>		<b>(16,637)</b>
<b>Financing activities</b>		<b>23,008</b>		<b>(8,449)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(8,969)</b>		<b>(9,861)</b>
<b>Cash and cash equivalents at the beginning of the year:</b>				
Overnight money market funds	15,000		30,000	
Bank accounts	7,334		2,191	
Cash held by the Group	6		10	
<b>Total cash and cash equivalents at the beginning of the year</b>		<b>22,340</b>		<b>32,201</b>
<b>Cash and cash equivalents at the end of the year:</b>				
Overnight money market funds	0		15,000	
Bank accounts	13,366		7,334	
Cash held by the Group	5		6	
<b>Total cash and cash equivalents at the end of the year</b>		<b>13,371</b>		<b>22,340</b>

## Note 1 – Accounting Policies

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

### Basis of Consolidation

#### Control and Joint Control

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

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

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

#### Subsidiaries

Subsidiaries are separate entities which are controlled by the Council.

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

#### Joint Ventures

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

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

### Alignment of Accounting Policies

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

- Cambridge City Housing Company Ltd holds a portfolio of dwellings for rent. Within the company accounts these are accounted for as investment properties under International Accounting

Standard (IAS) 40. However, adjustments are made within the Group Financial Statements to account for these dwellings as property, plant and equipment (other land and buildings) using the Council's accounting policies (see note 2 to the Council Financial Statements – accounting policy 12). The difference in treatment reflects the fact that the Group's primary reason for holding the properties is service related (i.e. the provision of affordable housing), rather than solely to generate rental income.

## Note 2 – Group Composition

### Cambridge City Housing Company Ltd

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

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

### Cambridge Investment Partnership

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

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

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

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

### Note 3 – Joint Ventures

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

	Cambridge Investment Partnership LLP		CIP (Mill Road Development) LLP		CIP (Cromwell Road) LLP		CIP Orchard Park L2 LLP		Total	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Income	(7,061)	(12,622)	(433)	(20)	(30)	(30,340)	(312)	(8,428)	(7,836)	(51,410)
Expenditure	6,905	12,616	6	6	36	27,601	115	8,151	7,062	48,374
<b>(Profit) / loss from continuing operations and total comprehensive income</b>	<b>(156)</b>	<b>(6)</b>	<b>(427)</b>	<b>(14)</b>	<b>6</b>	<b>(2,739)</b>	<b>(197)</b>	<b>(277)</b>	<b>(774)</b>	<b>(3,036)</b>
Council share (50%)	(78)	(3)	(214)	(7)	3	(1,370)	(98)	(138)	(387)	(1,518)
<b>Share of the (surplus) / deficit on the provision of services by joint ventures recognised in the Group Comprehensive Income and Expenditure Statement</b>	<b>(78)</b>	<b>(3)</b>	<b>(214)</b>	<b>(7)</b>	<b>3</b>	<b>(1,370)</b>	<b>(98)</b>	<b>(138)</b>	<b>(387)</b>	<b>(1,518)</b>

	Cambridge Investment Partnership LLP		CIP (Mill Road Development) LLP		CIP (Cromwell Road) LLP		CIP Orchard Park L2 LLP		Total	
	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000	31 March 2025 £'000	31 March 2024 £'000
Current assets	55,427	45,840	274	1,670	811	1,633	114	1,366	56,626	50,509
Current liabilities (including members' loans)	(54,975)	(45,544)	(80)	(1,303)	(761)	(1,577)	(59)	(608)	(55,875)	(49,032)
<b>Members' capital (classified as a liability)</b>	<b>452</b>	<b>296</b>	<b>194</b>	<b>367</b>	<b>50</b>	<b>56</b>	<b>55</b>	<b>758</b>	<b>751</b>	<b>1,477</b>
Council share (50%)	226	148	97	184	25	28	28	379	376	739
<b>Investments in joint ventures recognised in the Group Balance Sheet</b>	<b>226</b>	<b>148</b>	<b>97</b>	<b>184</b>	<b>25</b>	<b>28</b>	<b>28</b>	<b>379</b>	<b>376</b>	<b>739</b>
<b>Included in current assets and liabilities above:</b>										
Cash and cash equivalents	90	176	107	1,503	311	1,490	114	1,356	622	4,525
Current financial liabilities (excluding trade and other payables)	(31,714)	(23,328)	0	0	0	0	0	0	(31,714)	(23,328)

## Note 4 – Property, Plant and Equipment

## Movements on Balances

	Council dwellings £'000	Other land and buildings £'000	Vehicles, plant, furniture and equipment £'000	Infrastructure assets £'000	Community assets £'000	Surplus assets £'000	Assets under construction £'000	Total property, plant and equipment £'000
<b>Balance at 1 April 2023:</b>								
Gross carrying amount	784,298	160,252	20,671	8,238	1,346	50	78,764	1,053,619
Accumulated depreciation and impairment	0	(1,588)	(14,282)	(1,519)	0	0	0	(17,389)
<b>Net book value</b>	<b>784,298</b>	<b>158,664</b>	<b>6,389</b>	<b>6,719</b>	<b>1,346</b>	<b>50</b>	<b>78,764</b>	<b>1,036,230</b>
Additions	43,429	1,131	1,759	866	0	0	41,904	89,089
Disposals	(4,119)	0	0	0	0	0	0	(4,119)
Revaluation increases recognised in the revaluation reserve	674	6,666	0	0	0	0	0	7,340
Revaluation decreases recognised in the surplus / deficit on the provision of services	(41,125)	(2,970)	0	0	0	0	0	(44,095)
Assets reclassified from investment properties or intangible assets	0	2,267	0	0	0	0	0	2,267
Assets reclassified (to) / from other categories of property, plant and equipment	47,898	469	46	0	0	0	(48,413)	0
Other movement	0	(29)	(40)	0	0	0	87	18
Depreciation charge	(11,114)	(3,933)	(2,000)	(210)	0	0	0	(17,257)
<b>Balance at 1 April 2024:</b>								
Gross carrying amount	819,941	163,996	22,152	9,104	1,346	50	72,342	1,088,931
Accumulated depreciation and impairment	0	(1,731)	(15,998)	(1,729)	0	0	0	(19,458)
<b>Net book value</b>	<b>819,941</b>	<b>162,265</b>	<b>6,154</b>	<b>7,375</b>	<b>1,346</b>	<b>50</b>	<b>72,342</b>	<b>1,069,473</b>
Additions	38,949	322	2,452	772	0	0	58,259	100,754
Disposals	(4,935)	0	0	0	0	0	0	(4,935)
Revaluation increases / (decreases) recognised in the revaluation reserve	219	(2,519)	0	0	0	0	0	(2,300)
Revaluation decreases recognised in the surplus / deficit on the provision of services	(22,165)	(1,990)	0	0	0	0	0	(24,155)
Assets reclassified (to) investment properties / intangible assets / right-of-use assets	0	(40,975)	0	0	0	0	(566)	(41,541)
Assets reclassified (to) / from other categories of property, plant and equipment	10,977	6,708	261	0	0	246	(18,192)	0
Other movement	0	0	(59)	0	0	0	(17)	(76)
Depreciation charge	(11,655)	(3,202)	(1,708)	(211)	0	0	0	(16,776)
<b>Balance at 31 March 2025:</b>								
Gross carrying amount	831,331	121,706	24,422	9,871	1,346	296	111,826	1,100,798
Accumulated depreciation and impairment	0	(1,097)	(17,322)	(1,935)	0	0	0	(20,354)
<b>Net book value</b>	<b>831,331</b>	<b>120,609</b>	<b>7,100</b>	<b>7,936</b>	<b>1,346</b>	<b>296</b>	<b>111,826</b>	<b>1,080,444</b>

### Valuation

Details of the valuation approach adopted for the Council's property, plant and equipment are set out at note 15 to the Council Financial Statements.

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

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

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

	Council dwellings	Other land and buildings	Surplus assets	Total
	£'000	£'000	£'000	£'000
<b>Valued at current value as at:</b>				
31 March 2025	831,331	149,177	296	980,804
31 March 2024	0	203	0	203
31 March 2023	0	84	0	84
31 March 2022	0	363	0	363
31 March 2021	0	310	0	310
Prior to 2021	0	6,636	0	6,636
<b>Total</b>	<b>831,331</b>	<b>156,773</b>	<b>296</b>	<b>988,400</b>

## Note 5 – Commitments with Joint Ventures

### Capital Commitments

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

Entity	31 March 2025 £'000	31 March 2024 £'000
Cambridge Investment Partnership LLP	12,872	0
CIP (Mill Road Development) LLP	235	0
CIP Orchard Park L2 LLP	42	0
<b>Total</b>	<b>13,149</b>	<b>0</b>

### Loan Commitments

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

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

Entity	31 March 2025			31 March 2024 (restated)		
	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000	Maximum facility £'000	Amount utilised £'000	Unutilised commitment £'000
Cambridge Investment Partnership LLP	38,781	(25,281)	13,500	38,781	(18,531)	20,250
CIP Orchard Park L2 LLP	8,000	0	8,000	8,000	0	8,000
<b>Total</b>	<b>46,781</b>	<b>(25,281)</b>	<b>21,500</b>	<b>46,781</b>	<b>(18,531)</b>	<b>28,250</b>

Prior year figures for the maximum facility and amount utilised have been restated to include two loans which were omitted in error – the total unutilised commitment is not affected.

## Note 6 – External Audit Costs

Entity	Service	2024/25 £'000	2023/24 £'000
Council	External audit and certification of grant claims	282	137
Cambridge City Housing Company	External audit	6	6
	Taxation compliance services	1	1
	Other non-audit services	2	2

Total	291	146

Glossary of Terms

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

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

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

Abbreviations

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