



# Harlow District Council

## Statement of Accounts and Annual Governance Statement 2024/25

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# NARRATIVE REPORT

### **Introduction**

Welcome to Harlow District Council's Statement of Accounts for the financial year ending 31 March 2025.

This annual publication outlines the Council's financial position and performance. As a statutory document, it details the Council's income and expenditure, cash flows, and balance sheet – providing transparency and accountability to residents, businesses, and government. While some elements of the full Statement are technical in nature, this Narrative Report offers an accessible overview of the Council's activities, financial management, and future direction.

Harlow is an ambitious, strategically located New Town in West Essex, with a proud history and an even more exciting future. Commissioned in 1947 as a Mark One post-war New Town, Harlow has grown into a thriving community of around 100,000 residents living in approximately 40,000 homes. Designed by Sir Frederick Gibberd, the town's unique structure of self-contained neighbourhoods, green spaces and local centres remains one of its defining features.

Harlow is exceptionally well connected. It is served by two M11 motorway junctions, giving rapid access to London, Cambridge, the M25 and the wider UK road network. Two railway stations offer up to six trains per hour to London Liverpool Street (30 mins), Oxford Circus (45 mins) and Cambridge (40 mins). Just 10 miles to the north, London Stansted Airport – serving 28 million passengers annually – is accessible in 19 minutes by train, making Harlow a gateway town to national and international destinations.

The town is at the heart of the UK Innovation Corridor, a region driving the UK's knowledge economy. Harlow is home to the Harlow Innovation Park, an Enterprise Zone attracting billions of pounds in investment and hosting major global firms. It houses the UK's most powerful supercomputer, the world-leading Kao Data campus, and is now recognised as the number one tech hub location in the UK.

Now celebrating its 77th year, Harlow is entering a bold new chapter of transformation and growth which the Council is leading.

In 2017, the Government designated Harlow as part of the Harlow and Gilston Garden Town (HGGT) – a nationally significant programme of sustainable and inclusive growth. This visionary initiative will deliver 23,000 new homes and 20,000 new jobs, making Harlow the fastest-growing place in the UK – expanding at twice the rate of Oxford and five times that of Manchester. Once delivered, Harlow will be larger than Cambridge, Exeter and Guildford.

This rebirth is underpinned by pioneering infrastructure, including the UK's first full Sustainable Transport Corridor, and major Government and private investment. Over the past three years alone, the Council has secured £63 million in Government funding and attracted hundreds of millions in private sector investment, supporting the regeneration of Harlow Town Centre into a vibrant mixed-use destination featuring a new Arts and Cultural Quarter, Transport Interchange, and new public spaces.

To lead this transformation, the Council has formed the Harlow Regeneration Partnership with Hill Group, the UK's leading housebuilder. This partnership will deliver thousands of new homes and regenerate key estates and neighbourhoods across the town.

Harlow Council is a district-level authority delivering a wide range of services to residents and businesses. Based at the Civic Centre in the Water Gardens, the Council employs around 400 full-time equivalent (FTE) staff. As the largest social housing landlord per capita in the East of England, the Council manages over 9,200 tenanted homes and 2,500 leaseholds, with approximately 30% of the town's homes being social housing.

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The Council also wholly owns HTS (Harlow Trading Services) – a Local Authority Trading Company that carries out housing repairs, street cleaning, and grounds maintenance on the Council's behalf. HTS employs around 325 FTE staff, with the Council as its sole shareholder. In 2024/25, a significant programme of transformation of HTS began focussed on reducing cost, improving efficiency and improving service delivery outcomes.

In 2024, following a Corporate Peer Challenge by the Local Government Association (LGA) and a subsequent follow-up review, Harlow Council was named the second most improved council in the UK at the Local Government Chronicle (LGC) Awards 2024. This reflects the Council's commitment to continuous improvement, innovation, and delivery.

Internally, a comprehensive restructuring of the Council's management framework has been completed, leading to the creation of new directorates, new senior appointments, and strengthened governance processes – ensuring the Council is well-placed to deliver for the people of Harlow.

### **Financial Context**

The Council has an annual net General Fund expenditure of £14.927 million and through its Housing Revenue Account (HRA) is the landlord for over 9,200 properties and over 2,500 leasehold properties at a gross cost of over £50,497 million. The Council currently delivers an annual capital investment programme of approximately £71.233 million.

The services it provides affect the lives of everybody who lives in, works in or visits Harlow. Over the past year, the focus has been on significantly improving service standards and delivery which has been coupled with greater investment into services.

The Government core funding settlement for 2024/25 was slightly above that in the previous financial year and the Council froze its level of Council Tax for 2024/25 as it has each year since 2022/23.

The macroeconomic climate in 2024/25 has proved challenging, as it has for all local authorities.

Financial information, including the Council's budgets, sources of income, and the budget gaps projected by the Council is contained within the Council's Medium Term Financial Strategy. This can be found on the Council's website at:

[www.harlow.gov.uk/your-council/spending-and-performance/budget](http://www.harlow.gov.uk/your-council/spending-and-performance/budget)

### **Revenue spending - General Fund 2024/25**

Prior to the start of the new financial year each year the Council approves its annual revenue budget.

The costs of providing services are monitored against this budget. This budget is also used to determine the Council's budget requirement for Council Tax setting purposes. Throughout the year the budget is reviewed to take account of changing circumstances such as policy changes and the impact of internal and external factors affecting operating cost and income levels.

The Council set a budget for spending on General Fund services in 2024/25 of £14.927 million in February 2024. The Council did not make a Surplus on the General Fund after technical adjustments between the accounting and funding basis.

The table below summarises the outturn position for the Council's General Fund.

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| General Fund Outturn - 2024/25                   | Original Estimate<br>£'000 | Revised Estimate<br>£'000 | Actual<br>£'000 | Variance to Revised<br>£'000 |
|--|----------------------------|---------------------------|-----------------|------------------------------|
| <b>Council Services</b>                          |                            |                           |                 |                              |
| Corporate Services & Improvement                 | 1,579                      | 1,604                     | 1,399           | (206)                        |
| Culture & Community                              | 2,306                      | 2,322                     | 2,316           | (6)                          |
| Environment                                      | 4,928                      | 4,952                     | 4,541           | (411)                        |
| Executive Office                                 | 2,241                      | 2,284                     | 2,416           | 132                          |
| Facilities & Assets                              | (3,884)                    | (3,872)                   | (4,733)         | (861)                        |
| Finance  | 1,264                      | 1,335                     | 1,725           | 390                          |
| Housing Operations (People) General Fund         | 1,299                      | 1,317                     | 2,167           | 850                          |
| Human Resources & Organisational Development     | 356                        | 424                       | 439             | 15                           |
| Legal & Democratic Services                      | 695                        | 777                       | 630             | (146)                        |
| Planning & Garden Town                           | 629                        | 627                       | 986             | 359                          |
| Public Protection                                | 1,239                      | 1,301                     | 1,580           | 279                          |
| Regeneration                                     | 545                        | 553                       | 1,000           | 447                          |
| <b>Net Service Expenditure</b>                   | <b>13,196</b>              | <b>13,624</b>             | <b>14,467</b>   | <b>843</b>                   |
| Net Interest Payable                             | (378)                      | (378)                     | 563             | 941                          |
| MRP  | 1,737                      | 1,737                     | 1,307           | (431)                        |
| Other Operating Expenditure                      | 212                        | -                         | (144)           | (144)                        |
| Other Operating income                           | (975)                      | (975)                     | (867)           | 108                          |
|  | <b>13,792</b>              | <b>14,009</b>             | <b>15,326</b>   | <b>1,317</b>                 |
| <b>Transfers to/(from) Reserves</b>              | <b>1,134</b>               | <b>918</b>                | <b>2,891</b>    | <b>1,973</b>                 |
| <b>Net Spending Requirement</b>                  | <b>14,927</b>              | <b>14,927</b>             | <b>18,217</b>   | <b>3,290</b>                 |
| Total Funding                                    | (14,927)                   | (14,927)                  | (18,217)        | (3,290)                      |
| <b>Net (Surplus)/Deficit as at 31 March 2025</b> | <b>0</b>                   | <b>0</b>                  | <b>0</b>        | <b>0</b>                     |

### General Fund Budget Variations (Actual Against Revised Estimate)

During 2024/25 the Council's total net service expenditure on its General Fund was £14.467 million (£14.169 million 2023/24), which was offset by income from Council Tax and Government Grants.

Key variances include:

|   |           |
|---|-----------|
| Reduced income from Car Parks                                     | £0.140m   |
| Reduced cost of Civic Centre                                      | (£0.275m) |
| Reduced cost of Legal Services                                    | (£0.164m) |
| Additional income from The Harvey Centre                          | (£0.462m) |
| Increased Planning staffing costs and reduced income              | £0.360m   |
| Net cost of Housing Benefits scheme                               | £0.433m   |
| Reduced Refuse inflation & increased green and bulky waste income | (£0.712m) |
| Reduced bad debts provision                                       | (£0.148m) |
| Increased Interest payable / Reduced interest receivable          | £0.941m   |
| Increased cost of Homelessness                                    | £0.995m   |
| Reduced Minimum Revenue Provision                                 | (£0.431m) |
| Reduced cost of IT Services                                       | (£0.276m) |
| Other variations  | (£0.401m) |

The General Fund Balance as at 31 March 2025 stands at £3.968 million. This continues to compare favourably with the Council's recommended minimum working balance of £2.5 million.

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The purpose of the General Fund is to enable the Council to hold sufficient resources to help both protect itself financially into the future and to protect the services it delivers to Harlow.

### Revenue spending - Housing Revenue Account 2024/25

The Housing Revenue Account (HRA) is a ring-fenced account. The HRA separately identifies the Council's statutory landlord function, as a provider of social housing under the Local Government and Housing Act 1989.

The Council set a revised gross expenditure budget of £59.271 million on HRA services. This was offset by a planned revenue income budget of £59.935 million, to leave a planned surplus of £0.664 million. The following table summarises the updated outturn position:

| Housing Revenue Account Outturn - 2024/25                  | Original Budget<br>£'000 | Revised Estimate<br>£'000 | Actual<br>£'000 | Variance to Revised<br>£'000 |
|--|--------------------------|---------------------------|-----------------|------------------------------|
| <b>Expenditure</b>   |                          |                           |                 |                              |
| General Management   | 13,656                   | 13,656                    | 13,449          | (207)                        |
| Special Services   | 9,479                    | 9,479                     | 9,971           | 492                          |
| Repairs & Maintenance                                      | 13,404                   | 13,404                    | 13,115          | (289)                        |
| Rents, Rates & Taxes and Other Charges                     | 104                      | 104                       | 228             | 124                          |
| Provision for Bad and Doubtful Debts                       | 443                      | 443                       | 119             | (324)                        |
| Supporting People Transitional Arrangements                | 1                        | 1                         | 1               | 0                            |
| Revenue Contribution to Capital                            | 0                        | 0                         | 0               | 0                            |
| Depreciation & Impairment of Non-Current Assets            | 13,410                   | 13,410                    | 12,140          | (1,270)                      |
| <b>Total Spending for Year</b>                             | <b>50,497</b>            | <b>50,497</b>             | <b>49,023</b>   | <b>(1,474)</b>               |
| <b>Income</b>  |                          |                           |                 |                              |
| Dwelling Rents   | (51,936)                 | (51,936)                  | (51,872)        | 64                           |
| Non-Dwelling Rents   | (1,074)                  | (1,074)                   | (1,090)         | (16)                         |
| Other Rents  | (80)                     | (80)                      | (136)           | (56)                         |
| Charges for Services & Facilities                          | (6,437)                  | (6,437)                   | (5,977)         | 460                          |
| <b>Total Income for Year</b>                               | <b>(59,527)</b>          | <b>(59,527)</b>           | <b>(59,075)</b> | <b>452</b>                   |
| <b>Net income for HRA services</b>                         | <b>(9,030)</b>           | <b>(9,030)</b>            | <b>(10,052)</b> | <b>(1,022)</b>               |
|  |                          |                           |                 |                              |
| Interest payable and similar charges                       | 8,462                    | 8,462                     | 7,298           | (1,164)                      |
| Interest and investment income                             | (407)                    | (407)                     | (1,184)         | (777)                        |
| <b>HRA share of Other Operating Income and Expenditure</b> | <b>8,055</b>             | <b>8,055</b>              | <b>6,114</b>    | <b>(1,941)</b>               |
| <b>Transfer to/(from) Reserves</b>                         | <b>311</b>               | <b>311</b>                | <b>(198)</b>    | <b>(509)</b>                 |
| <b>Net (Surplus)/Deficit on HRA as at 31 March 2025</b>    | <b>(664)</b>             | <b>(664)</b>              | <b>(4,136)</b>  | <b>(3,472)</b>               |

It can be seen from the above table that in 2024/25 the net variation in HRA income and expenditure was a favourable £3.472 million.

Consequently, the amount of bad debt provision and reduction in support costs are contributing to the budget variances (underspend), however the predominate reason for the favourable variance, was reduced depreciation, increased interest and investment income due to the higher than expected capital receipts and the reduced cost of borrowing to fund the capital programme.

Summary of key variances on the HRA include:

- Rents (£64k Adverse)

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- Cost of Homelessness (£596k Adverse)
  - Transfer to Reserves (£509k Favourable)
  - Other Minor Variations (£198k Favourable)
  - Support Costs (£328k Favourable)
  - Provision for bad debts (£324k Favourable)
  - Depreciation (£1.270m Favourable)
  - Leaseholder Service charges (£438k Adverse)
  - Interest Charges (£1.164m Favourable)
  - Interest on revenue balances (£777k Favourable)
- The council completed 352 homeless assessments and prevented around 29% of households from becoming homeless enabling to assist in securing a home for longer than six months.
  - Repairs and maintenance are predominantly delivered by HTS Property and Environment Ltd (HTS), in addition to some external companies, which provide specialist maintenance services.

### **Capital spending 2024/25**

In its capital investment programme aligned with both General Fund and Housing services, the Council incurred expenditure totalling £71.233 million in 2024/25 against an approved programme of £93.191 million. Schemes to the value of £23.101 million are to be carried forward for works due to be undertaken or completed during 2025/26. Housing schemes included:

| Housing Capital Programme - 2024/25    | Expenditure<br>£000s |
|--|----------------------|
| <b>Core Programme</b>                  |                      |
| HTS                                    | 8,428                |
| External Works                         | 5,322                |
| Damp & Structural Works                | 1,675                |
| Other Works                            | 8,362                |
| Fire Safety & Compliance               | 5,084                |
| Energy Efficiency Works                | 691                  |
| Housing IT                             | 183                  |
| Garage Demolition Programme            | 1,084                |
| <b>Total Core Programme</b>            | <b>30,829</b>        |
| Property Conversion                    | 754                  |
| New Build Programme                    | 12,861               |
| <b>Total Housing Capital Programme</b> | <b>44,444</b>        |
| <b>Financed by:</b>                    |                      |
| Major Repairs Reserve                  | 12,140               |
| Capital Receipts                       | 12,861               |
| Other grants and contributions         | 1,548                |
| Borrowing                              | 17,895               |
| <b>Total Funding</b>                   | <b>44,444</b>        |

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### Non-housing schemes included:

| Non-Housing Capital Programme - 2024/25    | Expenditure<br>£000s |
|--|----------------------|
| <b>Property Services</b>                   |                      |
| Latton Bush Centre                         | 677                  |
| Commercial Properties                      | 889                  |
| Highways & Car Parks                       | 214                  |
| Drainage Works                             | 37                   |
| Community Buildings                        | 410                  |
| Other Public Schemes                       | 31                   |
| Civic Centre                               | 1,339                |
| Garage Refurbishments                      | 142                  |
| <b>Total Property Services</b>             | <b>3,740</b>         |
| <b>Other Services</b>                      |                      |
| Culture & Communities                      | 395                  |
| Corporate Services & Improvement           | 177                  |
| Environment                                | 1,185                |
| Executive Office                           | 120                  |
| Legal & Democratic Services                | 15                   |
| Public Protection                          | 56                   |
| Regeneration                               | 1,154                |
| <b>Total Core Programme</b>                | <b>6,844</b>         |
| Acquisitions                               | 12,645               |
| Council House Building Programme           | 99                   |
| Harlow Innovation Park                     | 2,410                |
| Levelling Up Fund                          | 541                  |
| Towns Fund                                 | 4,249                |
| <b>Total Specific Projects</b>             | <b>19,944</b>        |
| <b>Total Non-Housing Capital Programme</b> | <b>26,789</b>        |
| <b>Financed by:</b>                        |                      |
| Capital Receipts                           | 2,721                |
| Direct Revenue Contribution                | 157                  |
| Other grants and contributions             | 6,214                |
| Borrowing                                  | 17,697               |
| <b>Total Funding</b>                       | <b>26,789</b>        |

### Internal Capital Financing

The Council can borrow to fund capital expenditure where prudent and affordable to do so, either from external sources such as the Public Works Loan Board, or from internal resources (known as internal borrowing which is a temporary measure).

### Funding the Capital Programme

In 2024/25 the total capital programme was £71.233 million (General Fund £26.789 million and Housing Capital Programme £44.444 million). The breakdown of the financing can be found within the Capital Spending tables above. The Complete Programme and its financing are shown in the table below.

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| Capital Programme Financing - 2024/25 | Expenditure<br>£000s |
|---------------------------------------|----------------------|
| Housing Capital Programme             | 44,444               |
| Non Housing Capital Programme         | 26,789               |
| <b>Total Capital Programme</b>        | <b>71,233</b>        |
| <b>Financed by:</b>                   |                      |
| Capital Receipts                      | 2,721                |
| Capital Receipts (HRA)                | 12,861               |
| Direct Revenue Contribution           | 157                  |
| Major Repairs Reserve                 | 12,140               |
| Other grants and contributions        | 7,762                |
| Borrowing (HRA)                       | 17,895               |
| Borrowing                             | 17,697               |
| <b>Total Funding</b>                  | <b>71,233</b>        |

### **Borrowing Facilities**

The Council's normal source of external borrowing is the Public Works Loans Board (PWLB), a division of HM Treasury and a facility unique to the public sector. Whilst the projections for the non-housing capital programme are for an underlying need to borrow, the Council's policy is to use the proceeds from the sale of assets (referred to as capital receipts) as its first funding source to fund the programme. Proceeds from sales remain limited due to present economic conditions and their impact on the property market.

The Council has again decided to borrow internally supported by short term cash flow borrowing where required. Future capital receipts will be used to offset this internal borrowing. In the medium term the financial strategy assumes there will be a need to borrow externally as the disposal of assets and associated receipts become fewer and less predictable.

### **Current Assets and Current Liabilities**

The level of current assets reported in the balance sheet has increased from £26.524 million at 31 March 2024 to £31.416 million as at 31 March 2025, a increased of £4.892 million. The most significant movements were:

- An increase in cash and cash equivalents of £4.256 million.
- An decrease in the level of assets held for sale balances of £2.354 million.

Current liabilities have increased from £83.495 million as at 31 March 2024 to £125.182 million as at 31 March 2025. This is largely represented by an increase in short-term Borrowing of £42.419 million due to property acquisitions and a decrease in sundry creditors, as shown the financial statements.

### **Other Long-Term Liabilities - Pension Fund**

Pension Fund liabilities have decreased from £5.299 million as at 31 March 2024 to £4.627 million as at 31 March 2025.

### **Going Concern**

The Council has prepared the 2024/25 Accounts on a going concern basis. This is on the grounds that local authorities cannot be created or dissolved without statutory prescription and it would therefore not be appropriate for their financial statements to be prepared on anything other than a going concern basis.

### **Performance Management**

Central Government requires all Councils to collect and report data relating to their function as a Local Authority in areas such as waste, planning, benefits and housing.

The Council monitors its performance against its corporate missions through its Performance Management Framework. The Framework sets out the mechanisms for performance management within the Council, which utilises a range of tools to assist staff and Councillors in gathering and reporting on its performance data. Outcomes are formally reported to Councillors within the Performance, Finance and Risk (PFR) Report which are presented to every Cabinet meeting.

The Council's missions and priorities are set out in its Corporate Plan 2024-2028 available on the Council's website.

To view the Council performance data and reports, please visit our website at <https://www.harlow.gov.uk/your-council/spending-and-performance/performance>

### **Explanation of the contents of the Statement of Accounts**

Set out below are more detailed explanations relating to each of the main core elements of the Statement of Accounts, to aid further your understanding of what each key statement represents and what it can tell you regarding the Council's financial position.

Councils' accounts are prepared in accordance with proper accounting practices defined by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 ("The Code"). The Code specifies the accounting principles and practices required to present a 'true and fair' view of a council's financial position, financial performance and cash flows. It requires councils to prepare their financial statements in the manner prescribed by the International Accounting Standards Board (IASB). The IASB sets out the concepts underlying the preparation and presentation of the statements for the benefit of external users of the accounts. However, if an accounting treatment is prescribed by law, it overrides accounting concepts set by the IASB, if different.

### **Statement of Responsibilities**

Councils are required to set out the respective responsibilities of the Council and of the Director (Finance) (Section 151 Officer) in relation to the accounts.

### **Movement in Reserves Statement**

This shows the movement in the different reserves held by the Council during the year. These are analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. It shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to Council Tax (or rents) for the year. The Net Increase/Decrease line shows the statutory General Fund and Housing Revenue Account Balance movements in the year following those adjustments.

### **Expenditure and Funding Analysis**

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The analysis shows how funding available to the Council for the year (from Government grants, rents, Council Tax and Business Rates) has been used in providing services compared to those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's services. The income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

### [Comprehensive Income and Expenditure Statement](#)

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 and rents. The Council raises taxation and rents to cover expenditure in accordance with statutory requirements; this may differ from the accounting cost. The taxation position is shown in both the Movement in Reserves Statement and the Expenditure and Funding Analysis.

### [Balance Sheet](#)

The Balance Sheet shows the value of assets and liabilities recognised by the Council. The net assets (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. The first category is usable reserves - 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 which can only be used to fund capital expenditure or repay debt). The second category is unusable reserves - those that the Council is not able to use to provide services. It includes reserves that hold unrealised gains and losses (such as the Revaluation Reserve), where amounts would only become available to provide services if the assets were sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

### [Cash Flow Statement](#)

This 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 arising from operating activities indicates the extent to which the operations of the Council are funded by way of taxation and grant income or from the users of services provided by the Council. Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the Council's future service delivery. Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital to the Council (i.e. borrowing).

### [Housing Revenue Account \(HRA\)](#)

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

### [Collection Fund Accounts](#)

The Collection Fund is an "agent's" statement reflecting the Council's statutory obligation as a billing authority to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of Council Tax and Non-Domestic Rates (NDR, also known as Business Rates).

Group Accounts

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The Code requires local authorities to consider all their interests with external bodies and to prepare a full set of group financial statements where they have material interests in subsidiaries, associates or joint ventures. Harlow Council is the sole shareholder in the HTS Ltd. Company and group financial statements have therefore been included within the Statement of Accounts in accordance with IFRS 10. The Group Accounts comprise the Movement in Reserves Statement; the Comprehensive and Income Expenditure Statement; the Balance Sheet; the Cash Flow Statement and associated notes.

### Conclusion

I would like to thank Finance staff and the staff in other service areas for their work in preparing these Statements. I hope the information is helpful in allowing you to have a clear understanding of how the Council's money has been spent in 2024/25.

If you would like to find out more about the Council's finances, including its budgets and earlier years' accounts, you can:

- visit our website at [www.harlow.gov.uk/your-council/spending-and-performance](http://www.harlow.gov.uk/your-council/spending-and-performance)
- contact me by e-mail at [jacqui.vanmellaerts@harlow.gov.uk](mailto:jacqui.vanmellaerts@harlow.gov.uk)
- write to me at:

Harlow District Council  
Civic Centre  
The Water Gardens  
Harlow  
Essex  
CM20 1WG

**Jacqueline Van Mellaerts CPFA**  
**Director – Finance (Section 151 Officer)**  
**30 June 2025**

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# STATEMENT OF ACCOUNTS 2024/25

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

### The Section 151 Officer's Responsibilities

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

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

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that were reasonable and prudent; and
- complied with the CIPFA Code of Practice on Local Authority Accounting.

The Section 151 Officer has also:

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

### Certification by the Section 151 Officer

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

The unaudited accounts were issued on 30 June 2025 and, when audited the accounts are due to be presented to the Council's Audit and Standards Committee for review, immediately prior to being authorised and issued for publication.

|        |  |      |
|--------|--|------|
| Signed | .....                                      | Date |
|        | Jacqueline Van Mellaerts CPFA              |      |
|        | Director – Finance and Section 151 Officer |      |

|        |  |      |
|--------|--|------|
| Signed | .....                                  | Date |
|        | Councillor Matthew Saggars             |      |
|        | Chair of Audit and Standards Committee |      |



# **CORE FINANCIAL STATEMENTS**

## EXPENDITURE AND FUNDING ANALYSIS

The expenditure and funding analysis demonstrates how funding available to the authority (government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's directorates. Income and expenditure accounted for under generally accepted accounting practices are presented more fully in the Comprehensive Income and Expenditure Statement. 2023/24 Costs of Services has been restated, following a restructure of services in 2024/25.

| 2023/24 RESTATED   |   |                                      | 2024/25  |  |   |                                      |
|--|---|--------------------------------------|--|--|---|--------------------------------------|
| Net Expenditure Chargeable to the General Fund Balances<br>£'000 | Adjustments between Funding and Accounting Basis (see note 7a)<br>£'000 | Net Expenditure in the CIES<br>£'000 | Expenditure and Funding Analysis                 | Net Expenditure Chargeable to the General Fund Balances<br>£'000 | Adjustments between Funding and Accounting Basis (see note 7a)<br>£'000 | Net Expenditure in the CIES<br>£'000 |
| 2,913  | (57)  | 2,855                                | Corporate Services & Improvement                 | 2,746  | 104   | 2,850                                |
| 2,337  | 221   | 2,558                                | Culture & Community                              | 2,372  | 960   | 3,332                                |
| 4,727  | 97  | 4,824                                | Environment                                      | 4,589  | 238   | 4,828                                |
| 2,295  | (85)  | 2,209                                | Executive Office                                 | 3,254  | (67)  | 3,187                                |
| (3,938)  | 1,549   | (2,389)                              | Facilities & Assets                              | (5,014)  | 5,188   | 175                                  |
| 3,552  | (141)   | 3,411                                | Finance  | 6,848  | (33)  | 6,815                                |
| 2,021  | (61)  | 1,959                                | Housing Operations (People) General Fund         | 2,488  | (1)   | 2,487                                |
| 489  | (9)   | 480                                  | Human Resources & Organisational Development     | 565  | 10  | 575                                  |
| 758  | (26)  | 732                                  | Legal & Democratic Services                      | 972  | (30)  | 942                                  |
| 1,050  | (35)  | 1,015                                | Planning & Garden Town                           | 1,000  | (38)  | 963                                  |
| 1,000  | 141   | 1,142                                | Public Protection                                | 1,534  | 273   | 1,806                                |
| 617  | (15)  | 602                                  | Regeneration                                     | 1,936  | 210   | 2,146                                |
| 43,439   | (55,152)  | (11,712)                             | HRA (Housing Revenue Account)                    | (27,696)   | 11,715  | (15,981)                             |
| <b>(6,418)</b>   | <b>14,105</b>   | <b>7,687</b>                         | <b>Net Cost of Services</b>                      | <b>(4,405)</b>   | <b>18,529</b>   | <b>14,124</b>                        |
| 2,919  | (30,813)  | (27,894)                             | Other income & Expenditure                       | (2,418)  | (10,175)  | (12,592)                             |
| <b>(3,498)</b>   | <b>(16,708)</b>   | <b>(20,207)</b>                      | <b>(Surplus)/Deficit on Provision of Service</b> | <b>(6,823)</b>   | <b>9,354</b>  | <b>1,531</b>                         |
| <b>(45,881)</b>  |   |                                      | <b>Opening Balances</b>                          | <b>(49,377)</b>  |   |                                      |
| (3,496)  |   |                                      | (Surplus)/Deficit on Balances for Year           | <b>(6,823)</b>   |   |                                      |
| <b>(49,377)</b>  |   |                                      | <b>Closing Balance</b>                           | <b>(56,200)</b>  |   |                                      |
| (3,969)  |   |                                      | General Fund Balance                             | <b>(3,969)</b>   |   |                                      |
| (25,060)   |   |                                      | General Fund Earmarked                           | <b>(27,951)</b>  |   |                                      |
| (10,781)   |   |                                      | HRA Balance                                      | <b>(14,916)</b>  |   |                                      |
| (9,568)  |   |                                      | HRA Earmarked                                    | <b>(9,364)</b>   |   |                                      |
| <b>(49,377)</b>  |   |                                      | <b>Total</b>                                     | <b>(56,200)</b>  |   |                                      |

## COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

The Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation (or rents). Authorities raise taxation (and rents) to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the expenditure and funding analysis and the Movement in Reserves Statement. The 2023/24 Costs of Services has been restated following a restructure of services in 2024/25.

| 2023/24 SINGLE RESTATED |                 |                 | 2024/25 SINGLE   |                |                  |               |
|-------------------------|-----------------|-----------------|--|----------------|------------------|---------------|
| Exp.<br>000             | Income<br>£'000 | Net<br>£'000    | Comprehensive Income and<br>Expenditure Statement                    | Exp.<br>£'000  | Income<br>£'000  | Net<br>£'000  |
| 3,142                   | (286)           | 2,855           | Corporate Services & Improvement                                     | 3,150          | (300)            | 2,850         |
| 4,690                   | (2,132)         | 2,558           | Culture & Community  | 5,311          | (1,979)          | 3,332         |
| 7,527                   | (2,703)         | 4,824           | Environment  | 7,732          | (2,904)          | 4,828         |
| 2,289                   | (79)            | 2,209           | Executive Office   | 3,283          | (96)             | 3,187         |
| 6,040                   | (8,429)         | (2,389)         | Facilities & Assets  | 9,590          | (9,415)          | 175           |
| 26,520                  | (23,109)        | 3,411           | Finance  | 29,012         | (22,197)         | 6,815         |
| 3,868                   | (1,908)         | 1,959           | Housing Operations (People) General Fund                             | 5,082          | (2,595)          | 2,487         |
| 495                     | (15)            | 480             | Human Resources & Organisational Development                         | 591            | (16)             | 575           |
| 1,019                   | (287)           | 732             | Legal & Democratic Services  | 1,433          | (491)            | 942           |
| 1,602                   | (587)           | 1,015           | Planning & Garden Town   | 1,440          | (478)            | 963           |
| 3,323                   | (2,181)         | 1,142           | Public Protection  | 4,151          | (2,345)          | 1,806         |
| 1,116                   | (513)           | 602             | Regeneration   | 3,190          | (1,044)          | 2,146         |
| 43,439                  | (55,152)        | (11,712)        | HRA (Housing Revenue Account)  | 43,027         | (59,008)         | (15,981)      |
| <b>105,069</b>          | <b>(97,382)</b> | <b>7,687</b>    | <b>Cost of Service</b>   | <b>116,991</b> | <b>(102,867)</b> | <b>14,124</b> |
|                         |                 | (5,130)         | 10 Other Operating Expenditure                                       |                |                  | 4,132         |
|                         |                 | 2,762           | 11 Financing and Investment Income & Equipment                       |                |                  | 6,826         |
|                         |                 | (25,526)        | 12 Taxation & Non-specific Grant Income                              |                |                  | (23,551)      |
|                         |                 | <b>(20,207)</b> | <b>(Surplus)/Deficit on Provision of Service</b>                     |                |                  | <b>1,531</b>  |
|                         |                 | (12,455)        | 14 (Surplus)/Deficit on revaluation of Property, Plant & Equipment   |                |                  | 26,121        |
|                         |                 | 64              | 28 (Surplus)/Deficit Revaluation Available for Sale Financial Assets |                |                  | (32)          |
|                         |                 | 4,639           | 40 Remeasurement of the net defined benefit liability/(asset)        |                |                  | 507           |
|                         |                 | <b>(7,753)</b>  | <b>Other Comprehensive Income &amp; Expenditure</b>                  |                |                  | <b>26,596</b> |
|                         |                 | <b>(27,959)</b> | <b>Total Comprehensive Income &amp; Equipment</b>                    |                |                  | <b>28,127</b> |

| 2023/24 # GROUP # RESTATED |                 |                 | 2024/25 # GROUP #                            |                |                  |               |
|----------------------------|-----------------|-----------------|--|----------------|------------------|---------------|
| Exp.<br>£'000              | Income<br>£'000 | Net<br>£'000    | CIES   | Exp.<br>£'000  | Income<br>£'000  | Net<br>£'000  |
| 1,082                      | (29)            | 1,053           | Executive Office                             | 3,283          | (96)             | 3,187         |
| 1,019                      | (287)           | 732             | Legal & Democratic Services                  | 1,433          | (491)            | 942           |
| 11,044                     | (10,564)        | 480             | Culture & Community                          | 5,311          | (1,979)          | 3,332         |
| 0                          | 0               | 0               | Facilities & Assets                          | 9,590          | (9,415)          | 175           |
| 1,652                      | (592)           | 1,060           | Planning & Garden Town                       | 1,440          | (478)            | 962           |
| 1,198                      | (517)           | 681             | Regeneration                                 | 3,190          | (1,044)          | 2,146         |
| 3,428                      | (296)           | 3,132           | Corporate Services & Improvement             | 3,150          | (300)            | 2,850         |
| 5,516                      | (22,050)        | (16,534)        | Finance                                      | 755            | (22,197)         | (21,442)      |
| 587                        | (19)            | 568             | Human Resources & Organisational Development | 591            | (16)             | 575           |
| 3,441                      | (2,186)         | 1,255           | Public Protection                            | 4,151          | (2,345)          | 1,806         |
| (80)                       | (2,502)         | (2,582)         | Environment                                  | 7,732          | (2,904)          | 4,828         |
| 3,868                      | (1,908)         | 1,960           | Housing Operations (People)                  | 5,082          | (2,595)          | 2,487         |
| 40,110                     | (55,147)        | (15,037)        | General Fund                                 |                |                  |               |
|                            |                 |                 | Housing HRA                                  | 43,027         | (59,008)         | (15,981)      |
| 27,645                     | (33)            | 27,612          | HTS Group Ltd                                | 28,890         |                  | 28,890        |
| <b>100,510</b>             | <b>(96,130)</b> | <b>4,380</b>    | <b>Cost of Service</b>                       | <b>117,625</b> | <b>(102,868)</b> | <b>14,757</b> |
|                            |                 | (1,889)         | Other Operating Expenditure                  |                |                  | 4,132         |
|                            |                 | 2,791           | Financing and Investment I&E                 |                |                  | 6,845         |
|                            |                 | (25,526)        | Taxation & Non-specific Grant Inc.           |                |                  | (23,551)      |
|                            |                 | <b>(20,244)</b> | <b>(Surplus)/Deficit on Prov. of Service</b> |                |                  | <b>2,183</b>  |
|                            |                 | 19              | Tax expense of Subsidiary                    |                |                  | 0             |
|                            |                 | <b>(20,225)</b> | <b>(Surplus)/Deficit on Group</b>            |                |                  | <b>2,183</b>  |
|                            |                 | (12,455)        | (Surplus)/Def on revaluation of              |                |                  | 26,121        |
|                            |                 | 64              | (Sur)/Def Reval Avail. for Sale              |                |                  | (32)          |
|                            |                 | (1,449)         | Remeasure of net def ben                     |                |                  | (8,130)       |
|                            |                 | <b>(13,840)</b> | <b>Other Comprehensive I&amp;E</b>           |                |                  | <b>17,959</b> |
|                            |                 | <b>(34,065)</b> | <b>Total Comprehensive I&amp;E</b>           |                |                  | <b>20,142</b> |

## MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves. The deficit on the Provision of Services line shows the true economic cost of providing the Council's services, more details of which are shown in the Comprehensive Income and Expenditure Statement (CIES). These are different from the statutory amounts required to be charged to the General Fund Balance for Council Tax setting. The net (increase)/decrease before Transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

| SINGLE 2024/25<br>MiRS   | General Fund Balance<br>£'000 | General Fund Ear-marked<br>£'000 | HRA Balance<br>£'000 | HRA Ear-marked<br>£'000 | Capital Receipts Reserve<br>£'000 | Major Repairs Reserve<br>£'000 | Capital Grants Unapplied<br>£'000 | Total Usable Reserves<br>£'000 | Unusable Reserves<br>£'000 | Total Council Reserves<br>£'000 |
|--|-------------------------------|----------------------------------|----------------------|-------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|----------------------------|---------------------------------|
| Balance at 31 March brought forward                                      | (3,969)                       | (25,060)                         | (10,781)             | (9,568)                 | (33,113)                          | -                              | (2,741)                           | (85,232)                       | (804,320)                  | (889,552)                       |
| (Surplus)/Deficit on Provision of Services                               | 9,264                         | -                                | (7,733)              | -                       | -                                 | -                              | -                                 | 1531                           | -                          | 1531                            |
| Other Comprehensive I&E  | -                             | -                                | -                    | -                       | -                                 | -                              | -                                 | -                              | 26,596                     | 26,596                          |
| <b>Total Comprehensive I&amp;E</b>                                       | <b>9,264</b>                  | <b>-</b>                         | <b>(7,733)</b>       | <b>-</b>                | <b>-</b>                          | <b>-</b>                       | <b>-</b>                          | <b>1531</b>                    | <b>26,596</b>              | <b>28,127</b>                   |
| Adjs acc & funding basis under regs (Note 8)                             | (5,510)                       | -                                | 5,510                | -                       | -                                 | -                              | -                                 | -                              | -                          | -                               |
| Adjustments between Accounting Basis and Funding Basis under Regulations | (6,645)                       | -                                | (1,709)              | -                       | 10,337                            | -                              | (93)                              | 1890                           | (1,890)                    | -                               |
| Transfers to/(from) reserves   | (2,891)                       | (2,891)                          | (204)                | 204                     | -                                 | -                              | -                                 | -                              | -                          | -                               |
| <b>(Increase) or Decrease in year</b>                                    | <b>0</b>                      | <b>(2,891)</b>                   | <b>(4,136)</b>       | <b>204</b>              | <b>10,337</b>                     | <b>-</b>                       | <b>(93)</b>                       | <b>3,421</b>                   | <b>24,706</b>              | <b>28,127</b>                   |
| Balance at 31 March carried forward                                      | (3,969)                       | (27,951)                         | (14,916)             | (9,364)                 | (22,777)                          | -                              | (2,833)                           | (81,811)                       | (779,614)                  | (861,424)                       |

| SINGLE 2023/24<br>MiRS                       | General Fund Balance<br>£'000 | General Fund Ear-marked<br>£'000 | HRA Balance<br>£'000 | HRA Ear-marked<br>£'000 | Capital Receipts Reserve<br>£'000 | Major Repairs Reserve<br>£'000 | Capital Grants Unapplied<br>£'000 | Total Usable Reserves<br>£'000 | Unusable Reserves<br>£'000 | Total Council Reserves<br>£'000 |
|--|-------------------------------|----------------------------------|----------------------|-------------------------|-----------------------------------|--------------------------------|-----------------------------------|--------------------------------|----------------------------|---------------------------------|
| Balance at 31 March brought forward          | (3,969)                       | (22,043)                         | (13,810)             | (6,059)                 | (26,394)                          | -                              | (2,677)                           | (74,952)                       | (786,640)                  | (861,592)                       |
| (Surplus)/Deficit on Provision of Services   | (12,974)                      | -                                | (7,232)              | -                       | -                                 | -                              | -                                 | (20,207)                       | -                          | (20,207)                        |
| Other Comprehensive I&E                      | -                             | -                                | -                    | -                       | -                                 | -                              | -                                 | -                              | (7,753)                    | (7,753)                         |
| <b>Total Comprehensive I&amp;E</b>           | <b>(12,974)</b>               | <b>-</b>                         | <b>(7,232)</b>       | <b>-</b>                | <b>-</b>                          | <b>-</b>                       | <b>-</b>                          | <b>(20,207)</b>                | <b>(7,753)</b>             | <b>(27,960)</b>                 |
| Transfers of recharges between GF & HRA      | (4,847)                       | -                                | 4,847                | -                       | -                                 | -                              | -                                 | -                              | -                          | -                               |
| Adjs acc & funding basis under regs (Note 8) | 14,805                        | -                                | 1,905                | -                       | (6,719)                           | -                              | (64)                              | 9,927                          | (9,926)                    | -                               |
| Transfers to/(from) reserves                 | 3,016                         | (3,016)                          | 3,509                | (3,509)                 | -                                 | -                              | -                                 | -                              | -                          | -                               |
| <b>(Increase) or Decrease in year</b>        | <b>-</b>                      | <b>(3,016)</b>                   | <b>3,029</b>         | <b>(3,509)</b>          | <b>(6,720)</b>                    | <b>-</b>                       | <b>(64)</b>                       | <b>(10,280)</b>                | <b>(17,679)</b>            | <b>(27,960)</b>                 |
| Balance at 31 March carried forward          | (3,969)                       | (25,060)                         | (10,781)             | (9,568)                 | (33,113)                          | -                              | (2,741)                           | (85,232)                       | (804,320)                  | (889,552)                       |

| # GROUP # 2024/25                            | General Fund Balance | General Fund Ear-marked | HRA Balance    | HRA Ear-marked | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Account | # Cou. share of Subs P&L Res # | Total Usable Reserves | Unusable Reserves | # HTS unusable Reserves # | Total Reserves  |
|--|----------------------|-------------------------|----------------|----------------|--------------------------|-----------------------|----------------------------------|--------------------------------|-----------------------|-------------------|---------------------------|-----------------|
| MIRS   | £'000                | £'000                   | £'000          | £'000          | £'000                    | £'000                 | £'000                            | £'000                          | £'000                 | £'000             | £'000                     | £'000           |
| Balance at 31 March brought forward          | (3,969)              | (25,060)                | (10,781)       | (9,568)        | (33,113)                 | -                     | (2,741)                          | (1,106)                        | (86,338)              | (804,320)         | (16,697)                  | (907,355)       |
| (Surplus)/Deficit on Prov of Services        | 9,264                | -                       | (7,733)        | -              | -                        | -                     | -                                | -                              | 1,531                 | -                 | -                         | 1,531           |
| # (Surp)/Deft on Prov of Services HTS #      | -                    | -                       | -              | -              | -                        | -                     | -                                | (652)                          | (652)                 | -                 | -                         | (652)           |
| Other Comprehensive I&E                      | -                    | -                       | -              | -              | -                        | -                     | -                                | -                              | 0                     | 26,596            | -                         | 26,596          |
| # Other Comprehensive I&E HTS #              | -                    | -                       | -              | -              | -                        | -                     | -                                | 2,102                          | 2,102                 | -                 | (8,637)                   | (6,535)         |
| <b>Total Comprehensive I&amp;E</b>           | <b>9,264</b>         | <b>-</b>                | <b>(7,733)</b> | <b>-</b>       | <b>-</b>                 | <b>-</b>              | <b>-</b>                         | <b>1,450</b>                   | <b>2,981</b>          | <b>26,596</b>     | <b>(8,637)</b>            | <b>20,940</b>   |
| Transfer of recharges from General to HRA    | (5,510)              | -                       | 5,510          | -              | -                        | -                     | -                                | -                              | -                     | -                 | -                         | -               |
| Adjs acc & funding basis under regs (Note 8) | (6,645)              | -                       | (1,709)        | -              | 10,337                   | -                     | (93)                             | -                              | 1,890                 | (1,890)           | -                         | -               |
| Transfer to/from Earmarked Reserves          | 2,891                | (2,891)                 | (204)          | 204            | -                        | -                     | -                                | -                              | -                     | -                 | -                         | -               |
| <b>(Increase) or decrease in year</b>        | <b>( )</b>           | <b>(2,891)</b>          | <b>(4,136)</b> | <b>204</b>     | <b>10,337</b>            | <b>-</b>              | <b>(93)</b>                      | <b>1,450</b>                   | <b>4,871</b>          | <b>24,706</b>     | <b>(8,637)</b>            | <b>20,942</b>   |
| Balance at 31 March carried forward          | (3,969)              | (27,951)                | (14,916)       | (9,364)        | (22,777)                 | -                     | (2,833)                          | 344                            | (81,467)              | (779,614)         | (25,334)                  | (886,415)       |
| # GROUP # 2023/24 (RESTATED)                 | General Fund Balance | General Fund Ear-marked | HRA Balance    | HRA Ear-marked | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapplied Account | # Cou. share of Subs P&L Res # | Total Usable Reserves | Unusable Reserves | # HTS unusable Reserves # | Total Reserves  |
| MIRS   | £'000                | £'000                   | £'000          | £'000          | £'000                    | £'000                 | £'000                            | £'000                          | £'000                 | £'000             | £'000                     | £'000           |
| Balance at 31 March brought forward          | (3,969)              | (22,043)                | (13,809)       | (6,059)        | (26,394)                 | -                     | (2,677)                          | (11,246)                       | (86,198)              | (786,640)         | (450)                     | (873,288)       |
| Adjustment to opening balance classes        | -                    | -                       | -              | -              | -                        | -                     | -                                | 10,159                         | 10,159                | -                 | (10,159)                  | -               |
| Balance at 31 March brought forward          | (3,969)              | (22,043)                | (13,809)       | (6,059)        | (26,394)                 | -                     | (2,677)                          | (1,087)                        | (76,039)              | (786,640)         | (10,609)                  | (873,288)       |
| (Surplus)/Deficit on Prov of Services        | (12,974)             | -                       | (7,232)        | -              | -                        | -                     | -                                | -                              | (20,206)              | -                 | -                         | (20,206)        |
| # (Surp)/Def on Prov of Services HTS #       | -                    | -                       | -              | -              | -                        | -                     | -                                | (19)                           | (19)                  | -                 | -                         | (19)            |
| Other Comprehensive I&E                      | -                    | -                       | -              | -              | -                        | -                     | -                                | -                              | -                     | (7,753)           | -                         | (7,753)         |
| # Other Comprehensive I&E HTS #              | -                    | -                       | -              | -              | -                        | -                     | -                                | -                              | -                     | -                 | (6,088)                   | (6,088)         |
| <b>Total Comprehensive I&amp;E</b>           | <b>(12,974)</b>      | <b>-</b>                | <b>(7,232)</b> | <b>-</b>       | <b>-</b>                 | <b>-</b>              | <b>-</b>                         | <b>(19)</b>                    | <b>(20,225)</b>       | <b>(7,753)</b>    | <b>(6,088)</b>            | <b>(34,066)</b> |
| Transfers of recharges between GF & HRA      | (4,847)              | -                       | 4,847          | -              | -                        | -                     | -                                | -                              | -                     | -                 | -                         | -               |
| Adjs acc & funding basis under regs (Note 8) | 14,805               | -                       | 1,905          | -              | (6,719)                  | -                     | (64)                             | -                              | 9,927                 | (9,927)           | -                         | -               |
| Transfers to/(from) reserves                 | 3,016                | (3,016)                 | 3,509          | (3,509)        | -                        | -                     | -                                | -                              | -                     | -                 | -                         | -               |
| <b>(Increase) or decrease in year</b>        | <b>-</b>             | <b>(3,016)</b>          | <b>3,028</b>   | <b>(3,509)</b> | <b>(6,720)</b>           | <b>-</b>              | <b>(64)</b>                      | <b>(19)</b>                    | <b>(10,298)</b>       | <b>(17,680)</b>   | <b>(6,088)</b>            | <b>(34,066)</b> |
| Balance at 31 March carried forward          | (3,969)              | (25,060)                | (10,781)       | (9,568)        | (33,113)                 | -                     | (2,741)                          | (1,106)                        | (86,338)              | (804,320)         | (16,697)                  | (907,355)       |

**The purposes of these reserves are:**

**General Fund Balance**

Holds the surpluses from the General Fund. The General Fund is the statutory fund into which all the receipts of a Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise.

**Earmarked General Fund Reserves**

Amounts set aside from the General Fund Balance to earmarked reserves to provide financing for specific future expenditure plans. Amounts are posted back from earmarked reserves to meet the specified General Fund expenditure.

**Housing Revenue Account**

Is a ring-fenced account specifically recording expenditure and income on running the Council's own housing stock and closely related services, for the benefit of the Council's own tenants. The Housing Revenue Account (HRA) separately accounts for the Council's statutory landlord function, as a provider of social housing under the Local Government and Housing Act 1989.

**Housing Revenue Account – Earmarked Reserves**

Holds amounts set aside specifically for contingencies and cash flow management relating to the Housing Revenue Account (HRA).

**Capital Receipts Reserve**

Holds the proceeds from the disposal of non-current assets, which are available to finance capital expenditure in future years.

**Major Repairs Reserve**

Holds the charge, to the Housing Revenue Account (HRA), equal to depreciation, for the purpose of future repairs and maintenance. The item 8 Determination, issued by the MHCLG on 24 January 2017, confirmed that depreciation should be charged to the HRA in accordance with proper accounting practices. Previously transitional arrangements allowed for the reversal of depreciation charged to the HRA.

**Capital Grants Unapplied Reserve**

Holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies but which have yet to be applied to meet expenditure.

## BALANCE SHEET

The Balance Sheet shows the value, as at the Balance Sheet date, of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held by the Council. Reserves are reported in two categories. Firstly, there 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. Secondly there are unusable reserves i.e. those that the Council is not able to use to provide services. The unusable reserves include reserves that hold unrealised gains and losses (e.g. the Revaluation Reserve), where amounts would only become available to use if the assets are sold and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations.

| <b>SINGLE</b><br><b>31 March</b><br><b>2024</b><br><b>£'000</b> | <b>(Restated)</b><br><b># GROUP #</b><br><b>31 March</b><br><b>2024</b><br><b>£'000</b> | <b>Note</b> | <b>Balance Sheet</b>                          | <b>SINGLE</b><br><b>31 March</b><br><b>2025</b><br><b>£'000</b> | <b># GROUP #</b><br><b>31 March</b><br><b>2025</b><br><b>£'000</b> |
|---|---|-------------|---|---|--|
| 1,111,032   | 1,112,660   | 14          | Property, Plant and Equipment (PPE)           | 1,114,447   | 1,117,784  |
| 1,751   | 1,751   | 15          | Heritage Assets                               | 1,756   | 1,756  |
| 57,694  | 57,694  | 17          | Investment Property                           | 70,073  | 70,073   |
| 995   | 1,384   | 18          | Intangible Assets                             | 798   | 1,546  |
| 4,262   | 4,262   | 19          | Long-Term Investments                         | 4,294   | 4,294  |
| 2,276   | 1,193   | 19          | Long-Term Debtors                             | 2,356   | 944  |
| -   | 16,247  | -           | Long-Term Provisions                          | -   | 24,884   |
| <b>1,178,010</b>  | <b>1,195,191</b>  |             | <b>Long-Term Assets</b>                       | <b>1,193,723</b>  | <b>1,221,281</b>   |
| 2,353   | 3,880   | 24          | Assets Held for Sale                          | (0)   | 307  |
| 57  | 180   | 20          | Inventories                                   | 56  | 200  |
| -   | 550   | 19          | Short-Term Investments                        | -   | 0  |
| 17,333  | 19,615  | 21          | Short-Term Debtors                            | 19,526  | 20,433   |
| 5,984   | 7,277   | 23          | Cash and Cash Equivalents (Assets)            | 11,835  | 14,171   |
| <b>25,727</b>   | <b>31,503</b>   |             | <b>Current Assets</b>                         | <b>31,416</b>   | <b>35,111</b>  |
| (59,081)  | (59,081)  | 19          | Short-Term Borrowing                          | (101,500)   | (101,500)  |
| (23,246)  | (27,736)  | 25          | Short-Term Creditors                          | (22,197)  | (27,999)   |
| (1,168)   | (1,168)   | 26          | Short-Term Provisions                         | (1,485)   | (1,485)  |
| <b>(83,495)</b>   | <b>(87,985)</b>   |             | <b>Current Liabilities</b>                    | <b>(125,182)</b>  | <b>(130,984)</b>   |
| (532)   | (1,062)   | 25          | Long-Term Creditors                           | (253)   | (579)  |
| (211,837)   | (211,837)   | 19          | Long-Term Borrowing                           | (211,837)   | (211,837)  |
| (5,299)   | (5,299)   | 40          | Pensions Liability Scheme                     | (4,627)   | (4,627)  |
| (887)   | (887)   | 19          | Other Long-Term Liabilities                   | (671)   | (671)  |
| (12,135)  | (12,135)  | 36          | Long-Term Capital Grants- Receipts in Advance | (21,145)  | (21,145)   |
| -   | (134)   | -           | Deferred Tax Liability                        | -   | (134)  |
| <b>(230,690)</b>  | <b>(231,354)</b>  |             | <b>Long-Term Liabilities</b>                  | <b>(238,533)</b>  | <b>(238,993)</b>   |
| <b>889,552</b>  | <b>907,355</b>  |             | <b>Net Assets</b>                             | <b>861,425</b>  | <b>886,415</b>   |
| (85,232)  | (86,338)  | 27          | Usable Reserves                               | (81,811)  | (81,467)   |
| (804,320)   | (820,567)   | 28          | Unusable Reserves                             | (779,614)   | (804,498)  |
| -   | (450)   | -           | # Share Capital #                             | -   | (450)  |
| <b>(889,552)</b>  | <b>(907,355)</b>  |             | <b>Total Reserves</b>                         | <b>(861,425)</b>  | <b>(886,415)</b>   |

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

SIGNED BY:..... Date:.....  
Jacqueline Van Mellaerts CPFA, Director – Finance and Section 151 Officer

## CASH FLOW STATEMENT

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

| <b>SINGLE</b><br><b>2023/24</b><br><b>£'000</b> | <b># GROUP</b><br><b>#</b><br><b>2023/24</b><br><b>£'000</b> | <b>Note</b> |   | <b>SINGLE</b><br><b>2024/25</b><br><b>£'000</b> | <b># GROUP #</b><br><b>2024/25</b><br><b>£'000</b> |
|---|--|-------------|---|---|--|
| <b>Cash Flow Statement</b>                      |  |             |   |   |  |
| 20,207  | 20,227   | CIES        | Net (surplus)/deficit on the provision of services  | (1,531)   | (2,183)  |
| 9,272   | 9,939  | 29          | Adjustments to surplus/deficit on the provision of services for non-cash movements  | 34,459  | 34,668   |
| (13,154)  | (13,154)   | 29          | Adjustment for items included in the net surplus or deficit on the provision of services that are investing or financing activities | (14,609)  | (14,609)   |
| <b>16,325</b>                                   | <b>17,012</b>  |             | <b>Net Cash flows from operating activities</b>   | <b>18,319</b>                                   | <b>17,876</b>                                      |
| (78,704)  | (78,704)   | 30          | Net cash flows from investing activities  | (46,680)  | (46,680)   |
| 46,367  | 46,367   | 31          | Net cash flows from financing activities  | 34,212  | 34,212   |
| <b>(16,012)</b>                                 | <b>(15,325)</b>  |             | <b>Net (increase) or decrease in cash and cash equivalents</b>  | <b>5,851</b>                                    | <b>6,894</b>                                       |
| 21,996  | 22,603   | BS          | Cash and cash equivalents at the beginning of the reporting period  | 5,984   | 7,277  |
| <b>5,984</b>                                    | <b>7,277</b>   | BS          | <b>Cash and cash equivalents at the end of the reporting period</b>   | <b>11,835</b>                                   | <b>14,171</b>                                      |



# NOTES TO THE ACCOUNTS

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## 1. ACCOUNTING POLICIES

## **i. General principles**

The statements of account summarise the authority's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The authority is required to prepare an annual statement of accounts by the Accounts and Audit (Amendment) Regulations 2023 in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (IFRS).

The accounting convention adopted in the statement of accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The Statement of Accounts have been prepared on a "going concern" basis.

## **ii. Accruals of income and expenditure**

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue in financing and investment income and expenditure for the income that might not be collected.

## **iii. Cash and cash equivalents**

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

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

## **iv. Prior period adjustments, changes in accounting policies and estimates and errors**

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment. Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the authority's financial position or financial performance. Where a change is made, it is applied retrospectively (unless not material or stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

## **v. Charges to revenue for non-current assets**

Services and support services are charged an accounting estimate of the cost of holding non-current assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service
- revaluation and impairment losses on assets used by the service where there are no accumulated gains in the revaluation reserve against which the losses can be written off
- amortisation of intangible assets attributable to the service.

The authority is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to either an amount calculated on a prudent basis determined by the authority in accordance with statutory guidance.

Depreciation, revaluation and impairment losses, and amortisation are therefore replaced by the contribution in the General Fund balance by way of an adjusting transaction with the capital adjustment account in the Movement in Reserves Statement for the difference between the two.

## **vi. Council tax and non-domestic rates**

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

### **Accounting for council tax and NDR**

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

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

## **vii. Employee benefits**

### **Benefits payable during employment**

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as wages and salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end that employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the

period in which the employee takes the benefit. The accrual is charged to surplus or deficit on the provision of services but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

### Termination benefits

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

### Post-employment benefits

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

### The Local Government Pension Scheme

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

- The liabilities of the [Essex County Council](#) pension fund attributable to the authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projected earnings for current employees.
- The assets of Essex County Council Pension Fund attributable to the Council are included in the Balance Sheet at their fair value;
  - quoted securities – current bid price
  - unquoted securities – professional estimate
  - unitised securities – current bid price
  - property – market value.

The change in the net pensions liability is analysed into the following components:

- Service cost comprising:
  - current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
  - past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement
  - net interest on the net defined benefit liability (asset), i.e. net interest expense for the authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the financing and investment income and expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit

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

- Remeasurements comprising:
  - the return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the pensions reserve as other comprehensive income and expenditure
  - actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the pensions reserve as other comprehensive income and expenditure.
  - contributions paid to the Essex County Council pension fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

### **Discretionary benefits**

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

### **viii. Events after the reporting period**

Events after the Balance Sheet reporting period are those events, both favourable and unfavourable, that occur between the Balance Sheet date and the date when the statement of accounts is authorised for issue. Two types of events can be identified:

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

Events taking place after the date of authorisation for issue are not reflected in the statement of accounts.

### **ix. Financial instruments**

#### **Financial liabilities**

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

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

### **Financial assets**

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cash flow characteristics. The authority holds financial assets measured at:

- amortised cost, and
- fair value through profit or loss (FVPL)

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

### **Financial assets measured at amortised cost**

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

### **Financial assets measured at fair value through other comprehensive income**

Financial assets that are measured at FVOCI are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arise in other comprehensive income.

### **Financial assets measured at fair value through profit of loss**

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

### **Fair value measurements of financial assets**

Fair value of an asset is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurements of the authority's financial assets are based on the following techniques:

- instruments with quoted market prices – the market price
- other instruments with fixed and determinable payments – discounted cash flow analysis.

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

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

Any gains and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

## **x. Government grants and contributions**

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

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

Amounts recognised as due to the council are not credited to the Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied.

Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance in the Movement in Reserves Statement. Where the grant has yet to be used to finance capital expenditure, it is posted to the capital grants unapplied reserve. Where it has been applied, it is posted to the capital adjustment account. Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account once they have been applied to fund capital expenditure.

## **xi. Heritage assets**

Heritage assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below.

Heritage assets held by the Council fall into three categories and are held for their intrinsic value as opposed to potential financial gain. As such, they are unlikely to be sold.

- Museum Artefacts- artefacts held at the Museum of Harlow
- Community Heritage Assets- including bandstand in the town park and six war memorials.
- Art Collection- fine art including sculpture, civic gifts and regalia

Further details can be found on the heritage assets note in the main body of the Accounts.

### **Heritage assets – general**

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the authority's general policies on impairment.

## **xii. Intangible assets**

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

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

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

### **xiii. Interests in companies and other entities**

Harlow Trading Services (Property and Environment) Ltd (HTS)

HTS is a wholly owned company of the Council providing a range of environmental and property maintenance services in the district. Its accounting policies are not materially different to those of the Council and the appropriate elements of its accounts are included in the group accounts.

HTS is an admitted body to the Local Government Pension Scheme referred to in paragraph (v). As such, HTS makes fixed contributions to the pension fund and its employees in the scheme are entitled to the post-employment benefits from the scheme. The Council makes further contributions to the fund in respect of HTS employees to ensure that the pension liability attributable to HTS is fully funded. As such, that pension fund liability is included in the pension disclosures in the single entity accounts of the Council. financial assets at cost, less any provision for losses.

### **xiv. Long-term contracts**

Long-term contracts are accounted for on the basis of charging the surplus or deficit on the provision of services with the consideration allocated to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

### **xv. Investment property**

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

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

Rentals received in relation to investment properties are credited to the financing and investment income line and result in a gain for the General Fund balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund balance. The gains and losses are therefore reversed out of the General Fund balance in the

Movement in Reserves Statement and posted to the capital adjustment account and (for any sale proceeds greater than £10,000) the capital receipts reserve.

## **xvi. Leases**

### **The authority as lessee**

The authority classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### **Initial measurement**

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options. The authority initially recognises lease liabilities measured at the present value of lease payments, discounting by applying the authority's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

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

### **Subsequent measurement**

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

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

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

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

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

The liability is remeasured when:

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

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

### **Low value and short lease exemption**

As permitted by the Code, the authority excludes leases:

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

### **Lease expenditure**

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight-line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

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

### **The authority as lessor**

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

### **Finance leases**

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

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund balance and is required to be treated as a

capital receipt. Where a premium has been received, this is posted out of the General Fund balance to the capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve.

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

### **Operating leases**

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

### **xvii Overheads and support services**

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

### **xviii. Property, plant and equipment**

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

#### **Recognition**

Expenditure of £5,000 or more 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 authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

#### **Measurement**

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management

The authority does not capitalise borrowing costs incurred while assets are under construction. The cost of assets acquired other than by purchase is deemed to be its fair value, unless the acquisition does not have commercial substance (i.e. it will not lead to a variation in the cash flows of the authority). In the latter case, where an asset is acquired via an exchange, the cost of the acquisition is the carrying amount of the asset given up by the authority.

Donated assets (Heritage only for the authority) are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated

assets account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – in this and predecessor Codes these assets have been consistently required to be measured at depreciated historical cost, but this practice has been subject to modification. The annex to Section 4.1 of the Code provides a historical summary of the modifications to historical costs and sets out how the depreciated historical cost basis of measurement has been established
- council dwellings – current value, determined using the basis of existing use value for social housing (EUV–SH)
- council offices – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV), except for a few offices that are situated close to the council's housing properties, where there is no market for office accommodation, and that are measured at depreciated replacement cost (instant build) as an estimate of current value
- surplus assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

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

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains.

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

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

## Impairment

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

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

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

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

## Depreciation

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

Depreciation is calculated on the following bases:

- council dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – straight-line allocation over the useful life of the asset as advised by a suitably qualified officer.

Where an item of property, plant and equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

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

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

### **Disposals and non-current assets held for sale**

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an asset held for sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any previously recognised losses in the surplus or deficit on the provision of services. Depreciation is not charged on assets held for sale.

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

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

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the revaluation reserve are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. A proportion of capital receipts relating to housing disposals is payable to the government. The balance of receipts remains within the capital receipts reserve and can then only be used for new capital investment or set aside to reduce the authority's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the reserve from the General Fund balance in the Movement in Reserves Statement.

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

appropriated to the capital adjustment account from the General Fund balance in the Movement in Reserves Statement.

## **xix. Provisions, contingent liabilities and contingent assets**

### **Provisions**

Provisions are made where an event has taken place on or before the Balance Sheet date:

- that gives the authority a present obligation
- that probably requires settlement by a transfer of economic benefits or service potential, and
- where a reliable estimate can be made of the amount of the obligation.

If it is not clear whether an event has taken place on or before the Balance Sheet date, it is deemed to give rise to a present obligation if, taking account of all available evidence, it is more likely than not that a present obligation exists at the Balance Sheet date. The present obligation can be legal or constructive.

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

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

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

### **Contingent liabilities**

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

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

### **Contingent assets**

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

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

## **xx. Reserves**

The authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by transferring amounts out of the General Fund balance. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the surplus or deficit on the provision of services in the Comprehensive Income and Expenditure Statement. The reserve is then transferred back into the General Fund balance so that there is no net charge against council tax for the expenditure.

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

#### **xxi. Revenue expenditure funded from capital under statute**

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

#### **xxii. VAT**

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

#### **xxiii. Fair value measurement of non-financial assets**

The authority's accounting policy for fair value measurement of financial assets is set out in section ix. The authority also measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings at fair value at each reporting date. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset takes place either:

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

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

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

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

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

## 2. ACCOUNTING STANDARDS ISSUED, NOT ADOPTED

The Code of Practice for Local Authority Accounting (The Code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but has not yet been adopted by the 2024/25 Code. The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would, therefore result in an impact on disclosures spanning two financial years.

The following have been issued but not yet adopted:

- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023. The amendments to IAS 21 clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy as confirmed in paragraph 3.3.1.4.

Harlow Council are unlikely to be affected materially by these changes.

## 3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies, the Council has had to make certain judgements about complex transactions, or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- 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 yet sufficient to provide an indication that the assets of the Council might be impaired as a result of a need to close facilities and reduce levels of service provision.
- Employees of the Council's wholly owned subsidiary, Harlow Trading Services (HTS) Ltd., are members of the Local Government Pension Scheme which is a defined benefit scheme. The Council has guaranteed any future pension liabilities of the company and pays employer's contributions to the scheme, on behalf of the employees, above a level agreed with the company. As such the company makes defined contributions to the scheme. The Council has determined that the arrangement does not constitute a pool for pension reporting purposes and includes its additional contributions in its Consolidated Income and expenditure statement.
- The Council has employed the Weighted Average Remaining Useful Life (WARUL) method in determining the remaining useful life of its council housing stock. The method takes into account the useful lives of various components of the "beacon" properties used in the valuation of the stock. The resulting average useful life of 54 years has been used to calculate the depreciation charge for the year.

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

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

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

| Assumptions Made about the Future and Other Major Sources of Estimation Uncertainty |   |   |
|---|---|---|
| Item  | Uncertainties   | Effect if Actual Results Differ from Assumptions  |
| Property, Plant and Equipment   | Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the Council will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.  | If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.<br>It is estimated that the annual depreciation charge for buildings would increase by £1.450m for Council Dwellings and decrease £28k for Other buildings- for every year that useful lives had to be reduced.  |
| Fair Value Measurement  | When the fair values of financial assets cannot be measured based on quoted prices in active markets (i.e. Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible judgement is required in establishing fair values.<br>These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the authority's assets and liabilities.<br>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value (for example for investment properties an external valuer).<br>Information about the valuation techniques and inputs used in determining the fair value of the authority's assets and liabilities is disclosed in notes below. | The authority uses the discounted cash flow (DCF) model to measure the fair value of its investment properties and financial assets.<br>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels and discount rates – adjusted for regional factors (for both investment properties and some financial assets). Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for the investment properties and financial assets. |
| Provisions  | The Council has based its Provision for Business Rates Appeals on available data regarding checks, challenges and appeals actually lodged with the Valuation Office Agency at the time of making the estimation. Changes to these data, along with case law emerging regarding settlement of appeals at tribunal may create differences between the estimated provision required, and the subsequent actuals.   | Should the value of checks, challenges and appeals actually settled increase or reduce by 10%, it would be necessary to add or subtract £331k to the total amount required, of which £132k (40%) would be attributable to the Council.  |
| Pensions Liability  | Estimation of the net liability to pay pensions depends on a number of complex judgements relating, primarily, to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. Professional actuaries are engaged to provide the Council with expert advice about the assumptions to be applied.<br>Harlow Council Accounts include the agreed additional pension contributions but exclude the attributable liabilities of its wholly owned subsidiary Harlow Trading Services (Property and Environment) Limited.   | The effects on the net pension liability of changes in individual assumptions can be measured. For example, a 0.1% increase in the discount rate assumption would result in a reduction in the pension liability of £2.304 million.<br>However, the assumptions interact in complex ways. During 2024/25, the Council's actuaries advised that the net pension liability had reduced by £0.672 million as a result of changes in financial assumptions.   |
| Arrears   | At 31 March 2025, the Council had made significant allowances for the impairment of debts, totalling circa £6million. In the current economic climate, including the effect of housing welfare reforms, it is not certain that the allowance is sufficient.   | If the Council's collection rates were to deteriorate, an increase in the current provisions by 1% would require an extra provision of £60k.  |

#### 5. MATERIAL ITEMS OF INCOME AND EXPENDITURE

### Revaluation of Council Properties

The Council had its non-current assets valued as at 31 December 2024. A further exercise was undertaken to determine if there had been any material changes in values between that date and 31 March 2025. Movements and balances for non-current assets are shown in Note 14 – Property, Plant and Equipment.

### Council Tax

The Council received £8.307 million from the Collection Fund as its share of Council Tax receipts in 2024/25 (£8.229 million in 2023/24).

### Non-Domestic (Business) Rates

The Council received Non-Domestic Rates of £19.387 million under the rate retention system in 2024/25 (£18.859 million in 2023/24). This was offset by a payment under the system of £17.966 million as a tariff in 2024/25 (£17.407 million in 2023/24).

### Housing Benefits

The Council has incurred spending of £20.058 million on housing benefits in 2024/25 (£20.371 million in 2023/24) and received Government grants of £21.642 million to meet this cost in 2024/25 (£20.297 million in 2023/24).

### Harlow Trading Services (HTS) Ltd.

The Council paid a net amount of £34.785 million to its wholly owned company in 2024/25 (£40.732 million in 2023/24) for the provision of a range of services which include housing property services, grounds maintenance, street cleaning and capital works.

### Pensions

The Council paid £3.251 million in 2024/25 (£3.031 million in 2023/24) into the Local Government Pension Scheme in respect of pension costs (£3.914 million employers contributions minus £0.663 million unfunded). The Council also paid £0.949 million in 2024/25 directly to HTS (Property and Environment) Ltd as a contribution in respect of their employees that are part of the LGPS (£0.928 million in 2023/24).

### Grants

The Council received a number of material grants during the year and details of these are contained in Note 36.

## 6. EVENTS AFTER THE REPORTING PERIOD

The DRAFT Statement of Accounts were authorised for issue by the Director – Finance (Section 151 Officer) 30 June 2025. Events taking place after this date are not reflected in the financial statements nor notes. Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

## 7. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

### 7A. ADJUSTMENT BETWEEN FUNDING AND ACCOUNTING BASIS

| Adjustments between funding and accounting basis   |   |  |                            | 2024/25                    |
|--|---|--|----------------------------|----------------------------|
| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts    | Adjustments for Capital Purposes<br>£'000 | Net change for the Pensions Adjustments<br>£'000 | Other Differences<br>£'000 | Total Adjustments<br>£'000 |
| Corporate Services & Improvement   | 175                                       | (74)   | 2                          | 104                        |
| Culture & Community  | 1,025                                     | (73)   | 6                          | 960                        |
| Environment  | 264                                       | (29)   | 5                          | 240                        |
| Executive Office   | 10  | (82)   | 4                          | (68)                       |
| Facilities & Assets  | 5,210                                     | (20)   | (2)                        | 5,188                      |
| Finance  | -   | (32)   | (1)                        | (33)                       |
| Housing Operations (People) General Fund   | 85  | (83)   | (3)                        | (1)                        |
| Human Resources & Organisational Development   | 21  | (14)   | 2                          | 9                          |
| Legal & Democratic Services  | -   | (29)   | (1)                        | (30)                       |
| Planning & Garden Town   | 4   | (37)   | (5)                        | (38)                       |
| Public Protection  | 354                                       | (78)   | (4)                        | 272                        |
| Regeneration   | 235                                       | (26)   | 1                          | 210                        |
| HRA (Housing Revenue Account)  | 12,301                                    | (580)  | (6)                        | 11,715                     |
| <b>Net Cost of Services</b>  | <b>19,685</b>                             | <b>(1,156)</b>                                   |                            | <b>18,529</b>              |
| Other I&E from the Expenditure and Funding Analysis  | (14,577)                                  | (23)   | 4,425                      | (10,175)                   |
| <b>Difference between GF surplus or deficit and CIES Surplus or Deficit on the Provision of Services</b> | <b>5,108</b>                              | <b>(1,179)</b>                                   | <b>4,425</b>               | <b>8,354</b>               |

| Adjustments between funding and accounting basis   |   |  |                            | 2023/24                    |
|--|---|--|----------------------------|----------------------------|
| Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts    | Adjustments for Capital Purposes<br>£'000 | Net change for the Pensions Adjustments<br>£'000 | Other Differences<br>£'000 | Total Adjustments<br>£'000 |
| Corporate Services & Improvement   | 13  | (70)   | -                          | (57)                       |
| Culture & Community  | 295                                       | (73)   | (1)                        | 221                        |
| Environment  | 125                                       | (30)   | 2                          | 97                         |
| Executive Office   |   | (79)   | (6)                        | (85)                       |
| Facilities & Assets  | 1,572                                     | (27)   | 4                          | 1,549                      |
| Finance  | -   | (139)  | (2)                        | (141)                      |
| Housing Operations (People) General Fund   | 20  | (82)   | 1                          | (61)                       |
| Human Resources & Organisational Development   | 3   | (12)   | -                          | (9)                        |
| Legal & Democratic Services  | -   | (27)   | 1                          | (26)                       |
| Planning & Garden Town   | -   | (35)   | -                          | (35)                       |
| Public Protection  | 199                                       | (72)   | 14                         | 141                        |
| Regeneration   | 5   | (24)   | 4                          | (15)                       |
| HRA (Housing Revenue Account)  | 12,538                                    | (601)  | 9                          | 11,945                     |
| <b>Net Cost of Services</b>  | <b>15,350</b>                             | <b>(1,270)</b>                                   | <b>25</b>                  | <b>14,105</b>              |
| Other I&E from the Expenditure and Funding Analysis  | (24,424)                                  | (3,874)  | (2,505)                    | (30,813)                   |
| <b>Difference between GF surplus or deficit and CIES Surplus or Deficit on the Provision of Services</b> | <b>(9,084)</b>                            | <b>(5,144)</b>                                   | <b>(2,480)</b>             | <b>(16,708)</b>            |

The Adjustments between Funding and Accounting Basis column reflects major adjusting items in respect of:

Capital purposes – adding in depreciation and impairment and revaluation gains and losses in respect of council dwellings and other land and buildings; adjusting for the sale of land or buildings; adding in the statutory charge for the repayment of borrowing; adjusting for capital grants received.

Pensions – removing employer pension contributions allowed by statute and replacing with the current and past costs allowed under international accounting standards, including interest notionally payable on the actuarial defined pension liability.

Other – reflecting the timing difference between the forecast of council tax and non-domestic rates to be received which is included in the accounts and the actual amounts received.

## 7B. SEGMENTAL INCOME

Income received on a segmental basis is analysed below:

|   | 2023/24         | 2024/25          |
|---|-----------------|------------------|
|   | £'000           | £'000            |
| <b>Income from services</b>                     |                 |                  |
| Corporate Services & Improvement                | (286)           | (300)            |
| Culture & Community                             | (2,132)         | (1,979)          |
| Environment                                     | (2,708)         | (2,904)          |
| Executive Office                                | (79)            | (96)             |
| Facilities & Assets                             | (8,429)         | (9,415)          |
| Finance   | (23,109)        | (22,197)         |
| Housing Operations (People) General Fund        | (1,908)         | (2,595)          |
| Human Resources & Organisational Development    | (15)            | (16)             |
| Legal & Democratic Services                     | (287)           | (491)            |
| Planning & Garden Town                          | (587)           | (478)            |
| Public Protection                               | (2,181)         | (2,345)          |
| Regeneration                                    | (513)           | (1,044)          |
| HRA (Housing Revenue Account)                   | (55,152)        | (59,008)         |
| <b>Total income analysed on a segment basis</b> | <b>(97,387)</b> | <b>(102,867)</b> |

## 8. ADJUSTMENTS BETWEEN ACCOUNTING BASIS & FUNDING BASIS UNDER REGULATIONS

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

### General Fund Balance

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. It summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year.

### Housing Revenue Account (HRA) Balance

The Housing Revenue Account Balance reflects the statutory obligation to maintain a revenue account for the local authority council housing provision. It contains the balance of income and expenditure as defined by legislation that is available to fund future expenditure in connection with the Council's landlord function or (where in deficit) that is required to be recovered from tenants in future years.

### Capital Receipts Reserve

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

### Major Repairs Reserve

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited for use on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. The balance shows the capital resources that have yet to be applied at the year-end.

### Capital Grants Unapplied

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

| 2024/25   | General Fund Balance | HRA Balance     | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapp'd Account | Move-ment Unusable Reserves |
|---|----------------------|-----------------|--------------------------|-----------------------|--------------------------------|-----------------------------|
|   | £'000                | £'000           | £'000                    | £'000                 | £'000                          | £'000                       |
| <b>Adjustments to Revenue Reserves:</b>   |                      |                 |                          |                       |                                |                             |
| <b>Amounts by which income and expenditure included in the Comprehensive Income &amp; Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</b> |                      |                 |                          |                       |                                |                             |
| Pension costs (transferred to/from the Pensions Reserve)  | 599                  | 580             |                          |                       |                                | (1,179)                     |
| Financial Instruments (transferred to the financial instruments adjustment account)   | -                    | (6)             |                          |                       |                                | 6                           |
| Council Tax & NNDR (transfers to/from the Collection Fund Adjustment Account)   | (4,425)              | -               |                          |                       |                                | 4,425                       |
| Holiday pay (transferred to/from to the Accumulated Absences Reserve)   | (6)                  | 6               |                          |                       |                                |                             |
| <b>Reversal of entries relating to capital expenditure (charged to the Capital Adjustment Account):</b>   |                      |                 |                          |                       |                                |                             |
| Charges for depreciation and impairment of non-current assets   | (3,742)              | (11,942)        |                          |                       |                                | 15,684                      |
| Revaluation Losses/(Gains) on Property, Plant and Equipment   | (3,460)              | (160)           |                          |                       |                                | 3,620                       |
| Movements in the Market Value of Investment Properties  | (288)                | -               |                          |                       |                                | 288                         |
| Reverse Impairments in the year from Revaluation Increase   |                      |                 |                          |                       |                                | -                           |
| Amortisation of Intangible Assets   | (183)                | (198)           |                          |                       |                                | 381                         |
| Revenue Expenditure Funded from Capital under Statute   |                      |                 |                          |                       |                                |                             |
| -Funded by Grants   | (1,016)              |                 |                          |                       |                                | 1,016                       |
| -Funded by Capital Receipts (Flexible Use)  | (1,451)              |                 | 1,451                    |                       |                                | -                           |
| Amounts of Non-current Assets written off on disposal or sale as part of the Gain/(Loss) on Disposal to the CIES  | (4,951)              | (5,925)         |                          |                       |                                | 10,876                      |
| <b>Total Adjustments to Revenue Resources</b>   | <b>(18,922)</b>      | <b>(17,645)</b> | <b>1,451</b>             | <b>-</b>              | <b>-</b>                       | <b>35,116</b>               |
| <b>Adjustments between Revenue and Capital Resources:</b>   |                      |                 |                          |                       |                                |                             |
| Transfer of non-current asset sale proceeds to the Capital/Deferred Receipts Reserve  | 2,958                | 3,796           | (6,622)                  |                       |                                | (132)                       |
| Transfer of capital grants and contributions to capital grants unapplied  | 2,252                | -               |                          |                       | (2,252)                        | -                           |
| Payments to the government housing receipts pool  |                      |                 |                          |                       |                                |                             |
| Transfer of HRA resources from revenue to the Major Repairs Reserve   |                      | 12,140          |                          | (12,140)              |                                |                             |
| Statutory provision for the repayment of debt (transfer from Capital adjustment account)  | 1,307                |                 |                          |                       |                                | (1,307)                     |
| Capital expenditure financed from revenue balances  | 157                  |                 |                          |                       |                                | (157)                       |
| <b>Total Adjustments between Revenue and Capital Resources</b>  | <b>6,674</b>         | <b>15,936</b>   | <b>(6,622)</b>           | <b>(12,140)</b>       | <b>(2,252)</b>                 | <b>(1,596)</b>              |
| <b>Adjustments to Capital Resources:</b>  |                      |                 |                          |                       |                                |                             |
| Use of the Capital Receipts Reserve to finance capital expenditure  |                      |                 | 15,582                   |                       |                                | (15,582)                    |
| Use of the Major Repairs Reserve to finance capital expenditure   |                      |                 |                          | 12,140                |                                | (12,140)                    |
| Application of Capital grants to finance capital expenditure  | 5,603                | -               | -                        |                       | 2,159                          | (7,762)                     |
| Transfer from Deferred Capital Receipts Reserve upon receipt of cash  |                      |                 | (74)                     |                       |                                | 74                          |
| <b>Total Adjustments to Capital Resources</b>   | <b>5,603</b>         | <b>-</b>        | <b>15,508</b>            | <b>12,140</b>         | <b>2,159</b>                   | <b>(35,410)</b>             |
| <b>Total Adjustments</b>  | <b>(6,645)</b>       | <b>(1,709)</b>  | <b>10,337</b>            | <b>-</b>              | <b>(93)</b>                    | <b>(1,890)</b>              |

| 2023/24   | General Fund Balance | HRA Balance     | Capital Receipts Reserve | Major Repairs Reserve | Capital Grants Unapp'd Account | Move-ment Unusable Reserves |
|---|----------------------|-----------------|--------------------------|-----------------------|--------------------------------|-----------------------------|
|   | £'000                | £'000           | £'000                    | £'000                 | £'000                          | £'000                       |
| <b>Adjustments to Revenue Reserves:</b>   |                      |                 |                          |                       |                                |                             |
| <b>Amounts by which income and expenditure included in the Comprehensive Income &amp; Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:</b> |                      |                 |                          |                       |                                |                             |
| Pension costs (transferred to/from the Pensions Reserve)  | 4,543                | 601             |                          |                       |                                | (5,145)                     |
| Financial Instruments (transferred to the financial instruments adjustment account)   | -                    | 2               |                          |                       |                                | (2)                         |
| Council Tax & NNDR (transfers to/from the Collection Fund Adjustment Account)   | 2,505                | -               |                          |                       |                                | (2,505)                     |
| Holiday pay (transferred to/from to the Accumulated Absences Reserve)   | (15)                 | (9)             |                          |                       |                                | 24                          |
| Reversal of entries relating to capital expenditure (charged to the Capital Adjustment Account):  | -                    | -               |                          |                       |                                | -                           |
| Charges for depreciation and impairment of non-current assets   | (2,242)              | (12,845)        |                          |                       |                                | 15,086                      |
| Revaluation Losses/(Gains) on Property, Plant and Equipment   | 16                   | 307             |                          |                       |                                | (322)                       |
| Movements in the Market Value of Investment Properties  | (300)                | -               |                          |                       |                                | 300                         |
| Reverse Impairments in the year from Revaluation Increase   | -                    | -               |                          |                       |                                | -                           |
| Amortisation of Intangible Assets   | (7)                  | -               |                          |                       |                                | 7                           |
| Revenue Expenditure Funded from Capital under Statute   | (579)                | -               |                          |                       |                                | 579                         |
| Amounts of Non-current Assets written off on disposal or sale as part of the Gain/(Loss) on Disposal to the CIES  | -                    | (2,645)         |                          |                       |                                | 2,645                       |
| <b>Total Adjustments to Revenue Resources</b>   | <b>3,921</b>         | <b>(14,588)</b> | <b>-</b>                 | <b>-</b>              | <b>-</b>                       | <b>10,667</b>               |
| <b>Adjustments between Revenue and Capital Resources:</b>   |                      |                 |                          |                       |                                |                             |
| Transfer of non-current asset sale proceeds to the Capital/Deferred Receipts Reserve  | 4,130                | 3,648           | (7,773)                  |                       |                                | (5)                         |
| Transfer of capital grants and contributions to capital grants unapplied  | 1,760                | -               |                          |                       | (1,760)                        | -                           |
| Payments to the government housing receipts pool  | -                    | -               | -                        |                       |                                | -                           |
| Transfer of HRA resources from revenue to the Major Repairs Reserve   | -                    | 12,845          |                          | (12,845)              |                                | -                           |
| Statutory provision for the repayment of debt (transfer from Capital adjustment account)  | 927                  | -               |                          |                       |                                | (927)                       |
| Capital expenditure financed from revenue balances  | 451                  | -               |                          |                       |                                | (451)                       |
| <b>Total Adjustments between Revenue and Capital Resources</b>  | <b>7,268</b>         | <b>16,492</b>   | <b>(7,773)</b>           | <b>(12,845)</b>       | <b>(1,760)</b>                 | <b>(1,383)</b>              |
| <b>Adjustments to Capital Resources:</b>  |                      |                 |                          |                       |                                |                             |
| Use of the Capital Receipts Reserve to finance capital expenditure  |                      |                 | 1,127                    |                       |                                | (1,127)                     |
| Settlement of Loan written back to Capital Receipts Reserve   |                      |                 | -                        |                       |                                | -                           |
| Use of the Major Repairs Reserve to finance capital expenditure   |                      |                 |                          | 12,845                |                                | (12,845)                    |
| Application of Capital grants to finance capital expenditure  | 3,616                | -               |                          |                       | 1,696                          | (5,312)                     |
| Transfer from Deferred Capital Receipts Reserve upon receipt of cash  |                      |                 | (74)                     |                       |                                | 74                          |
| <b>Total Adjustments to Capital Resources</b>   | <b>3,616</b>         | <b>-</b>        | <b>1,053</b>             | <b>12,845</b>         | <b>1,696</b>                   | <b>(19,210)</b>             |
| <b>Total Adjustments</b>  | <b>14,805</b>        | <b>1,905</b>    | <b>(6,720)</b>           | <b>-</b>              | <b>(64)</b>                    | <b>(9,926)</b>              |

## 9. MOVEMENTS IN EARMARKED RESERVES

The following table sets out the amounts set aside from the General Fund and Housing Revenue Account balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure in 2024/25.

| General Fund<br>Earmarked Reserves       | Bal at<br>1st April<br>2023<br>£'000 | Transfer<br>in<br>2023/24<br>£'000 | Transfer<br>out<br>2023/24<br>£'000 | Bal at<br>31 Mar<br>2024<br>£'000 | Transfer<br>in<br>2024/25<br>£'000 | Transfer<br>out<br>2024/25<br>£'000 | Bal at<br>31st Mar<br>2025<br>£'000 |
|--|--------------------------------------|------------------------------------|-------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------|
| Audit Fees                               | (166)                                | -                                  | -                                   | (166)                             | -                                  | 166                                 | -                                   |
| Budget Carryovers                        | -                                    | (166)                              | -                                   | (166)                             | -                                  | 166                                 | -                                   |
| Budget Stabilisation                     | (219)                                | (982)                              | -                                   | (1,201)                           | (1,328)                            | -                                   | (2,529)                             |
| Bush Fair Capital Improvements           | (42)                                 | -                                  | 42                                  | -                                 | -                                  | -                                   | -                                   |
| Business Rates Equalisation              |                                      |                                    |                                     |                                   | (2,040)                            | 8,629                               | -                                   |
| Climate Change                           | -                                    | (100)                              | -                                   | (100)                             | -                                  | -                                   | (100)                               |
| Collection Fund                          |                                      |                                    |                                     |                                   | (1,000)                            | -                                   | (1,000)                             |
| Covid-19                                 | (158)                                | -                                  | 158                                 | -                                 | -                                  | -                                   | -                                   |
| Debt Financing                           | (3,415)                              | (238)                              | 498                                 | (3,155)                           | (711)                              | 866                                 | (3,000)                             |
| Discretionary Services Fund              | (2,005)                              | -                                  | 451                                 | (1,553)                           | (175)                              | 563                                 | (1,165)                             |
| Enterprise Zone                          | (338)                                | -                                  | 263                                 | (75)                              | -                                  | 75                                  | -                                   |
| Environment                              | (27)                                 | -                                  | 27                                  | -                                 | -                                  | -                                   | -                                   |
| Environmental Urgent Works & Improvement | (1,291)                              | (27)                               | 12                                  | (1,305)                           | (57)                               | 1,363                               | -                                   |
| Hardship Fund                            | (155)                                | -                                  | -                                   | (155)                             | -                                  | 105                                 | (50)                                |
| Housing Benefits Subsidy                 | (192)                                | -                                  | 192                                 | -                                 | (300)                              | -                                   | (300)                               |
| Housing TA                               | (150)                                | -                                  | 150                                 | -                                 | (500)                              | -                                   | (500)                               |
| Insurance claims - GF                    | (856)                                | (50)                               | -                                   | (906)                             | -                                  | 906                                 | -                                   |
| Insurance Fund - GF                      | (1,954)                              | (202)                              | 15                                  | (2,141)                           | -                                  | 1,541                               | (600)                               |
| Invest To Save & Improve Reserve         | (108)                                | -                                  | -                                   | (108)                             | -                                  | 108                                 | -                                   |
| Local Government Reform                  |                                      |                                    |                                     |                                   | (500)                              | -                                   | (500)                               |
| Neighbourhood Renewal                    | (187)                                | (170)                              | 191                                 | (166)                             | (2,180)                            | 327                                 | (2,019)                             |
| Neighbourhood Renewal Capital            | -                                    | (42)                               | -                                   | (42)                              | -                                  | 42                                  | -                                   |
| Partnership Fund                         | (200)                                | -                                  | -                                   | (200)                             | -                                  | 200                                 | -                                   |
| Pensions                                 | (1,255)                              | -                                  | -                                   | (1,255)                           | -                                  | 255                                 | (1,000)                             |
| Perpetuity                               | (847)                                | (40)                               | 57                                  | (831)                             | -                                  | 19                                  | (812)                               |
| Planning                                 | (79)                                 | -                                  | -                                   | (79)                              | (26)                               | 106                                 | -                                   |
| Public Protection                        |                                      |                                    |                                     |                                   | (80)                               | -                                   | (80)                                |
| Regeneration & Enterprise Reserve        | (800)                                | (361)                              | 655                                 | (507)                             | (10,039)                           | 275                                 | (10,271)                            |
| Regeneration                             | (24)                                 | -                                  | 24                                  | -                                 | -                                  | -                                   | -                                   |
| Risk Management - GF                     | (299)                                | -                                  | 31                                  | (268)                             | -                                  | 68                                  | (200)                               |
| Severance                                | (752)                                | -                                  | 164                                 | (588)                             | (15)                               | 303                                 | (300)                               |
| The Harlow & Gilston Garden              | (140)                                | -                                  | 14                                  | (126)                             | -                                  | 126                                 | -                                   |
| Town Funding                             |                                      |                                    |                                     |                                   |                                    |                                     |                                     |
| Transformation                           | -                                    | (144)                              | -                                   | (144)                             | (400)                              | 44                                  | (500)                               |
| <b>Total</b>                             | <b>(15,881)</b>                      | <b>(2,523)</b>                     | <b>2,944</b>                        | <b>(15,460)</b>                   | <b>(19,351)</b>                    | <b>16,250</b>                       | <b>(24,926)</b>                     |

| <b>HRA Earmarked Reserves</b>      | <b>Bal at 1st April 2023<br/>£'000</b> | <b>Transfer in 2023/24<br/>£'000</b> | <b>Transfer out 2023/24<br/>£'000</b> | <b>Bal at 31 Mar 2024<br/>£'000</b> | <b>Transfer in 2024/25<br/>£'000</b> | <b>Transfer out 2024/25<br/>£'000</b> | <b>Bal at 31st Mar 2025<br/>£'000</b> |
|------------------------------------|--|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| Housing Insurance Property Reserve | (70)                                   | (10)                                 | -                                     | (80)                                | -                                    | -                                     | (80)                                  |
| Housing Investment Fund            | -                                      | (3,583)                              |                                       | (3,583)                             | (2,931)                              | -                                     | (6,514)                               |
| Insurance claims                   | (796)                                  | (50)                                 | -                                     | (846)                               | -                                    | 846                                   | -                                     |
| Insurance Fund                     | (2,366)                                | (328)                                | 195                                   | (2,499)                             | -                                    | 1,899                                 | (600)                                 |
| Pensions Reserve                   | (1,333)                                | -                                    | -                                     | (1,333)                             | -                                    | 333                                   | (1,000)                               |
| Perpetuity Reserves                | (893)                                  | (401)                                | 627                                   | (667)                               | (556)                                | 549                                   | (674)                                 |
| Risk Management Reserve            | (574)                                  | -                                    | 31                                    | (543)                               | -                                    | 47                                    | (496)                                 |
| <b>Total</b>                       | <b>(6,033)</b>                         | <b>(4,373)</b>                       | <b>854</b>                            | <b>(9,552)</b>                      | <b>(3,486)</b>                       | <b>3,674</b>                          | <b>(9,364)</b>                        |

| <b>Earmarked Grants</b> | <b>Bal at 1st April 2023<br/>£'000</b> | <b>Transfer in 2023/24<br/>£'000</b> | <b>Transfer out 2023/24<br/>£'000</b> | <b>Bal at 31 Mar 2024<br/>£'000</b> | <b>Transfer in 2024/25<br/>£'000</b> | <b>Transfer out 2024/25<br/>£'000</b> | <b>Bal at 31st Mar 2025<br/>£'000</b> |
|-------------------------|--|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| General Fund            | (6,162)                                | (4,905)                              | 1,467                                 | (9,600)                             | (1,372)                              | 1,582                                 | (3,024)                               |
| HRA                     | (26)                                   | -                                    | 10                                    | (16)                                | -                                    | 16                                    | -                                     |
| <b>Total</b>            | <b>(6,188)</b>                         | <b>(4,905)</b>                       | <b>1,477</b>                          | <b>(9,616)</b>                      | <b>(1,372)</b>                       | <b>1,599</b>                          | <b>(3,024)</b>                        |

| <b>All Earmarked Reserves</b>   | <b>Bal at 1st April 2023<br/>£'000</b> | <b>Transfer in 2023/24<br/>£'000</b> | <b>Transfer out 2023/24<br/>£'000</b> | <b>Bal at 31 Mar 2024<br/>£'000</b> | <b>Transfer in 2024/25<br/>£'000</b> | <b>Transfer out 2024/25<br/>£'000</b> | <b>Bal at 31st Mar 2025<br/>£'000</b> |
|---------------------------------|--|--------------------------------------|---------------------------------------|-------------------------------------|--------------------------------------|---------------------------------------|---------------------------------------|
| <b>Total Earmarked Reserves</b> | <b>(28,102)</b>                        | <b>(11,800)</b>                      | <b>5,275</b>                          | <b>(34,628)</b>                     | <b>(24,210)</b>                      | <b>21,522</b>                         | <b>(37,315)</b>                       |

| <b>Earmarked Reserves - Description and Purpose</b> |   |
|---|---|
| <b>General Fund Reserves</b>                        | <b>Purpose</b>  |
| Audit Fees  | Set aside to meet expect External Audit Fees  |
| Budget Stabilisation                                | The creation of the reserve will remove the need to make short term decisions related to potential budget reductions  |
| Bush Fair capital improvement works                 | To fund capital works in the area   |
| Business Rates Equalisation                         | Created to equalise business rates pressures on the general fund  |
| Climate Change                                      | Pressures relating to climate change  |
| Collection Fund                                     | Established to mitigate possible future deficits within the collection fund   |
| Covid-19 Reserve                                    | Set aside for Covid-19 pressures  |
| Debt financing                                      | Established to finance future costs in relation to borrowing.   |
| Discretionary services fund                         | To fund services to the community that are not required by statute & to provide financial support to organisations providing such services.                       |
| Enterprise Zone                                     | Created to fund works at Enterprise Zone  |
| Environment   | Past energy savings, available to finance energy-efficiency schemes & measures to reduce future energy usage & emissions.   |
| Environmental urgent works and improvement          | For works and improvements in the Harlow wider town area.   |
| Hardship  | To provide hardship funding to support those local residents most significantly impacted by the Covid 19 crisis and least able to meet their council tax payments |

|  |  |
|--|--|
| Housing benefits subsidy                           | An equalisation reserve to meet any future reductions in subsidy from previous years' increases.   |
| Housing Temporary Accommodation                    | Set aside to mitigate against potential increasing cost of Temporary Accommodation   |
| Insurance claims                                   | To meet any costs of future claims resulting from the insolvency of the Council's previous insurer Municipal Mutual Insurance Ltd.   |
| Insurance fund                                     | A self-insurance reserve to meet excess charges in respect of policies for theft, motor insurance, employer's liability, fire and dwellings and other minor items.   |
| Invest To Save & Improve                           | Established from previous years' windfall income, used to deliver service improvements or to fund efficiency initiatives.  |
| Local Government Reform                            | Pressures around local government reform   |
| Neighbourhood Renewal                              | Activities to meet our corporate mission of renewing our neighbourhood   |
| Partnership fund                                   | For implementation costs of potential partnership arrangements for the delivery of the Revenues and Benefits service.  |
| Pension  | To Mitigate future risk in Pension fluctuations  |
| Perpetuity   | Amounts set aside to meet long-term contractual obligations under a range of covenants.  |
| Planning   | Used to transfer resources between years should delivery of the Local Development Framework (LDF) be rescheduled.  |
| Public Protection                                  | Set aside to contribute to public protection initiatives.  |
| Regeneration and enterprise                        | A reserve to support Harlow's regeneration.  |
| Regeneration                                       | A reserve to support the regeneration of the Town Centre.  |
| Risk management reserve                            | Established in order to finance future initiatives that mitigate insurable risks and potential insurance claims against the Council and help limit increases in insurance premiums.                              |
| Severance reserve                                  | Used to finance redundancy costs in excess of the amount included in the revenue budget.   |
| The Harlow and Gilston Garden Town funding reserve | Established to contribute towards the Gilston Garden Town project and other developments in and around Harlow to ensure maximum benefits in respect of affordable housing and skills and employment initiatives. |
| Transformation                                     | To support the transformation of the council.  |

| Earmarked Reserves - Description and Purpose |   |
|--|---|
| <u>Housing Revenue Account Reserves</u>      | <u>Purpose</u>  |
| Housing Insurance Property                   | Repairs & Maintenance insurance for asbestos claims   |
| Housing Investment Fund                      | Set aside for investing in our housing to meet our corporate mission  |
| Insurance claims                             | To meet any future costs resulting from the insolvency of the Council's previous insurer Municipal Mutual Insurance Ltd.  |
| Insurance fund                               | A self-insurance reserve to meet excess charges in respect of policies for theft, motor insurance, employer's liability, fire and dwellings and other minor items.                  |
| Pension                                      | To Mitigate future risk in Pension fluctuations   |
| Perpetuity reserves                          | Amounts set aside to meet long-term contractual obligations under a range of covenants.   |
| Risk management reserve                      | Established in order to finance future initiatives that mitigate insurable risks and potential insurance claims against the Council and help limit increases in insurance premiums. |
| <u>Earmarked Grants Reserves</u>             | Specific revenue grants received are accounted for in the year of receipt. Any unused grant is held in these reserves until specified expenditure is incurred.                      |

## 10. OTHER OPERATING EXPENDITURE

| 2023/24<br>£'000  | 2024/25<br>£'000 |
|---|------------------|
| (5,130) (Gain)/Loss on the Disposal of Non-Current Assets | 4,132            |
| <b>(5,130) Total Other Operating Expenditure</b>          | <b>4,132</b>     |

## 11. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

| 2023/24<br>£'000  | 2024/25<br>£'000 |
|---|------------------|
| 7,961 Interest payable and similar charges  | 7,415            |
| (3,874) Net interest on the net defined benefit liability / (asset)                             | (23)             |
| (1,333) Interest receivable and similar income  | (561)            |
| 209 Income and expenditure in relation to investment properties and changes in their fair value | 196              |
| (201) Other investment income   | (201)            |
| <b>2,762 Total</b>  | <b>6,826</b>     |

## 12. TAXATION AND NON-SPECIFIC GRANT INCOME

| 2023/24<br>£'000  | 2024/25<br>£'000 |
|---|------------------|
| (8,434) District Council element of Council Tax Income  | (8,556)          |
| (3,251) District Council element of NNDR income in year | (3,427)          |
| (9,449) Non-ringfenced government grants                | (4,837)          |
| (4,392) Capital Grants and Contributions                | (6,731)          |
| <b>(25,526) Total</b>                                   | <b>(23,551)</b>  |

## 13. EXPENDITURE AND INCOME ANALYSED BY NATURE

Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement. The Council's expenditure and income can be analysed as follows:

|  | 2023/24<br>£'000 | 2024/25<br>£'000 |
|--|------------------|------------------|
| <b>Expenditure:</b>                                      |                  |                  |
| Employee benefits expenses                               | 20,525           | 22,517           |
| Other services expenses                                  | 68,314           | 73,406           |
| Depreciation, amortisation and impairment                | 14,771           | 19,685           |
| Interest payments  | 4,087            | 7,392            |
| Loss on disposal   | (5,130)          | 4,132            |
| <b>Total expenditure</b>                                 | <b>102,567</b>   | <b>127,131</b>   |
| <b>Income:</b>   |                  |                  |
| Fees, charges and other service income                   | (71,262)         | (76,227)         |
| Interest and investment income                           | (1,325)          | (565)            |
| Income from council tax and non-domestic rates income    | (11,685)         | (11,983)         |
| Government grants and contributions                      | (38,502)         | (36,824)         |
| <b>Total income</b>                                      | <b>(122,774)</b> | <b>(125,600)</b> |
| <b>(Surplus) or Deficit on the Provision of Services</b> | <b>(20,207)</b>  | <b>1,531</b>     |

## 14. PROPERTY, PLANT AND EQUIPMENT

| 2024/25   | Council Dwellings<br>£'000 | Other Land & Buildings<br>£'000 | Vehicles, Plant & Equipment<br>£'000 | Infrastructure Assets<br>£'000 | Community Assets<br>£'000 | Surplus Assets<br>£'000 | Assets Under Construction<br>£'000 | Property, Plant & Equipment<br>£'000 |
|---|----------------------------|---------------------------------|--------------------------------------|--------------------------------|---------------------------|-------------------------|------------------------------------|--------------------------------------|
| <b>Cost or Valuation at 1 April</b>   | <b>856,117</b>             | <b>213,999</b>                  | <b>12,767</b>                        | <b>12,584</b>                  | <b>2,837</b>              | <b>2,222</b>            | <b>26,897</b>                      | <b>1,127,423</b>                     |
| Adjustments to opening balance  |                            |                                 |                                      |                                |                           |                         |                                    | -                                    |
| Additions   | 31,394                     | 6,911                           | 1,347                                | 237                            | 271                       | -                       | 17,205                             | 57,365                               |
| Donations   | -                          | -                               | -                                    | -                              | -                         | -                       | -                                  | -                                    |
| Revaluation increases/ (decreases) recognised in the Revaluation Reserve                            | (33,620)                   | (6,678)                         | -                                    | -                              | -                         | (358)                   | -                                  | (40,656)                             |
| Revaluation increases/ (decreases) recognised in the Surplus/(Deficit) on the Provision of Services | (265)                      | (4,136)                         | -                                    | -                              | -                         | -                       | -                                  | (4,401)                              |
| Reversal of impairments   | -                          | -                               | -                                    | -                              | -                         | -                       | -                                  | -                                    |
| Derecognition - Disposals   | (3,503)                    | (4,273)                         | (6,520)                              | -                              | -                         | (193)                   | (489)                              | (14,978)                             |
| Derecognition - Other   | -                          | -                               | -                                    | -                              | -                         | -                       | -                                  | -                                    |
| Assets reclassified (to)/from Held for Sale   | 910                        | 17,665                          | -                                    | (1,232)                        | (346)                     | (46)                    | (16,951)                           | -                                    |
| Other movements in cost or valuation  |                            |                                 |                                      |                                |                           |                         |                                    | -                                    |
| <b>at 31 March</b>  | <b>851,033</b>             | <b>223,488</b>                  | <b>7,593</b>                         | <b>11,589</b>                  | <b>2,762</b>              | <b>1,625</b>            | <b>26,662</b>                      | <b>1,124,752</b>                     |
| <b>Accumulated Depreciation at 1 April</b>  | <b>(145)</b>               | <b>(3,303)</b>                  | <b>(8,314)</b>                       | <b>(4,449)</b>                 | <b>(84)</b>               | <b>(67)</b>             | <b>(28)</b>                        | <b>(16,390)</b>                      |
| Adjustment to opening balance   |                            |                                 |                                      |                                |                           |                         |                                    | -                                    |
| Depreciation Charge   | (11,936)                   | (2,948)                         | (926)                                | (205)                          | -                         | -                       | -                                  | (16,015)                             |
| Depreciation written out to the Revaluation Reserve   | 11,830                     | 2,706                           | -                                    | -                              | -                         | -                       | -                                  | 14,536                               |
| Depreciation written out to the Surplus/(Deficit) on the Provision of Services                      | 105                        | 676                             | -                                    | -                              | -                         | -                       | -                                  | 781                                  |
| Derecognition - Disposals   | -                          | (64)                            | 6,520                                | -                              | -                         | -                       | -                                  | 6,456                                |
| Impairments recognised in RR  | -                          | -                               | -                                    | -                              | -                         | -                       | -                                  | -                                    |
| Assets reclassified (to)/from Held for Sale   | -                          | -                               | -                                    | -                              | -                         | -                       | -                                  | -                                    |
| Other movements in cost or valuation  | 146                        | -                               | -                                    | -                              | 85                        | 67                      | 27                                 | 325                                  |
| <b>at 31 March</b>  |                            | <b>(2,933)</b>                  | <b>(2,719)</b>                       | <b>(4,654)</b>                 | <b>1</b>                  | <b>0</b>                | <b>(1)</b>                         | <b>(10,306)</b>                      |
| <b>NBV at 31 March 2025</b>   | <b>851,033</b>             | <b>220,555</b>                  | <b>4,874</b>                         | <b>6,935</b>                   | <b>2,763</b>              | <b>1,625</b>            | <b>26,661</b>                      | <b>1,114,445</b>                     |
| NBV at 31 March 2024  | 855,972                    | 210,697                         | 4,453                                | 8,135                          | 2,754                     | 2,154                   | 26,869                             | 1,111,034                            |

| 2023/24                                    | Council Dwellings<br>£'000 | Land & Buildings<br>£'000 | Vehicles, Plant & Equipment<br>£'000 | Infrastructure<br>£'000 | Community Assets<br>£'000 | Surplus Assets<br>£'000 | Assets Under Construction<br>£'000 | Property, Plant & Equipment<br>£'000 |
|--|----------------------------|---------------------------|--------------------------------------|-------------------------|---------------------------|-------------------------|------------------------------------|--------------------------------------|
| <b>Cost or Valuation at 1 April</b>        | <b>837,223</b>             | <b>210,296</b>            | <b>11,217</b>                        | <b>11,235</b>           | <b>3,591</b>              | <b>2,871</b>            | <b>21,751</b>                      | <b>1,098,183</b>                     |
| Additions                                  | 23,226                     | 2,013                     | 1,514                                | 1,349                   | 399                       | 2                       | 4,613                              | 33,116                               |
| Reval inc/(dec) in the Revaluation Reserve | 8,944                      | 3,229                     | -                                    | -                       | -                         | 283                     | -                                  | 12,456                               |
| Reval inc/(dec) in the Surp/Def on the POS | 307                        | 11                        | -                                    | -                       | -                         | 5                       | -                                  | 323                                  |
| Derecognition- Disposal                    | (899)                      | -                         | -                                    | -                       | -                         | (192)                   | (501)                              | (1,592)                              |
| Derecognition- Other                       | -                          | -                         | -                                    | -                       | -                         | -                       | -                                  | -                                    |
| Reclassifications                          | (152)                      | 564                       | 36                                   | -                       | (1,153)                   | (743)                   | 1,033                              | (415)                                |
| Other movements                            | (12,531)                   | (2,113)                   | -                                    | -                       | -                         | (4)                     | -                                  | (14,648)                             |
| <b>at 31 March</b>                         | <b>856,117</b>             | <b>213,999</b>            | <b>12,767</b>                        | <b>12,584</b>           | <b>2,837</b>              | <b>2,222</b>            | <b>26,897</b>                      | <b>1,127,423</b>                     |
| <b>Accumulated Depreciation at 1 April</b> | <b>(105)</b>               | <b>(3,339)</b>            | <b>(8,190)</b>                       | <b>(4,275)</b>          | <b>(66)</b>               | <b>(21)</b>             | <b>(8)</b>                         | <b>(16,005)</b>                      |
| Depreciation charge                        | (12,570)                   | (2,106)                   | (123)                                | (174)                   | (18)                      | (50)                    | -                                  | (15,041)                             |
| Deprec written out to Revaluation Reserve  | 12,531                     | 2,113                     | -                                    | -                       | -                         | 4                       | -                                  | 14,648                               |
| Deprec written out to the Surp/Def on PoS  | -                          | -                         | -                                    | -                       | -                         | -                       | -                                  | -                                    |
| Reclassifications                          | (1)                        | 29                        | -                                    | -                       | -                         | -                       | (19)                               | 9                                    |
| Other movements                            | -                          | -                         | -                                    | -                       | -                         | -                       | -                                  | -                                    |
| <b>at 31 March</b>                         | <b>(145)</b>               | <b>(3,303)</b>            | <b>(8,314)</b>                       | <b>(4,449)</b>          | <b>(84)</b>               | <b>(67)</b>             | <b>(28)</b>                        | <b>(16,390)</b>                      |
| <b>NBV at 31 March 2024</b>                | <b>855,972</b>             | <b>210,697</b>            | <b>4,453</b>                         | <b>8,135</b>            | <b>2,754</b>              | <b>2,154</b>            | <b>26,869</b>                      | <b>1,111,034</b>                     |
| NBV at 31 March 2023                       | 837,117                    | 206,958                   | 3,025                                | 6,960                   | 3,525                     | 2,849                   | 21,743                             | 1,082,178                            |

## 14.1 Depreciation

The following useful asset lives and depreciation rates have been used in the calculation of depreciation except in specific cases (for example non-standard construction):

- Council Dwellings – 54 years
- Other Land and Buildings – 4 to 53 years
- Vehicles, Plant, Furniture and Equipment – 5 years
- Infrastructure – 40 years

## 14.2 Capital Commitments

As at 31 March 2025 the Council had entered into a number of contracts for enhancement to Property, Plant and Equipment and other assets. The major commitments are:

| 2023/24<br>£'000 |                                       | 2024/25<br>£'000 |
|------------------|---------------------------------------|------------------|
| 971              | Housing                               | 625              |
| 1,659            | New builds                            | 11,496           |
| 1,718            | Other works                           | 1,700            |
| <b>4,348</b>     | <b>Total PPE- Capital Commitments</b> | <b>13,821</b>    |

## 14.3 Revaluations

The Council carries out a rolling program that ensures that all property, plant and equipment required to be measured at current value is revalued at least every five years. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Valuations of vehicles, plant, furniture and equipment are based on historic cost as a proxy for current values

Other Land and Buildings – all assets are subject to a 5 year rolling review. Major assets are valued every year.

Surplus Assets – are valued at fair value.

Council Dwellings - Housing Beacons were valued by Wilks Head and Eve as at 31 December 2024 as part of the valuation process and reviewed as at 31 March 2025. The number of dwellings pending disposal 31 March 2025 was 33, all being pending 'Right To Buy' sales.

The following details set out significant assumptions applied in estimating the fair values of assets:

- Existing Use Value (EUV) is defined as the estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction, after proper marketing. The parties are taken to have acted knowledgeably, prudently and without compulsion.
- Where insufficient market-based evidence of fair value is available because an asset is specialised and/or rarely sold, the Code permits the use of Depreciated Replacement Cost (DRC).
- Existing Use Value - Social Housing (EUV-SH) is the estimated amount for which a council dwelling should exchange on the date of valuation, between a willing buyer and a willing seller, in an arm's-length transaction. There is presumption of proper marketing and that the parties are acting knowledgeably, prudently and without compulsion.
- Market Value (MV) is defined as "The estimated amount for which a property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without compulsion".

Carrying value of assets – based on last valuation date

## 15. HERITAGE ASSETS

Heritage assets held by the Council fall into three categories and are held for their intrinsic value as opposed to potential financial gain. As such, they are unlikely to be sold.

| 2023/24<br>Artefact<br>£'000 | 2023/24<br>Comm<br>£'000 | 2023/24<br>Art Coll<br>£'000 | 2023/24<br>Total<br>£'000 | Heritage Assets            | 2024/25<br>Artefact<br>£'000 | 2024/25<br>Comm<br>£'000 | 2024/25<br>Art Col<br>£'000 | 2024/25<br>Total<br>£'000 |
|------------------------------|--------------------------|------------------------------|---------------------------|----------------------------|------------------------------|--------------------------|-----------------------------|---------------------------|
|                              |                          |                              |                           | <b>Cost or Valuation</b>   |                              |                          |                             |                           |
| 729                          | 22                       | 1,005                        | 1,756                     | Start of year              | 729                          | 22                       | 1,005                       | 1,756                     |
| -                            | -                        | -                            | -                         | Additions                  | -                            | -                        | -                           | -                         |
| -                            | -                        | -                            | -                         | Reval Inc/(dec)            | -                            | -                        | -                           | -                         |
| <b>729</b>                   | <b>22</b>                | <b>1,005</b>                 | <b>1,756</b>              | <b>End of year</b>         | <b>729</b>                   | <b>22</b>                | <b>1,005</b>                | <b>1,756</b>              |
|                              |                          |                              |                           | <b>Accum depr/imprmt</b>   |                              |                          |                             |                           |
| -                            | (5)                      | -                            | (5)                       | Start of year              | -                            | (6)                      | -                           | (6)                       |
| -                            | (1)                      | -                            | (1)                       | Depr charged in yr         | -                            | 6                        | -                           | 6                         |
| -                            | -                        | -                            | -                         | Imprmt rec in CIES         | -                            | -                        | -                           | -                         |
| -                            | <b>(6)</b>               | -                            | <b>(6)</b>                | <b>End of year</b>         | -                            | -                        | -                           | -                         |
| <b>729</b>                   | <b>16</b>                | <b>1,005</b>                 | <b>1,751</b>              | <b>Balance end of year</b> | <b>729</b>                   | <b>22</b>                | <b>1,005</b>                | <b>1,756</b>              |

#### Artefacts held at the Museum of Harlow

The Council's collection of artefacts is reported on the Balance Sheet at the insurance value as assessed by Lyon and Turnbull in April 2010. These assets are deemed to have an indeterminate life and the Council does not consider it necessary to provide for depreciation. The valuation of any donated items is initially assessed by a responsible officer at the museum and if required, by external valuers. There were no acquisitions or disposals from the collection during 2024/25.

#### Community Heritage Assets

These include the bandstand in the Town Park and six war memorials. The Sculpture Trail along the River Stort was established in 2007/08 and includes four freestanding sculptures and a metal and glass walkway which form the three-and-a-half-mile waterside trail along the river linking Parndon Mill Gallery to the Gibberd Garden in Harlow. These items are listed in the fine arts schedule and are deemed to have an indeterminate life, such that the Council does not consider it appropriate to provide for depreciation.

#### Fine arts including Sculpture, Civic Gifts, and Regalia

In Harlow there are various works of art on housing estates and the Council has its own fine art collection including three paintings listed as civic gifts. The assets are carried on the Balance Sheet at an insurance value assessed by Doerr Dallas valuations in May 2020. The value is reviewed every five years. The assets are deemed to have an indeterminate life and the Council does not consider it necessary to provide for depreciation. The insurance value of the artworks and sculptures was assessed by Doerr Dallas Valuations in May 2020 and is reviewed periodically to ensure potential material changes can be reflected

Acquisitions are initially recognised at cost, and donated assets at a valuation provided by external valuers with reference to appropriate commercial markets using the most recent and relevant information from sales at auctions.

Other items include a variety of gifts received through civic visits and three chains of office, which are excluded from the Balance Sheet as they are of low monetary value.

#### **Listed Properties**

##### Archaeological Sites

The Council owns a number of archaeological and historic sites within the town. The Council does not consider that reliable cost information or valuations can be obtained for these sites, the assets lack any comparable market values and cost records do not exist. The cost of providing a balance sheet valuation would be disproportionate to any benefit to the user of the Council's financial statements and therefore is excluded from the balance sheet.

Policy of acquisition, preservation, management and disposal of heritage assets.

Fine arts including sculpture, civic gifts and regalia are acquired by donation and as gifts to the Council. Through the insurance valuation a record is maintained of the art works and sculptures held. In addition, the gifts received have been catalogued for reference.

For the museum collections, the museum is accredited to the Museums, Libraries and Archives Council and adopts the policies of this body governing acquisitions, disposals and the appropriate ethical and professional management of the museum and its collections.

By their nature there are few acquisitions or disposals of community heritage assets, but the Council has policies to acquire, preserve, manage and dispose of any such assets.

## 16. HERITAGE ASSETS: SUMMARY OF TRANSACTIONS

| 2023/24<br>Total<br>£'000 | Heritage<br>Assets | 2024/25<br>Purchases<br>£'000 | 2024/25<br>Donations<br>£'000 | 2024/25<br>Disposal<br>£'000 | 2024/25 Depr<br>w/back<br>£'000 | 2024/25 Total<br>£'000 |
|---------------------------|--------------------|-------------------------------|-------------------------------|------------------------------|---------------------------------|------------------------|
| 729                       | Artefact           | -                             | -                             | -                            | -                               | 729                    |
| 16                        | Community          | -                             | -                             | -                            | 6                               | 22                     |
| 1,005                     | Art Collection     | -                             | -                             | -                            | -                               | 1,005                  |
| <b>1,751</b>              | <b>Total</b>       | <b>-</b>                      | <b>-</b>                      | <b>-</b>                     | <b>6</b>                        | <b>1,756</b>           |

## 17. INVESTMENT PROPERTIES

The following items of income and expenditure have been accounted for in the Comprehensive Income and Expenditure Statement (excluding Fair Value movement):

| 2023/24<br>£'000 | Investment Property Income & Expenditure             | 2024/25<br>£'000 |
|------------------|--|------------------|
| (91)             | Rental income from investment property               | (95)             |
| -                | - Direct operating expenses from investment property |                  |
| <b>(91)</b>      | <b>Net (income) / expenditure</b>                    | <b>(95)</b>      |

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

| 2023/24<br>£'000 | Investment Property Fair Value Movement                            | 2024/25<br>£'000 |
|------------------|--|------------------|
| <b>1,259</b>     | <b>Opening Balance</b>   | <b>57,694</b>    |
| 56,735           | Additions (purchases)  | 12,667           |
| -                | - Disposals  | -                |
| (300)            | Net gains / (losses) from fair value adjustments taken to the CIES | (288)            |
| <b>57,694</b>    | <b>Balance at the end of the year</b>                              | <b>70,073</b>    |

### Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

## Valuation Techniques Used to Determine Level 2 Fair Value for Investment Property

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

| 2024/25 FV Hierarchy       | Levels (No. Of Prop)  |  |  | Fair Value<br><br>£'000 |
|----------------------------|---|--|--|-------------------------|
|                            | Quoted prices in active markets for identical assets<br>Level 1 | Other significant observable inputs<br>Level 2 | Significant unobservable inputs<br>Level 3 |                         |
| Farms                      | -   | 2  | -  | 357                     |
| Golf Club                  | -   | 1  | -  | 691                     |
| Other                      | -   | 6  | -  | 69,025                  |
| <b>Balance at 31 March</b> | <b>0</b>  | <b>9</b>                                       | <b>0</b>                                   | <b>70,073</b>           |

| 2023/24 FV Hierarchy       | Levels (No. of Prop)  |  |  | Fair Value<br><br>£'000 |
|----------------------------|---|--|--|-------------------------|
|                            | Quoted prices in active markets for identical assets<br>Level 1 | Other significant observable inputs<br>Level 2 | Significant unobservable inputs<br>Level 3 |                         |
| Farms                      | -   | 2  | -  | 357                     |
| Golf Club                  | -   | 1  | -  | 691                     |
| Other                      | -   | 2  | -  | 56,646                  |
| <b>Balance at 31 March</b> | <b>0</b>  | <b>5</b>                                       | <b>0</b>                                   | <b>57,694</b>           |

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is their current use. There has been no change in the valuation techniques used during the year for investment properties. The fair value of the Council's investment property is measured annually at each reporting date. All valuations are carried out externally by WHE, in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuation experts work closely with Finance officers reporting directly to the Chief Financial Officer on a regular basis regarding all valuation matters.

## 18. INTANGIBLE ASSETS

Intangible fixed assets are those items which, although the cost incurred in their acquisition is of a capital nature, there is no physical tangible asset to show.

| 2023/24<br>£'000 | Intangible Asset Movement                   | 2024/25<br>£'000 |
|------------------|---|------------------|
|                  | <u>Balance at start of year:</u>            |                  |
| 4,685            | Gross carrying amounts                      | 5,237            |
| (3,958)          | Accumulated amortisation                    | (4,242)          |
| <b>727</b>       | <b>Net carrying amount at start of year</b> | <b>995</b>       |
| 552              | Purchases                                   | 183              |
| -                | Disposals                                   | (4,063)          |
| (284)            | Amorisation                                 | (381)            |
| -                | Reversal of past amort on disposal          | 4,063            |
| <b>995</b>       | <b>Net carrying amount at end of year</b>   | <b>797</b>       |
|                  | <u>Comprising:</u>                          |                  |
| 5,237            | Gross carrying amounts                      | 1,357            |
| (4,242)          | Accumulated amortisation                    | (560)            |
| <b>995</b>       | <b>Total</b>                                | <b>797</b>       |

The Council's intangible non-current assets are predominantly ICT / software items serving various areas of activity within the Council (Housing, Community, Planning, Payroll and HR as examples). The useful lives of these assets vary depending on circumstance but broadly are under 10 years.

## 19. FINANCIAL INSTRUMENTS

### Financial Assets

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

|  | Non-current             |                         |                         |                         | Current                 |                         |                         |                         | TOTAL                   |                         |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
|  | Investments             |                         | Debtors                 |                         | Investment              |                         | Debtors                 |                         |                         |                         |
|  | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 |
| Fair value thru P&L (ST deposits Cash Equivalent)                    | -                       | --                      | -                       | -                       | 4,890                   | 9,195                   | -                       | -                       | 4,890                   | 9,195                   |
| Amortised cost- investments  | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Amortised cost- debtors  | -                       | -                       | 2,276                   | 2,356                   | -                       | -                       | 17,333                  | 19,526                  | 19,609                  | 21,882                  |
| Fair value through other comp income – designated equity instruments | 4,262                   | 4,294                   | -                       | -                       | -                       | -                       | -                       | -                       | 4,262                   | 4,294                   |
| <b>Total financial assets</b>  | <b>4,262</b>            | <b>4,294</b>            | <b>2,276</b>            | <b>2,356</b>            | <b>4,890</b>            | <b>9,195</b>            | <b>17,333</b>           | <b>19,526</b>           | <b>28,761</b>           | <b>35,371</b>           |
| Non-financial assets- debtors  | -                       | -                       | -                       | -                       | -                       | -                       | (10,835)                | (15,279)                | (10,835)                | (15,279)                |
| <b>Total</b>   | <b>4,262</b>            | <b>4,294</b>            | <b>2,276</b>            | <b>2,356</b>            | <b>4,890</b>            | <b>9,195</b>            | <b>6,498</b>            | <b>4,247</b>            | <b>17,926</b>           | <b>20,092</b>           |

### Financial Liabilities

Financial liabilities carried in the balance sheet are measured at amortised cost:

| Financial Liabilities | Non-current |           | Current   |           | TOTAL |
|-----------------------|-------------|-----------|-----------|-----------|-------|
|                       | Borrowing   | Creditors | Borrowing | Creditors |       |

|   | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 | 31-Mar<br>2024<br>£'000 | 31-Mar<br>2025<br>£'000 |
|---|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Fair value through profit or loss           | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       | -                       |
| Amortised cost- Borrowing                   | (211,837)               | (211,837)               | -                       | -                       | (59,081)                | (101,500)               | -                       | -                       | (270,918)               | (313,337)               |
| Amortised cost- Creditors                   | -                       | -                       | (532)                   | (253)                   | -                       | -                       | (23,034)                | (21,981)                | (23,566)                | (22,234)                |
| Amortised cost- Leases                      | (887)                   | (671)                   | -                       | -                       | -                       | -                       | (212)                   | (216)                   | (1,099)                 | (887)                   |
| <b>Total financial liabilities</b>          | <b>(212,724)</b>        | <b>(212,508)</b>        | <b>(532)</b>            | <b>(253)</b>            | <b>(59,081)</b>         | <b>(101,500)</b>        | <b>(23,246)</b>         | <b>(22,197)</b>         | <b>(295,583)</b>        | <b>(336,458)</b>        |
| Liabilities not defined as Fin. Instruments | -                       | -                       | -                       | -                       | -                       | -                       | 19,088                  | 11,453                  | 19,088                  | 11,453                  |
| <b>Total</b>                                | <b>(212,724)</b>        | <b>(212,508)</b>        | <b>(532)</b>            | <b>(253)</b>            | <b>(59,081)</b>         | <b>(101,500)</b>        | <b>(4,158)</b>          | <b>(10,744)</b>         | <b>(276,495)</b>        | <b>(325,005)</b>        |

### Investments in Equity Instruments Designated at Fair Value through Other Comprehensive Income

The following equity instruments have been designated at fair value through other comprehensive income.

The Council invested £2 million in 2015/16 in the Churches, Charities and Local Authorities Investment Management Ltd. (CCLA) specialist property fund (which is only available to local authority investors) to achieve an attractive income and capital growth over time. The units in the fund are valued based on the overall value of the property portfolio. The Council is free to divest itself of its investments at any time and would receive a payment based on the number of units held multiplied by the quoted redemption price per unit. The gain on the instrument of £35k in 2024/25 (a loss of £72,791 in 2023/24) has been credited to Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

The Council have invested £450,000 in £1 ordinary shares in its wholly owned company Harlow Trading Services (Housing & Regeneration Ltd).

The Council invested £2 million in the Royal London Cash Plus Fund in 2017/18 in order to diversify its investments held for treasury management purposes. The amount invested is fully liquid and the Council is free to divest itself of its investment at any time, receiving a payment based on the number of units held multiplied by the quoted redemption price per unit. The loss on the instrument of £2k in 2024/25 (a gain of £9,246 in 2023/24) has been charged to Other Comprehensive Income and Expenditure in the Comprehensive Income and Expenditure Statement.

| 2023/24<br>£'000 | Fair Value is assessed                           | 2024/25<br>£'000 |
|------------------|--|------------------|
| 1,793            | CCLA Property Fund                               | 1,828            |
| 450              | Harlow Trading Services HTS (purchase of shares) | 450              |
| 2,018            | Royal London Cash + Fund                         | 2,016            |
| <b>4,261</b>     | <b>Total non-current assets (Long Term)</b>      | <b>4,294</b>     |

Note: Fair value is assessed at input level 1 of the fair value hierarchy - unadjusted quoted prices in active markets for identical assets.

### Income, Expense, Gains and Losses

| 2023/24<br>Surplus<br>or Deficit<br>on the<br>Provisio | 2023/24<br>Other<br>Comprehe<br>n-sive<br>Income |  | 2024/25<br>Surplus<br>or Deficit<br>on the<br>Provisio | 2024/25<br>Other<br>Comprehen-<br>sive Income |
|--|--|--|--|---|
|  |  |  |  |   |

| n of Services<br>£'000 | and Expenditure<br>£'000 |  | n of Services<br>£'000 | and Expenditure<br>£'000 |
|------------------------|--------------------------|--|------------------------|--------------------------|
| -                      | 64                       | <b>Net gain/loss on;</b><br>Investment in equity instrument designated at fair value through other comp income | -                      | (32)                     |
| -                      | <b>64</b>                | <b>Total net gain/loss</b>   | -                      | <b>(32)</b>              |
| * -                    | -                        | <b>Interest revenue;</b><br>Fin asset measured at amortised cost   | (560)                  | -                        |
| * (1,321)              | -                        | Fin asset measured at FVPL   | -                      | -                        |
| * (12)                 | -                        | Fin asset measured at FVOCI  | -                      | -                        |
| <b>(1,333)</b>         | -                        | <b>Total interest revenue (note 11- interest receivable)</b>   | <b>(560)</b>           | -                        |
| <b>7,961</b>           | -                        | <b>Interest Expense (note 11- interest payable)</b>  | <b>10,641</b>          | -                        |

### Fair Values of Financial Instruments

The fair value of short-term instruments, including trade payables and receivables, is assumed to be approximate to the carrying amount given the low and stable interest rate environment.

The fair value of most financial assets, including money market and other pooled funds, is taken from the market price (level 1 of the fair value hierarchy – quoted prices in active markets for identical assets). The fair value of loans for service purposes is classed as level 2 of the hierarchy - calculated from inputs other than quoted prices that are observable for the asset, e.g. interest rates or yields for similar instruments

Financial liabilities, Public Works Loan Board (PWLb) borrowing, is carried in the balance sheet at amortised cost. The fair value (level 2 of the hierarchy - calculated from inputs other than quoted prices that are observable for the asset, e.g., interest rates or yields for similar instruments) has been estimated by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans and with the following assumptions:

- the market rate is the published interest rate for new certainty rate loans arranged on 31st March 2025;
- no early repayment or impairment is recognised.

Fair values are as follows:

|  | Carrying amount<br>31-03-2024<br>£'000 | Fair Value<br>31-03-2024<br>£'000 | Carrying amount<br>31-03-2025<br>£'000 | Fair Value<br>31-03-2025<br>£'000 |
|--|--|-----------------------------------|--|-----------------------------------|
| <b>Financial assets;</b><br>LT Investments | 4,262                                  | 3,812                             | 4,294                                  | 3,844                             |

|                               |                  |                  |                  |                  |
|-------------------------------|------------------|------------------|------------------|------------------|
| ST deposits (cash equiv)      | 4,890            | 4,890            | 9,195            | 9,195            |
| ST Debtors- FI's              | 6,498            | 6,498            | 4,247            | 4,247            |
| ST Debtors- not FI's          | 10,835           | 10,835           | 15,279           | 15,279           |
| Other LT debtors              | 2,276            | 2,276            | 2,356            | 2,356            |
| <b>Total</b>                  | <b>28,761</b>    | <b>17,475</b>    | <b>35,371</b>    | <b>34,921</b>    |
| <b>Financial Liabilities;</b> |                  |                  |                  |                  |
| LT Borrowing                  | (211,837)        | (211,837)        | (211,837)        | (182,819)        |
| ST Borrowing                  | (59,081)         | (59,000)         | (101,500)        | (103,704)        |
| Creditors- FI's               | (4,478)          | (4,478)          | (10,781)         | (10,781)         |
| ST Creditors- not FI's        | (19,088)         | (19,088)         | (11,453)         | (11,453)         |
| Other LT creditors (Leases)   | (1,099)          | (887)            | (887)            | (671)            |
| <b>Total</b>                  | <b>(295,583)</b> | <b>(295,289)</b> | <b>(336,458)</b> | <b>(309,428)</b> |

The fair value of financial liabilities is greater than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is higher than the current rates available for similar loans in the market at the Balance Sheet date.

### Transfers between Levels of the Fair Value Hierarchy and Changes in the Valuation Technique

There were no transfers or changes during the year.

## 20. INVENTORY

| 2023/24<br>£'000           | 2024/25<br>£'000 |
|----------------------------|------------------|
| 3 Leah Manning Provisions  | 3                |
| 7 Reprographics Stock      | 6                |
| 7 Franking Machine         | 1                |
| 17 Playhouse Stock         | 22               |
| 9 Pet's Corner stock       | 6                |
| 0 Latton Bush Centre Stock | 0                |
| 9 Refuse & Recycling stock | 14               |
| 4 Museum Supplies          | 3                |
| 1 Sumners Farm Close Stock | -                |
| <b>57 Total</b>            | <b>55</b>        |

## 21. SHORT TERM DEBTORS

| 2023/24<br>£'000                      | 2024/25<br>£'000 |
|---------------------------------------|------------------|
| 6,498 Trade Receivables               | 4,247            |
| 132 Payments in advance / Prepayments | 268              |
| 13,703 Other Receivables              | 15,011           |
| <b>17,333 Total</b>                   | <b>19,526</b>    |

The table below shows the amount that was owed to the Council as at 31 March 2025 by third parties, together with amounts paid by the Council in advance of receipt of goods or services.

## 22. DEBTORS FOR LOCAL TAXATION

The past due but not impaired amount for local taxation (council tax and non-domestic rates) can be analysed by age as follows:

| 2023/24<br>£'000 | 2024/25<br>£'000 |
|------------------|------------------|
|------------------|------------------|

|              |                    |              |
|--------------|--------------------|--------------|
| -            | Less than 3 months | -            |
| -            | 3 to 6 months      | -            |
| 1,203        | 6 months to 1 year | 1,302        |
| 3,479        | More than 1 year   | 3,792        |
| <b>4,682</b> | <b>Total</b>       | <b>5,094</b> |

## 23. CASH AND CASH EQUIVALENTS

| 2023/24<br>£'000 |  | 2024/25<br>£'000 |
|------------------|--|------------------|
| 7                | Cash held by officers                                  | 5                |
| 1,038            | Bank account balances                                  | 2,635            |
| 4,939            | Short Term Deposits / Cash Equivalents                 | 9,195            |
| <b>5,984</b>     | <b>Total Cash &amp; Cash Equivalents (Assets)</b>      | <b>11,835</b>    |
| -                | Cash and Bank balances                                 | -                |
| -                | Short Term Deposits / Cash Equivalents                 | -                |
| -                | <b>Total Cash &amp; Cash Equivalents (Liabilities)</b> | -                |

## 24. ASSETS HELD FOR SALE (CURRENT ONLY)

| 2023/24<br>£'000 |                                    | 2024/25<br>£'000 |
|------------------|------------------------------------|------------------|
| <b>3,044</b>     | <b>Start of the Year</b>           | <b>2,353</b>     |
| -                | Assets newly classified as HfS PPE |                  |
| -                | Assets declassified as HfS PPE     |                  |
| (691)            | Assets Sold                        | (2,354)          |
| -                | Other Movements                    |                  |
| <b>2,353</b>     | <b>End of the Year</b>             | <b>(0)</b>       |

## 25. CREDITORS

| 2023/24<br>£'000 | Short Term Creditors | 2024/25<br>£'000 |
|------------------|----------------------|------------------|
| (4,158)          | Trade payables       | (10,744)         |
| (2,603)          | Receipts in advance  | (5,458)          |
| (16,485)         | Other payables       | (5,996)          |
| <b>(23,246)</b>  | <b>Total</b>         | <b>(22,197)</b>  |

| 2023/24<br>£'000 | Long Term Creditors    | 2024/25<br>£'000 |
|------------------|------------------------|------------------|
| (532)            | Leaseholder and Tenant | (253)            |
| <b>(532)</b>     | <b>Total</b>           | <b>(253)</b>     |

## 26. PROVISIONS (CURRENT ONLY)

| 2023/24<br>£'000 | NNDR Appeals                      | 2024/25<br>£'000 |
|------------------|-----------------------------------|------------------|
| (1,542)          | Opening Balance                   | (1,063)          |
| (365)            | Increase in provision during year | (262)            |

|                |                        |                |
|----------------|------------------------|----------------|
| 844            | Utilised during year   | -              |
| <b>(1,063)</b> | <b>Closing Balance</b> | <b>(1,325)</b> |

The total provision for NNDR appeals at 31st March 2025 is (£3.312m); the above table reflects only the Council's share (40%) of the provision, at a value of (£1.325m).

|              | <b>Other Provisions</b>           |              |
|--------------|-----------------------------------|--------------|
| (106)        | Opening Balance                   | (106)        |
| -            | Increase in provision during year | (160)        |
| -            | Utilised during year              | 106          |
| <b>(106)</b> | <b>Closing Balance</b>            | <b>(160)</b> |

|                |   |                |
|----------------|---|----------------|
| <b>(1,168)</b> | <b>All Provisions Total Closing Balance</b> | <b>(1,485)</b> |
|----------------|---|----------------|

## 27. USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

## 28. UNUSABLE RESERVES

| <b>2023/24<br/>£'000</b> |   | <b>2024/25<br/>£'000</b> |
|--------------------------|---|--------------------------|
| (555,411)                | Revaluation Reserve                       | (526,729)                |
| 188                      | Financial Instruments Revaluation Reserve | 156                      |
| (249,633)                | Capital Adjustment Account                | (257,278)                |
| 2                        | Financial Instruments Adjustment Account  | 8                        |
| (782)                    | Deferred Capital Receipts Reserve         | (840)                    |
| 5,299                    | Pension Reserve                           | 4,627                    |
| (4,167)                  | Collection Fund Adjustment Account        | 258                      |
| 184                      | Accumulated Absences Account              | 184                      |
| <b>(804,320)</b>         | <b>Total</b>                              | <b>(779,614)</b>         |

### 28.1 Revaluation Reserve

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

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

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

| <b>2023/24<br/>£'000</b> |   | <b>2024/25<br/>£'000</b> |
|--------------------------|---|--------------------------|
| <b>(552,758)</b>         | <b>Balance 1 April</b>  | <b>(555,411)</b>         |
| (30,089)                 | Upward revaluation of assets  | (16,436)                 |
| 17,634                   | Downward reval. of assets and impairment losses not charged to the Sur/Def on PoS | 42,557                   |
| <b>(12,455)</b>          | <b>Movement in year</b>   |                          |
| 9,802                    | Difference between fair value depreciation and historical cost depreciation       | -                        |

|   |                  |
|---|------------------|
| - Accumulated gains on assets sold or scrapped                    | 2,561            |
| - Other amounts written off to the Capital Adjustment Account     |                  |
| <b>9,802 Amount written off to the Capital Adjustment Account</b> | <b>2,561</b>     |
| <b>(555,411) Balance 31 March</b>                                 | <b>(526,729)</b> |

## 28.2 Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains made by the Council arising from increases in the value of its investments that are measured at fair value through Other Comprehensive Income. The balance is reduced when investments with accumulated gains are:

- revalued downwards or impaired and the gains are lost,
- disposed of and the gains are realized

| <b>2023/24<br/>£'000</b>   |  | <b>2024/25<br/>£'000</b> |
|--|--|--------------------------|
| <b>125 Balance 1 April</b>   |  | <b>188</b>               |
| - Upward revaluation of assets   |  | (32)                     |
| 63 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on Provision of Services  |  | -                        |
| <b>63</b>  |  | <b>(32)</b>              |
| - Accumulated gains or losses on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of other investment income                      |  | -                        |
| - Accumulated gains or losses on assets sold and maturing assets written out to the General Fund balances for financial assets designated to fair value through other comprehensive income |  | -                        |
| <b>188 Balance 31 March</b>  |  | <b>156</b>               |

## 28.3 Capital Adjustment Account

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

The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction, and enhancement. The account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

| <b>2023/24<br/>£'000</b>         |   | <b>2024/25<br/>£'000</b> |
|----------------------------------|---|--------------------------|
| <b>(237,464) Balance 1 April</b> |   | <b>(249,633)</b>         |
|                                  | <u>Reversal of Items relating to capital expenditure debited/credited to the CIES</u>             |                          |
| 15,086                           | Charges for depreciation and impairment of non-current assets (PPE)                               | 15,684                   |
| (322)                            | Net revaluation gains/losses on non-current assets (PPE)  | 3,620                    |
| 7                                | Amortisation of intangible assets   | 381                      |
| 579                              | Revenue expenditure funded from capital under statute   | 1,016                    |
| 2,645                            | Amounts of non-current assets w/off on disposal/sale as part of the gain/loss on disposal to CIES | 10,876                   |

|   |                  |
|---|------------------|
| - Expected Credit Gains or Losses on Financial Instruments  |                  |
| - Other adjustments   |                  |
| <b>17,995 Total</b>   | <b>31,577</b>    |
| (9,802) Adjusting Amounts written out of the Revaluation Reserve  | (2,561)          |
| <b>8,193 Net written out amount of the cost of non-current assets consumed in the year</b>                  | <b>29,016</b>    |
| (1,127) Use of Capital Receipts Reserve to finance new capital expenditure                                  | (15,582)         |
| (12,845) Use of Major Repairs Reserve to finance new capital expenditure                                    | (12,140)         |
| (3,616) Capital Grants and Contributions credited to the CIES that have been applied to capital financing   | (5,603)          |
| (1,696) Application of grants to capital financing from the capital grants unapplied account                | (2,159)          |
| (927) Statutory provision for the financing of capital investment charged against the General Fund balances | (1,307)          |
| (451) Capital expenditure charged against the General Fund balances   | (157)            |
| <b>20,662 Total</b>   | <b>(7,932)</b>   |
| <b>300</b> Movements in the market value of Investment Properties debited/credited to the CIES              | 288              |
| <b>(249,633) Balance 31 March</b>   | <b>(257,278)</b> |

#### 28.4 Financial Instruments Adjustment Account

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

| <b>2023/24<br/>£'000</b>  | <b>2024/25<br/>£'000</b> |
|---|--------------------------|
| <b>5 Balance 1 April</b>  | <b>2</b>                 |
| - Premiums incurred in the year and charged to the CIES   | -                        |
| - Proportion of premiums incurred in previous financial years to be charged against the General Fund balance in accordance with statutory requirements  | -                        |
| (3) Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements | 6                        |
| <b>2 Balance 31 March</b>   | <b>8</b>                 |

#### 28.5 Deferred Capital Receipts Reserve

The deferred capital receipts reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the authority does not treat these gains as usable for financing new capital expenditure until they are backed by cash receipts. When the deferred cash settlement eventually takes place, amounts are transferred to the capital receipts reserve.

| <b>2023/24<br/>£'000</b>   | <b>2024/25<br/>£'000</b> |
|--|--------------------------|
| <b>(851) Balance 1 April</b>   | <b>(782)</b>             |
| (5) Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES | (132)                    |
| 74 Transfer to the capital receipts reserve upon receipt of cash                                 | 74                       |
| <b>(782) Balance 31 March</b>  | <b>(840)</b>             |

#### 28.6 Pensions Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory

provisions. The Council accounts for post-employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service; updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs.

However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the Pension Fund or pays pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a substantial shortfall in the resources the Council has set aside compared to the benefits earned by past and current employees. The statutory arrangements ensure that funding will have been set aside by the time the benefits come to be paid.

| 2023/24<br>£'000 |   | 2024/25<br>£'000 |
|------------------|---|------------------|
| <b>5,805</b>     | <b>Balance 1 April</b>  | <b>5,299</b>     |
| -                | - Opening balance adjustment per IAS19 actuary report   | -                |
| 4,639            | Remeasurements of the net defined benefit liability/asset   | 507              |
| (1,461)          | Reversal of items relating to retirement benefits dr/cr to Surplus/Deficit on Provision of Services in the CIES | 2,735            |
| (3,684)          | Employer's pensions contributions and direct payments to pensioners payable in the year                         | (3,914)          |
| <b>5,299</b>     | <b>Balance 31 March</b>   | <b>4,627</b>     |

## 28.7 Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the 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 Rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

| 2023/24<br>£'000 |   | 2024/25<br>£'000 |
|------------------|---|------------------|
| <b>(1,662)</b>   | <b>Balance 1 April</b>  | <b>(4,167)</b>   |
| (2,505)          | Amount by which council tax and non-domestic rates income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements | 4,425            |
| <b>(4,167)</b>   | <b>Balance 31 March</b>   | <b>258</b>       |

## 28.8 Accumulated Absences Adjustment Account

The accumulated absences account absorbs the differences that would otherwise arise on the General Fund balance from accruing for compensated absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31<sup>st</sup> March. Statutory arrangements require that the impact on the General Fund balance is neutralized by transfers to or from the account.

| 2023/24<br>£'000 |   | 2024/25<br>£'000 |
|------------------|---|------------------|
| <b>160</b>       | <b>Balance 1 April</b>  | <b>184</b>       |
| (160)            | Settlement or cancellation of accrual made at the end of the preceding year   | (184)            |
| 184              | Amounts accrued at the end of the current year  | 184              |
| 24               | Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements | 0                |
| <b>184</b>       | <b>Balance 31 March</b>   | <b>184</b>       |

## 29. CASHFLOW STATEMENT - OPERATING ACTIVITIES

The cash flows for operating activities include the following items.

| 2023/24<br>£'000        | 2024/25<br>£'000 |
|-------------------------|------------------|
| 2,762 Interest received | 572              |
| (8,166) Interest paid   | (6,936)          |
| 201 Dividends received  | 201              |
| <b>(5,203) Total</b>    | <b>(6,163)</b>   |

The Net Surplus/ (Deficit) on the Provision of Services has been adjusted for the following non-cash movements:

| 2023/24<br>£'000   | 2024/25<br>£'000 |
|--|------------------|
| 15,086 Depreciation of tangible assets   | 15,684           |
| (322) Impairment and downward valuations   | 3,620            |
| 7 Amortisation of intangible   | 381              |
| - Deferred revenue/ deferred payment agreements (IFRS 15)  | -                |
| - Inc/(dec) in provision for doubtful debts  | -                |
| 546 Inc/(dec) in creditors   | 4,063            |
| (3,361) (Inc)/dec in debtors   | 410              |
| (5) (Inc)/dec in inventory   | 1                |
| (5,145) Movement in pension liability  | (1,179)          |
| 2,645 Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised | 10,876           |
| (179) Other non-cash items charged to the net surplus or deficit on the provision of services          | 604              |
| <b>9,272 Total</b>   | <b>34,459</b>    |

The Net Surplus/(Deficit) on the Provision of Services has been adjusted for the following items which are investing and financing activities:

| 2023/24<br>£'000   | 2024/25<br>£'000 |
|--|------------------|
| (7,778) Proceeds from the sale of property, plant and equipment, investment property and intangible assets | (6,754)          |
| - Net adjustment from the sale of short and long term investments not considered cash equivalents          | -                |
| (5,376) Capital Grants credited to surplus or deficit on the provision of services                         | (7,855)          |
| <b>(13,154) Total</b>  | <b>(14,609)</b>  |

### 30. CASHFLOW STATEMENT - INVESTING ACTIVITIES

| 2023/24<br>£'000   | 2024/25<br>£'000 |
|--|------------------|
| (91,473) Purchase of property, plant and equipment, investment property and intangible assets          | (70,215)         |
| - Purchase of short-term and long-term investments   | -                |
| (574) Other payments for investing activities  | (2,249)          |
| 7,847 Proceeds from the sale of property, plant & equipment, investment property and intangible assets | 6,695            |
| - Proceeds from short-term and long-term investments   | -                |
| 5,496 Other receipts from investing activities   | 19,089           |
| <b>(78,704) Net cash flows from investing activities</b>   | <b>(46,680)</b>  |

### 31. CASHFLOW STATEMENT - FINANCING ACTIVITIES

| 2023/24<br>£'000 |  | 2024/25<br>£'000 |
|------------------|--|------------------|
| 65,000           | Cash receipts of short and long term borrowing   | 206,500          |
| 6,054            | Other receipts for financing activities  | (2,197)          |
|                  | - Cash payments for the reduction of o/s liabilities relating to finance leases and BS PFI contracts | -                |
| (28,000)         | Repayments of short- and long-term borrowing   | (164,000)        |
| 3,313            | Other payments for financing activities  | (6,091)          |
| <b>46,367</b>    | <b>Net cash flows from financing activities</b>  | <b>34,212</b>    |

### 32. MEMBERS' ALLOWANCES

The Council paid the following amounts to Members of the Council during the year.

| 2023/24<br>£'000 | Amounts paid to Members of the Council during the year. | 2024/25<br>£'000 |
|------------------|---|------------------|
| 187              | Allowances  | 363              |
| 4                | Expenses  | 3                |
| <b>191</b>       | <b>Total</b>  | <b>366</b>       |

Member allowances increased in 2024/25, approved by Full Council 19<sup>th</sup> September 2024 (item-36).

### 33. OFFICERS' REMUNERATION

#### Senior Officers Remuneration

| 2024/25 (01/04/2024 to 03/02/2025)  |                     | Salary, Fees and Allowances<br>£'000 | Comp for loss of office<br>£'000 | Total exc pension contr.<br>£'000 | Pension Contr.<br>£'000 | Total<br>£'000 |
|---|---------------------|--------------------------------------|----------------------------------|-----------------------------------|-------------------------|----------------|
| Director of Governance and Corporate Services (Monitoring Officer)            | 01.04.24 - 05.04.24 | 4,086                                | 78,850                           | 82,936                            | 455                     | 83,391         |
| Deputy Chief Executive and Director of Finance (S151 Officer)                 | 01.04.24 - 04.11.24 | 81,106                               | -                                | 81,106                            | 15,541                  | 96,647         |
| Interim Chief Executive - Yvonne Rees   | 01.04.24 - 03.10.24 | 228,923                              | -                                | 228,923                           | -                       | 228,923        |
| Interim Director of Strategic Growth and Regeneration                         | 29.04.24 - 03.10.24 | 123,046                              | -                                | 123,046                           | -                       | 123,046        |
| Assistant Director (S151 Officer)   | 18.10.24 - 31.01.25 | 29,068                               | -                                | 29,068                            | 6,482                   | 35,550         |
| Legal Services Manager (Monitoring Officer)                                   | 11.04.24 - 31.01.25 | 70,243                               | -                                | 70,243                            | 15,664                  | 85,907         |
| <b>Totals</b>   |                     | <b>536,472</b>                       | <b>78,850</b>                    | <b>615,322</b>                    | <b>38,142</b>           | <b>653,464</b> |
| 2024/25 (03/02/2025 to 31/03/2025)  |                     | Salary, Fees and Allowances<br>£'000 | Comp for loss of office<br>£'000 | Total exc pension contr.<br>£'000 | Pension Contr.<br>£'000 | Total<br>£'000 |
| Managing Director   | 01.02.25 - 31.03.25 | 27,500                               | -                                | 27,500                            | 6,133                   | 33,633         |
| Executive Director (Housing Focus)  | 01.02.25 - 31.03.25 | 33,250                               | -                                | 33,250                            | 7,415                   | 40,665         |
| Interim Assistant Director Legal and Democratic Services (Monitoring Officer) | 10.03.25 - 31.03.25 | 14,790                               | -                                | 14,790                            | -                       | 14,790         |
| Assistant Director (S151 Officer)   | 01.02.25 - 31.03.25 | 16,926                               | -                                | 16,926                            | 3,774                   | 20,700         |
| Legal Services Manager (Monitoring Officer)                                   | 01.02.25 - 25.02.25 | 9,478                                | -                                | 9,478                             | 1,236                   | 10,714         |
| <b>Total</b>  |                     | <b>101,944</b>                       | <b>-</b>                         | <b>101,944</b>                    | <b>18,558</b>           | <b>120,502</b> |

| 2023/24   |                     | Salary, Fees and Allowances<br>£'000 | Comp for loss of office<br>£'000 | Total exc pension contr.<br>£'000 | Pension Contr.<br>£'000 | Total<br>£'000 |
|---|---------------------|--------------------------------------|----------------------------------|-----------------------------------|-------------------------|----------------|
| Chief Executive - Andrew Bramidge                             | 01.04.23 - 31.01.24 | 123,006                              | 32,766                           | 155,772                           | 26,196                  | 181,968        |
| Deputy Chief Executive and Director of Finance (S151 Officer) | 01.04.23 - 31.03.24 | 115,288                              | -                                | 115,288                           | 25,709                  | 140,997        |
| Director of Housing   | 01.04.23 - 31.03.24 | 85,309                               | 23,907                           | 109,216                           | 23,164                  | 132,380        |
| Director of Communities and Environment                       | 01.04.23 - 11.04.23 | 4,029                                | 67,713                           | 71,742                            | 558                     | 72,300         |

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|  |                     |                |                |                |               |                |
|--|---------------------|----------------|----------------|----------------|---------------|----------------|
| Director of Governance and Corporate Services (Monitoring Officer) | 01.04.23 - 31.03.24 | 107,850        | -              | 107,850        | 24,023        | <b>131,873</b> |
| <b>Total</b>   |                     | <b>607,917</b> | <b>124,386</b> | <b>732,303</b> | <b>99,650</b> | <b>831,953</b> |

The table below shows the number of Council officers whose remuneration exceeds £50,000 per annum grouped into £5,000 bands. The banding table below is comprehensive and includes senior employees who are shown in the table of senior employees, shown above.

|                    | 2023/24   | 2024/25   |
|--------------------|-----------|-----------|
| £50,000 to £54,999 | 16        | 10        |
| £55,000 to £59,999 | 6         | 12        |
| £60,000 to £64,999 | 11        | 9         |
| £65,000 to £69,999 | 3         | 7         |
| £70,000 to £74,999 | 3         | 2         |
| £75,000 to £79,999 | 1         | -         |
| £80,000 to £84,999 | 6         | 2         |
| £85,000 to £89,999 | -         | 3         |
| £90,000 to £94,999 | -         | 2         |
| £95,000 to £99,999 | 1         | 1         |
| Over £99,999       | 5         | 2         |
| <b>Total</b>       | <b>52</b> | <b>50</b> |

Remuneration is the amount paid to or receivable by an employee and includes gross pay (i.e. before deduction of the employee's pension contributions, tax and National Insurance), sums due by way of expense allowances, and the estimated monetary value of any additional benefits that are non-cash in their nature. Also included, where applicable, are amounts relating to retirement and redundancy lump sum payments and pay in lieu of notice. Contributions made by the Council to the pension scheme are not included in this table.

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

| Exit package cost band (including special payments) | Number of comp redundancies |          | Number of other departures agreed |          | Total number of exit packages by cost band |          | Total cost of exit packages in each band £ |                |
|---|-----------------------------|----------|-----------------------------------|----------|--|----------|--|----------------|
|   | 23/24                       | 24/25    | 23/24                             | 24/25    | 23/24                                      | 24/25    | 23/24                                      | 24/25          |
| £0-£20,000  | -                           | -        | 3                                 | 5        | 3  | 5        | 24,040                                     | 29,359         |
| £20,001-£40,000                                     | -                           | 1        | 2                                 | -        | 2  | 1        | 56,673                                     | 29,485         |
| £40,000-£60,000                                     | -                           | -        | -                                 | -        | -  | -        | -  | -              |
| £60,001-£80,000                                     | 2                           | -        | -                                 | 1        | 2  | 1        | 139,131                                    | 78,850         |
| £80,001-£100,000.....                               | -                           | -        | -                                 | -        | -  | -        | -  | -              |
| ... £200,001-£250,000                               | -                           | 1        | -                                 | -        | -  | 1        | -  | 215,694        |
| <b>Total</b>  | <b>2</b>                    | <b>2</b> | <b>5</b>                          | <b>6</b> | <b>7</b>                                   | <b>8</b> | <b>219,844</b>                             | <b>353,388</b> |

### 34. EXTERNAL AUDIT COSTS

|         |         |
|---------|---------|
| 2023/24 | 2024/25 |
|---------|---------|

| £'000      |   | £'000      |
|------------|---|------------|
| 198        | Fees payable to external auditors with regard to external audit services carried out by the appointed auditor | 215        |
| -          | Fees payable to external auditors for the certification of grant claims & returns (HB only)                   | 57         |
| -          | Refund of fee payable to external auditors  | -          |
| <b>198</b> | <b>Total</b>  | <b>272</b> |

### 35. GRANT INCOME

| 2023/24<br>£'000 | Grants credited to the Comprehensive Income and Expenditure Statement-<br>Taxation and Non-specific Grant Income | 2024/25<br>£'000 |
|------------------|--|------------------|
| (361)            | Council Tax Sharing Agreement  | (392)            |
| (572)            | New Homes Bonus Grant  | (475)            |
| (686)            | Funding Guarantee  | (1,011)          |
| (26)             | Levy Account Surplus Grant   | (26)             |
| (128)            | RSG  | (136)            |
| (7,550)          | S31 Grants   | (2,775)          |
| (126)            | Service Grant  | (22)             |
| (4,392)          | Capital Grants and Contributions   | (6,731)          |
| <b>(13,841)</b>  | <b>Total Taxation and Non-specific grants Income</b>   | <b>(11,568)</b>  |

| 2023/24<br>£'000 | Grants credited to the Comprehensive Income and Expenditure Statement-<br>Net Cost of Services | 2024/25<br>£'000 |
|------------------|--|------------------|
| (256)            | DWP- Council Tax Rebate Scheme   | -                |
| (113)            | DWP- Disc Hou benefits   | (167)            |
| (319)            | DWP- HB subsidy admin  | (289)            |
| (18)             | DWP- HB subsidy Award Accuracy Initiative HBAA   | -                |
| (4)              | DWP- kickstart   | -                |
| (189)            | DWP Local Council Tax Support  | -                |
| (8,249)          | DWP Rent Allowances  | (9,105)          |
| (12,047)         | DWP Rent Rebates   | (10,663)         |
| (286)            | DWP Service Grant  | -                |
| (17)             | DWP Verification of Earnings and Pensions  | (6)              |
| (42)             | DWP Other Grants   | -                |
| (12)             | BEIS New Burdens Admin Grant   | -                |
| (2)              | DLUHC Affordable Housing Investment  | -                |
| (170)            | DLUHC Asylum Dispersal   | (71)             |
|                  | DLUHC Cost of Collection   | (113)            |
| (985)            | DLUHC DFG  | (1,124)          |
| (36)             | DLUHC Domestic Abuse   | (37)             |
| (26)             | DLUHC Elections Act 2022   | (205)            |
| (728)            | DLUHC Homelessness Prevention  | (830)            |
| -                | DLUHC New burdens LA IT  | (51)             |
| (86)             | DLUHC Levelling Up Local Growth Capacity Support Grant   | (149)            |
|                  | DLUHC Long Term Plan Capacity  | (250)            |
| (8)              | DLUHC New Burdens  | (3)              |
| (3)              | DLUHC Pavement Licensing   | -                |
|                  | DLUHC Redmond Review   | (55)             |
| (291)            | DLUHC Rough Sleepers   | (166)            |
| (18)             | DLUHC Tenant Satisfaction Measures   | (18)             |
| (86)             | DLUHC Towns Fund   | -                |

|  |                 |
|--|-----------------|
| (54) DLUHC UK Shared Prosperity Fund                       | (499)           |
| (21) DLUHC Other Grants                                    | (3)             |
| (68) HE Growth Area Funding                                | -               |
| (25) ECC Caseworker Funding                                | (24)            |
| (238) ECC Collection Investment Income                     | (196)           |
| (5) ECC COMF Funding                                       |                 |
| 9 ECC Hardship Fund  | (27)            |
| (18) ECC Housing Domestic Abuse co-ordinator               | (24)            |
| (77) ECC Fraud and Error Reduction Incentive Scheme        | (140)           |
| (6) ECC Homes for Ukraine                                  | -               |
| 6 ECC LA Treescape Fund                                    | -               |
| ECC NEHA Contribution                                      | (889)           |
| (13) ASB Hot Spot Pilot                                    | (15)            |
| (61) PFCC Safer Streets                                    | (6)             |
| (21) Royal Opera House                                     | -               |
| (99) UKSPF   | -               |
| Rural Payments Agency                                      | (23)            |
| (109) Other Smaller Grants                                 | (100)           |
| <b>(24,791) Total Grant Income to Services</b>             | <b>(25,257)</b> |
| <b>(38,632) Total Grant Income to General Fund and HRA</b> | <b>(36,824)</b> |

#### Long Term Liabilities- Grant Receipts in Advance (Capital)

| 2023/24<br>£'000              | 2024/25<br>£'000 |
|-------------------------------|------------------|
| (20) Other Capital Grants     |                  |
| (9,676) Town Fund             | (16,594)         |
| Levelling Up Fund             | (4,457)          |
| (80) Local Digital Cyber Fund |                  |
| (30) Changing Places          |                  |
| Food Waste Grant              | (76)             |
| (2,310) DFG                   | (2,833)          |
| (19) UKSPF                    | (19)             |
| <b>(12,135) Total</b>         | <b>(23,979)</b>  |

## 36. RELATED PARTIES

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. Disclosure of these transactions allows readers to assess the extent to which the Council might have been constrained in its ability to operate independently or might have secured the ability to limit another party's ability to bargain freely with the Council.

### Central Government

Central Government has significant influence over the general operations of the Council. It is responsible for providing the statutory framework within which the Council operates, prescribes the terms of many of the transactions that the Council has with other parties (such as Council Tax bills, or Housing Benefits) and provides the majority of its funding in the form of grants. Grant receipts outstanding at 31 March 2025 are shown in Note 35.

### Members

Members have direct control over the Council's financial and operating policies. The total of Members' allowances is disclosed in Note 32. In addition, Members, chief officers and heads of

service disclose, by way of declaration, anything which could result in them being a related party of the Council and any transactions with the Council. Declarations made by Members in 2024/25 are summarised on the Council's website at: [www.harlow.gov.uk/councillor-declarations](http://www.harlow.gov.uk/councillor-declarations).

### Senior Officers

There are no known senior officer interests.

### Other Public Bodies (subject to common control by Central Government):

Essex County Council – four Council Members were also Members of Essex County Council during the year. Material transactions which took place with related parties are as follows:

|                      | Income<br>£'000 | Expenditure<br>£'000 | Debtors at<br>31/03/2025<br>£'000 | Creditors at<br>31/03/2025<br>£'000 |
|----------------------|-----------------|----------------------|-----------------------------------|-------------------------------------|
| Essex County Council | (3,670)         | 224                  | 831                               | (132)                               |
| HTS Ltd              | (1,585)         | 36,369               | 1,810                             | (1,664)                             |
| Veolia               | (17)            | 3,784                | 17                                | (622)                               |
| <b>Total</b>         | <b>(5,272)</b>  | <b>40,377</b>        | <b>2,659</b>                      | <b>(2,418)</b>                      |

|                      | Income<br>£'000 | Expenditure<br>£'000 | Debtors at<br>31/03/2024<br>£'000 | Creditors at<br>31/03/2024<br>£'000 |
|----------------------|-----------------|----------------------|-----------------------------------|-------------------------------------|
| Essex County Council | (2,472)         | 200                  | 479                               | (37)                                |
| HTS Ltd              | (1,946)         | 42,678               | 1,275                             | (1,407)                             |
| Veolia               | -               | 4,724                | -                                 | (632)                               |
| <b>Total</b>         | <b>(4,418)</b>  | <b>47,602</b>        | <b>1,754</b>                      | <b>(2,076)</b>                      |

### Entities controlled or significantly influenced by the Council

Harlow Trading Services Ltd. (HTS) is a subsidiary company, wholly owned by the Council and subject to its control, which provides a range of environmental and property maintenance services in the district.

## 37. CAPITAL EXPENDITURE AND CAPITAL FINANCING

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

| 2023/24<br>£'000 |  | 2024/25<br>£'000 |
|------------------|--|------------------|
| <b>302,231</b>   | <b>Opening Capital Financing Requirement</b> | <b>372,273</b>   |
|                  | Capital Investment:                          |                  |
| 33,116           | Property Plant and Equipment                 | 57,367           |
| 56,735           | Investment Properties                        | 12,667           |
| 275              | Intangible Assets                            | 183              |
| 579              | Rev. Exp. Funded from Capital Under Statute  | 1,016            |
| <b>90,704</b>    | <b>Total Capital Investment</b>              | <b>71,232</b>    |
|                  | Sources of Finance:                          |                  |

|                 |  |                 |
|-----------------|--|-----------------|
| (1,127)         | Capital receipts   | (15,582)        |
| (5,312)         | Government Grants and other contributions  | (12,140)        |
| (12,845)        | Major Repairs Reserve (MRR)  | (7,762)         |
| <b>(19,284)</b> | <b>Total</b>   | <b>(35,484)</b> |
|                 | Set Aside from revenue:  |                 |
| (451)           | Direct revenue contributions   | (157)           |
| (927)           | Minimum revenue provision (MRP)  | (1,307)         |
| <b>(1,378)</b>  | <b>Total</b>   | <b>(1,464)</b>  |
| <b>372,273</b>  | <b>Closing Capital Financing Requirement</b>   | <b>406,557</b>  |
|                 |  |                 |
| 70,042          | Increase in underlying need to borrow (unsupported by Government Financial Assistance) | 34,284          |
| <b>70,042</b>   | <b>Increase/(Decrease) in Capital Financing Requirement</b>                            | <b>34,284</b>   |

## 38. LEASES

### Council as Lessee

In 2019/20 the Council acquired a number of vehicles under a finance lease. These assets are carried as property, plant, and equipment in the balance sheet at the following net amount.

| 2023/24<br>£'000 | Finance Leases - Vehicles, plant, furniture and equipment | 2024/25<br>£'000 |
|------------------|---|------------------|
| 1,405            | Start of the year   | 1,171            |
| -                | - Additions   | -                |
| -                | - Revaluations  | -                |
| (234)            | Depreciation and amortisation                             | (234)            |
| -                | - Disposals   | -                |
| <b>1,171</b>     | <b>End of the year</b>                                    | <b>937</b>       |

### Transactions under leases

| 2023/24<br>£'000 | Vehicles only (under refuse contract)                                      | 2024/25<br>£'000 |
|------------------|--|------------------|
|                  | <b>CIES;</b>   |                  |
| -                | - Interest expense on lease liabilities                                    | -                |
| -                | - Expense relating to short-term leases                                    | -                |
| -                | - Expense relating to exempt leases of low-value items                     | -                |
| -                | - Variable lease payments not included in the measure of lease liabilities | -                |
| -                | - Income from subletting right-of-use assets                               | -                |
| -                | - Gains or losses arising from sale and leaseback transactions             | -                |
|                  | <b>Cash Flow Statement;</b>  |                  |
| 1,157            | Minimum lease payments   | 1,157            |

### Maturity analysis of lease liabilities

| 2023/24<br>£'000 | Vehicles only (under refuse contract) | 2024/25<br>£'000 |
|------------------|---------------------------------------|------------------|
| 212              | Less than 1 year                      | 216              |
| 887              | One to five years                     | 671              |

|   |            |
|---|------------|
| - More than five years                    | -          |
| <b>1,099 Total discounted liabilities</b> | <b>887</b> |

### Council as Lessor

The Council has leased out property in the Town Centre to the NatWest Bank on a finance lease, with a remaining term of 70 years.

The Council has a gross investment in the lease made up of the minimum lease payments expected to be received over the remaining term and the residual value anticipated for the property when the lease comes to an end.

The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding.

The Council leases out property and equipment under operational leases. The future minimum lease payments receivable are:

| <b>2023/24<br/>£'000</b> | <b>Operating leases as lessor only (no finance finances as lessor)</b> | <b>2024/25<br/>£'000</b> |
|--------------------------|--|--------------------------|
| 712                      | Less than 1 year   | 726                      |
| 2,035                    | One to five years  | 2,302                    |
| 2,106                    | More than five years   | 2,551                    |
| <b>4,853</b>             | <b>Total discounted receivables</b>                                    | <b>5,579</b>             |

In 2024/25 £233,709 contingent rents were receivable by the Council (2023/24 £233,709).

## 39. CAPITALISATION OF BORROWING COSTS

Finance costs of £3.227m have incurred during 2024/25 for the property acquisition of burnt mills have been capitalised. Capitalised spend on the total project up to 31st March 2025 totaled £56.567m, and a rate of 5.44% was applied. This interest rate is a calculation of the average borrowing costs incurred within the financial year. Capitalisation will cease on practical completion of the project which will then be categorised and included in the balance sheet in accordance with proper practices.

## 40. DEFINED BENEFIT PENSION SCHEME

### Participation in the Pension Scheme

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

The Council participates in the Local Government Pension Scheme:

- The scheme is administered locally by Essex County Council and is a funded defined benefit final salary scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension's liabilities with investment assets.
- The scheme also includes arrangements for the award of discretionary post-retirement benefits upon early retirement – an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made, there are no investment assets built up to meet those liabilities and cash has to be generated to meet actual pension payments as they eventually fall due.
- The scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Essex County Council. Policy is determined in accordance with the Pensions Fund Regulations.

- The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by the statute as described in the accountancy policies note.

### Transactions Relating to Post-Employment Benefits

The costs of retirement are recognised and reported in the Cost of Service when they are earned by the employees, rather than when the benefits are eventually paid. However, the charge required to be made to the Council Tax is based on the cash payable in the year, so the real costs of post-employment retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement.

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

| 2023/24<br>£'000 |  | 2024/25<br>£'000 |
|------------------|--|------------------|
|                  | <b>Cost of services:</b>   |                  |
|                  | Service cost comprising:   |                  |
| 2,221            | Current service costs  | 2,576            |
| -                | Past service costs   | -                |
|                  | Financing and Investment income and exp:                             |                  |
| (3,874)          | Net interest expense   | (23)             |
| 192              | Admin costs  | 182              |
| <b>(1,461)</b>   | <b>Total post emp benefit charged to the surplus/deficit on PoS</b>  | <b>2,735</b>     |
|                  | <b>Other post emp benefits charge to the CIES</b>                    |                  |
|                  | Remeasurement of the net defined benefit liability comprising:       |                  |
| 19,397           | Return on plan assets (exc. amount inc. the net interest exp.)       | 253              |
| 2,795            | Actuarial gain/loss arising on changes in financial assumptions      | 22,796           |
| 3,067            | Actuarial gain/loss arising on changes in demographic assumption     | -                |
| (672)            | Actuarial (gains) and losses arising from liability other experience | -                |
| (29,226)         | Changes in asset ceiling   | (23,556)         |
| <b>(4,639)</b>   | <b>Total post emp benefit charged to the CIES</b>                    | <b>(507)</b>     |
|                  | <b>Movement in Reserves Statement</b>                                |                  |
| (1,461)          | Rev of net charges made to sur/def on PoS for post emp ben.          | 2,735            |
|                  | Actual amount charged to GF for pensions in year:                    |                  |
| 3,684            | Employer's contributions payable to scheme                           | 3,914            |
|                  | Retirement benefits payable to pensioners                            |                  |

### Pensions Assets and Liabilities Recognized in the Balance Sheet

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

| 2023/24<br>£'000 |  | 2024/25<br>£'000 |
|------------------|--|------------------|
| (206,881)        | Present value of the defined benefit obligation                  | (185,282)        |
| 302,375          | Fair value of plan assets  | 309,117          |
| <b>95,494</b>    | <b>Net (Deficit)/Surplus</b>                                     | <b>123,835</b>   |
| (95,494)         | Effect of asset ceiling  | (123,835)        |
| (5,299)          | PV of disc. obligations  | (4,627)          |
| <b>(5,299)</b>   | <b>Net liability arising from the defined benefit obligation</b> | <b>(4,627)</b>   |

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

| 2023/24 | 2024/25 |
|---------|---------|
|---------|---------|

| £'000          |   | £'000          |
|----------------|---|----------------|
| <b>276,461</b> | <b>Opening fair value of scheme assets</b>          | <b>302,375</b> |
| -              | Opening balance adjustment per IAS19 actuary report | -              |
| 14,174         | Interest income                                     | 14,943         |
| 19,397         | Return on assets less interest                      | 253            |
| (192)          | Administration expenses                             | 182            |
| 3,684          | Contribution from employer                          | 3,914          |
| 927            | Contribution from employees into scheme             | 942            |
| (12,076)       | Benefits paid                                       | (13,128)       |
| <b>302,375</b> | <b>Closing fair value of scheme assets</b>          | <b>283,567</b> |

### Reconciliation of Present Value of the Scheme Liabilities (Defined Benefit Obligation)

| 2023/24<br>£'000 |   | 2024/25<br>£'000 |
|------------------|---|------------------|
| <b>(215,998)</b> | <b>Opening balance at 1st April</b>                                 | <b>(212,180)</b> |
| -                | Opening balance adjustment per IAS19 actuary report                 | -                |
| (2,210)          | Current service costs   | (2,407)          |
| (10,300)         | Interest costs  | (10,135)         |
| (927)            | Contributions by scheme participants                                | (942)            |
|                  | Remeasurement gain/(loss):  |                  |
| 2,795            | - Actuarial gain/loss arising on changes in financial assumptions   | 22,796           |
| 3,067            | - Actuarial gain/loss arising on changes in demographic assumptions | -                |
| (672)            | - Actuarial gain/loss arising from liability experience             | -                |
| 11,424           | Benefits paid   | 12,465           |
| (11)             | Past service costs  | (169)            |
| 652              | Unfunded pension payment  | 663              |
| <b>(212,180)</b> | <b>Closing balance at 31st March (without asset ceiling adj.)</b>   | <b>(193,727)</b> |

| 2023/24<br>£'000 | Reconciliation of asset ceiling                    | 2024/25<br>£'000 |
|------------------|--|------------------|
| <b>(66,268)</b>  | <b>Start of the year</b>                           | <b>(95,494)</b>  |
| -                | - Interest on impact asset ceiling                 | <b>(4,785)</b>   |
|                  | Actuarial loss/(gain);                             |                  |
| 66,268           | Reversal of previous years asset ceiling           | 95,494           |
| (95,494)         | In year asset ceiling                              | (119,050)        |
| <b>(29,226)</b>  | <b>Total Actuarial loss/(gain) charged to CIES</b> | <b>(23,556)</b>  |
| <b>(95,494)</b>  | <b>End of year</b>                                 | <b>(123,835)</b> |

The Council has guaranteed any possible future unfunded pension fund liabilities of HTS Ltd. as a result of its employees being members of the Local Government Pension Scheme. Such liabilities are considered most unlikely, and it is currently not possible to estimate any potential cost to the Council.

### Local Government Pension Scheme Assets Comprised

| 2023/24<br>Quoted<br>£'000 | 2023/24<br>Unquot<br>ed<br>£'000 | 2023/24<br>Total<br>£'000 | Fair value of scheme assets | 2024/25<br>Quoted<br>£'000 | 2024/25<br>Unquot<br>ed£'000 | 2024/25<br>Total<br>£'000 |
|----------------------------|----------------------------------|---------------------------|-----------------------------|----------------------------|------------------------------|---------------------------|
|                            | 7,459                            | <b>7,459</b>              | Cash and Cash equivalents   |                            | 6,029                        | <b>6,029</b>              |
|                            |                                  |                           | Equity instruments:         |                            |                              |                           |
| -                          | -                                | -                         | • Overseas                  | -                          | -                            | -                         |

|                |                |                |                       |                |                |                |
|----------------|----------------|----------------|-----------------------|----------------|----------------|----------------|
| 167,487        |                | <b>167,487</b> | Private equity:       | 169,720        |                | <b>169,720</b> |
|                | 10,086         | <b>10,086</b>  | • Overseas            |                | -              | -              |
|                |                |                | • Other               |                |                |                |
| 5,402          |                | <b>5,402</b>   | Debt securities:      | 4,685          |                | <b>4,685</b>   |
|                |                |                | • Index linked Gov    |                |                |                |
| 4,537          | 16,334         | <b>20,871</b>  | Property:             | 4,637          | 20,315         | <b>24,952</b>  |
|                |                |                | • All                 |                |                |                |
|                | 22,986         | <b>22,986</b>  | Others:               |                | 30,293         | <b>30,293</b>  |
|                | 7,975          | <b>7,975</b>   | • Infrastructure      |                | 9,274          | <b>9,274</b>   |
|                | 4,926          | <b>4,926</b>   | • Timber              |                | 7,026          | <b>7,026</b>   |
|                | 55,184         | <b>55,184</b>  | • Private debt        |                | 57,138         | <b>57,138</b>  |
|                |                |                | • Other managed funds |                |                |                |
| <b>177,426</b> | <b>124,949</b> | <b>302,375</b> | <b>Total Assets</b>   | <b>179,042</b> | <b>130,075</b> | <b>309,117</b> |

### Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels, etc. The pension scheme's liabilities (both funded and unfunded) have been assessed by Barnett Waddingham, an independent firm of actuaries, estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31 March 2025.

The expected return on scheme assets is determined by considering the expected returns available on the assets underlying the current investment policy. Expected yields on fixed interest investments are based on gross redemption yields as at the Balance Sheet date. Expected returns on equity investments reflect long-term real rates of return experienced in the respective markets. The principal assumptions used by the actuary have been:

| 2023/24<br>% |   | 2024/25<br>% |
|--------------|---|--------------|
| 20.8 yrs     | Longevity at 65 for current pensioners: | 20.8 yrs     |
| 23.3 yrs     | Men                                     | 23.3 yrs     |
|              | Women                                   |              |
| 22.0 yrs     | Longevity at 65 for future pensioners:  | 22.1 yrs     |
| 24.7 yrs     | Men                                     | 24.8 yrs     |
|              | Women                                   |              |
| 4.90%        | Rate for discounting scheme liabilities | 5.75%        |
| 3.25%        | Rate of inflation                       | 3.20%        |
| 2.90%        | Rate of increase in pensions (CPI)      | 2.90%        |
| 3.90%        | Rate of increase in salaries            | 3.90%        |

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

**Present value of total obligation**

|  | Increase in assumption<br>£000 | Base assumption<br>£000 | Decrease in assumption<br>£000 |
|--|--------------------------------|-------------------------|--------------------------------|
| Longevity (change in 1 year)                             | 197,822                        | 189,909                 | 182,346                        |
| Rate of change in salaries (change by 0.5%)              | 190,612                        | 189,909                 | 189,230                        |
| Rate of change in pensions (change by 0.5%)              | 201,798                        | 189,909                 | 179,193                        |
| Rate for discounting scheme liabilities (change by 0.5%) | 178,856                        | 189,909                 | 202,206                        |

### Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. Essex County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over a number of years. Funding levels are monitored on an annual basis. The next triennial valuation will take effect as at 31 March 2028.

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

The total contributions expected to be made to the Local Government Pension Scheme by the Council in the year to 31 March 2026 is £4.011 million.

## 41. CONTINGENT LIABILITIES

At 31 March 2025, the Council has the following contingent liabilities.

### Insured Liabilities

The Council insures various risks with Zurich Municipal and operates a self-insurance fund to cover small claims and that part of larger claims which are subject to an excess. The fund balance as at 31 March 2025 was reduced to £0.600 million (£5.039 million at 31 March 2024), due to the assessed risk of liability. The timing and the value of any unreported and unsettled future liabilities cannot be determined with any certainty.

### Guarantees

In 1987 and 1992 the Council agreed jointly with a number of other local authorities to guarantee loans of £83.6 million to Home Housing Association raised to provide housing in Harlow and surrounding authorities. The guarantee is for 50 years ending 2037. The Council's proportion of the total liability is £4.5 million. No fair value for the guarantee has been included under Financial Instruments.

## 42. CONTINGENT ASSETS

There were no contingent assets as at 31 March 2025.

## 43. NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS

### Overall procedures for managing risk

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy Statement (TMSS) before the beginning of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices (procedure notes) specifying the practical arrangements to be followed to manage these risks.

The TMSS includes an Investment Strategy in compliance with the MHCLG Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and

liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return on cost.

The risks covered are:

- Credit risk - the possibility that the counterparty to a financial asset will fail to meet its contractual obligations, causing a loss to the Council.
- Liquidity risk - the possibility that the Council might not have the cash available to make contractual payments on time.
- Market risk - the possibility that an unplanned financial loss will materialise because of changes in market variables such as interest rates or equity prices.

## Credit Risk

Credit risk arises when deposits are made with banks and financial institutions, as well as credit exposures to the Council's customers.

This risk is minimised through the Treasury Management Strategy Statement (TMSS), which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard and Poor's credit ratings services. The Council uses the creditworthiness service of Arlingclose Limited, its treasury management advisors, to analyse the credit ratings. The TMSS also sets maximum amounts and time limits in respect of each financial institution. Deposits are not made with banks and financial institutions unless they meet the minimum requirements of the investment criteria. The TMSS for 2024/25, which was approved by the Council on 22<sup>nd</sup> February 2024, can be found on the Council's website. Treasury Management Strategy 2024/25.

In addition to the above, the Council uses a range of additional indicators and information sources to minimise risk, including:

- credit watches and credit outlooks from credit rating agencies,
- credit default swap spreads, which can provide early warning of likely changes in an institution's credit ratings,
- equity price movements,
- sovereign ratings to select counterparties from only the most creditworthy (AAA-rated) countries outside the UK.

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

Customers purchasing goods and services are allocated individual credit limits assessed taking into account their financial position, past experience and other parameters set by the Council and its respective departments.

The Council does not generally allow credit for its customers. As at 31 March 2025, £25,227 million of total short-term debt (gross of BDP) was overdue for payment, as shown below:

| 2023/24<br>£'000 |                       | 2024/25<br>£'000 |
|------------------|-----------------------|------------------|
| 2,665            | Past due < 3 months   | 1,613            |
| 528              | Past due 3 - 6 months | 210              |
| 19,218           | Past due 6+ months    | 23,404           |
| <b>22,411</b>    | <b>Total</b>          | <b>25,227</b>    |

The Council has analysed the effect of applying expected credit loss methodology to its financial assets to determine impairment loss allowances in accordance with IFRS 9 and has determined that there would be no material difference to the financial statements or carrying amount of the assets compared with calculating a provision for bad debts under IAS19.

### Liquidity Risk

The Council has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. The Council previously raised long-term borrowing from the PWLB and has preserved access to the PWLB as a 'lender of last resort' by complying with the Government guidance regarding capital investment. If unexpected movements occur the Council will look at a range of sources. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. Instead, the risk is that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

### Refinancing and Maturity Risk

The maturity analysis of financial liabilities / assets is as follows:

| 2023/24<br>£'000<br>RESTATED<br>* |                 |                  | Time of<br>Maturity | 2024/25<br>£'000     |                 |                  |
|-----------------------------------|-----------------|------------------|---------------------|----------------------|-----------------|------------------|
| Liabilities<br>£'000              | Assets<br>£'000 | Net<br>£'000     |                     | Liabilities<br>£'000 | Assets<br>£'000 | Net<br>£'000     |
| (82,327)                          | 22,224          | (60,103)         | Under 1 year        | (165,465)            | 28,721          | (136,744)        |
| (42,521)                          | 2,276           | (40,245)         | 1-2 years           | (253)                | -               | (253)            |
| (665)                             | -               | (665)            | 2-5 years           | (42,438)             | 2,356           | (40,082)         |
| (41,767)                          | -               | (41,767)         | 5-10 years          | (41,767)             | -               | (41,767)         |
| (125,302)                         | -               | (125,302)        | 10-20 years         | (83,535)             | -               | (83,535)         |
| (3,000)                           | -               | (3,000)          | Over 20 years       | (3,000)              | -               | (3,000)          |
| -                                 | 4,261           | 4,261            | Indefinite          | -                    | 4,294           | 4,294            |
| <b>(295,583)</b>                  | <b>28,761</b>   | <b>(266,822)</b> | <b>Total</b>        | <b>(336,458)</b>     | <b>35,371</b>   | <b>(301,087)</b> |

All trade payables/receivables are due to be paid in less than one year.

\* Restated '23/24, did not reconcile to FI total in note19 and did not disclose FI assets as required.

The risk that the Council will need to refinance, in the longer term, a significant proportion of its borrowing at a time when interest rates may be unfavorably high is addressed by close monitoring (by the Council and its treasury management advisors) of the status of loans outstanding, an analysis of current and forecast economic and market conditions and detailed consideration of the possibility of the premature repayment or rescheduling of the debt. The Council's TMS sets upper and lower limits on the maturity structure of its borrowing.

## Market Risk

Interest Rate Risk - The Council is exposed to risk in terms of its exposure to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council. For instance, a rise in interest rates would have the following effects:

- borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowing and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments classed as measured at fair value will be reflected in Other Comprehensive Income and Expenditure.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates.

If, at 31 March 2025, all interest rates had been 1% higher (with all other variables held constant) the financial effect would have been:

| 2023/24<br>£'000  | 2024/25<br>£'000 |
|---|------------------|
| - Increase in interest payable on variable rate borrowing         | -                |
| (87) Increase in interest receivable on variable rate investments | (3)              |
| 19 Decrease in FV of loans and receivables *                      | -                |
| * (138) Decrease in FV of fixed rate borrowing/liabilities *      | (11,689)         |

\* No impact on Comprehensive Income and Expenditure.

The approximate impact of a 1% fall in interest rates would be as above but reversed.

## 44. GROUP ACCOUNTS

In order to provide a full picture of the economic and financial activities of the Council and its exposure to risk, the accounting statements of material subsidiary companies are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. The accounts have been prepared in accordance with the Code.

The Council's wholly owned subsidiary company, Harlow Trading Services Ltd. ("HTS"), began active trading on 1 February 2017 and its accounts have been consolidated with the Council's and are shown below.

### Accounting Policies

HTS has prepared 2023/24 accounts using, in the main, accounting policies consistent with those applied by the Council. The major exception is in respect of employee pensions. HTS is an admitted body to the Local Government Pension Scheme and, as such, it makes fixed contributions to the pension fund and its employees in the scheme are entitled to the post-employment benefits from the scheme. The Council makes further contributions to the fund in respect of HTS employees to ensure that the pension liability attributable to HTS is fully funded.

This pension fund liability is excluded from both the pension disclosures in the single entity accounts of the Council and the accounts of the company. HTS's accounting policies have been aligned to those of the Council so that the liability is reflected in the Group Accounts. In addition, there is a minor adjustment for depreciation to align accounting policies.

HTS's accounts have been consolidated with those of the Council on a line-by-line basis, and any balances and transactions between parties have been eliminated. HTS's income and expenditure, adjusted for transactions with the Council, is included on the relevant service lines in the Comprehensive Income and Expenditure Statement; and Balance Sheet values are incorporated into the relevant heading of the Balance Sheet, removing balances owed between the two parties. It should be noted that the Group Accounts include the Pension Reserve as a Usable (Distributable) Reserve whereas in the Council's single entity accounts the Pension Reserve is classified as an Unusable Reserve. This is due to there being a difference in the classification of the Reserve in the Public and Private Sectors. This does not affect the true and fair presentation of the Group Accounts.

#### (Profit)/Loss from Operations HTS


| 2023/24<br>£'000                             | 2024/25<br>£'000 |
|--|------------------|
| (32,236) Turnover                            | (32,926)         |
| 28,929 Cost of Sales                         | 29,966           |
| 3,427 Admin expenses                         | 3,669            |
| (186) Other operating income                 | (176)            |
| <b>(66) Operating (profit)/loss</b>          | <b>533</b>       |
| 76 Financing costs                           | 116              |
| (27) Investment income                       | (16)             |
| (20) Other loss/(gain)                       | 19               |
| <b>(38) (Profit)/Loss before tax</b>         | <b>652</b>       |
| 19 Tax on ordinary activities                | -                |
| <b>(19) Total (profit)/loss for the year</b> | <b>652</b>       |
| <b>17,803 Shareholders' funds</b>            | <b>24,988</b>    |

#### Share of Ownership Interests between HTS and HDC

| 2023/24<br>£'000                         | 2024/25<br>£'000 |
|--|------------------|
| 0 Investments in Shareholding Companies  | 0                |
| (782) Loans with Harlow District Council | (1,810)          |
| <b>(782) Total</b>                       | <b>(1,810)</b>   |



# SUPPLEMENTARY FINANCIAL STATEMENTS



# Housing Revenue Account

## Financial Statements

## HOUSING REVENUE ACCOUNT

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and Government grants. Councils charge rents due to cover expenditure in accordance with regulations; this may be different from the accounting cost. The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the HRA Statement. The account has to be self-financing, and the total cost is met by income from rents, charges and Government subsidies. Contributions to or from Council Taxpayers, other than for strictly defined purposes, are not permitted under the Local Government and Housing Act 1989. The balance on this account is not in accordance with the statutory provisions that specify the net expenditure that councils need to take into the Housing Revenue Account. In order to give a full presentation of the financial performance of the Council during the year and the actual spending power carried forward, the balance on this account needs to be reconciled in the Movement on the Housing Revenue Account Statement to the amount established by the relevant statutory provision (see following statement).

| 2023/24<br>£'000 | HRA income and Expenditure Statement                                  | 2024/25<br>£'000 |
|------------------|---|------------------|
|                  | <b>Expenditure:</b>   |                  |
| 15,459           | Repairs and Maintenance   | 13,083           |
| 15,493           | Supervision and Management  | 17,136           |
| 154              | Rent, Rates and Other Charges   | 228              |
| 12,538           | Depreciation- Dwellings & amortisation                                | 12,300           |
|                  | - Depreciation- Other non-current assets                              | -                |
|                  | - Change in valuation of non-current assets                           | -                |
| (206)            | Movement in the allowance for bad debts                               | 279              |
| 1                | Suns directed by SoS that are expenditure in accordance with the Code | 1                |
| <b>43,439</b>    | <b>Total Expenditure</b>  | <b>43,027</b>    |
|                  | <b>Income:</b>  |                  |
| (48,405)         | Dwelling Rents  | (51,872)         |
| (1,145)          | Non-dwelling Rents  | (1,226)          |
| (4,882)          | Charges for Services and Facilities                                   | (5,066)          |
| (586)            | Supervision and Management  | (580)            |
| (134)            | Contributions towards expenditure                                     | (264)            |
| <b>(55,152)</b>  | <b>Total Income</b>   | <b>(59,008)</b>  |
| <b>(11,712)</b>  | <b>Net Cost of HRA Services as included in the CIES</b>               | <b>(15,981)</b>  |
|                  | - HRA services share of non-distributed costs                         |                  |
| <b>(11,712)</b>  | <b>Net Cost of HRA services</b>                                       | <b>(159,81)</b>  |
| (1,005)          | Loss/(Gain) on sale of HRA non-current assets & pooling               | 2,134            |
| 6,806            | Interest Payable and similar charges                                  | 7,298            |
| (1,321)          | Interest and Investment Income  | (1,184)          |
|                  | - Capital grant and contributions                                     |                  |
| <b>(7,232)</b>   | <b>(Surplus)/Deficit for the year on HRA services</b>                 | <b>(7,733)</b>   |

## MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

The HRA Income and Expenditure Account show the actual financial performance for the year, measured in terms of the resources consumed and generated over the last twelve months. However, the Council is required to account for its statutory housing activity on a different accounting basis, the main differences being that:

- the difference between the calculated depreciation on HRA assets and the Housing Subsidy Major Repairs Allowance has to be adjusted back into the balance for the year,
- the gain or loss on the disposal of HRA assets has to be reversed before a final balance is calculated; and
- any impairment on HRA assets, either due to economic consumption or valuation, has to be reversed from the account before a statutory balance can be finalised.

This reconciliation statement summarises the differences between the outturn on the Income and Expenditure Account and the Housing Revenue Account Balance.

| <b>2023/24<br/>£'000</b> | <b>Movement of HRA Statement</b>  | <b>2024/25<br/>£'000</b> |
|--------------------------|---|--------------------------|
| <b>(13,810)</b>          | <b>HRA balance brought forward</b>  | <b>(10,782)</b>          |
| (7,232)                  | (Surplus)/Deficit for the year on the HRA Income and Expenditure Account        | (7,733)                  |
| 1,905                    | Adjustments between accounting basis and funding basis under statute            | (1,709)                  |
| 4,847                    | Net Transfer to/(from) General Fund   | 5,510)                   |
| <b>(480)</b>             | <b>Net increase/(decrease) in year on HRA before transfers to/from reserves</b> | <b>(3,932)</b>           |
| 3,509                    | Transfer to/from earmarked reserves   | (204)                    |
| -                        | - Other   | -                        |
| <b>3,029</b>             | <b>Dec/(inc) in the HRA balance for the year</b>                                | <b>(4,136)</b>           |
| <b>(10,782)</b>          | <b>HRA balance at the end of the year, carried forward</b>                      | <b>(14,916)</b>          |

## H1. ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER STATUTE

| 2023/24<br>£'000 | HRA Adjustment between Accounting and Funding Basis under Statute   | 2024/25<br>£'000 |
|------------------|---|------------------|
|                  | <b>Items included in the HRA Income and Expenditure Account but excluded from the Movement on the HRA Balance for the year:</b>         |                  |
|                  | - Amortisation of Intangible Assets   | -                |
| 307              | Revaluation loss on Property, Plant & Equipment   | (160)            |
|                  | - Reversals of Impairment of Fixed Assets   |                  |
| (12,845)         | Depreciation  | (12,140)         |
| 1,003            | Net Gain/(Loss) on sale of HRA Fixed Assets   | (2,129)          |
| 2                | Financial Instruments   | (6)              |
| 601              | Employer's contr payable to ECC Pension Fund & retire ben payable direct to pensioners  | 580              |
| 12,845           | Transfers To/From the Major Repairs Reserve   | 12,140           |
|                  | - Application of Capital grants to finance capital expenditure  | -                |
| (9)              | Accumulated Absences  | 6                |
|                  | <b>Items not included in the HRA Income and Expenditure Account but to be included in the Movement on the HRA Balance for the year:</b> |                  |
|                  | - Capital Expenditure Funded by the HRA   | -                |
| <b>1,904</b>     | <b>Net additional amount required by statute debited/(credited) to HRA Bal for the year</b>   | <b>(1,709)</b>   |

## H2. TRANSFERS TO / (FROM) RESERVES

| 2023/24<br>£'000 | HRA Transfers to / (from) Reserves              | 2024/25<br>£'000 |
|------------------|---|------------------|
| 261              | Contribution to Insurance Fund                  | 0                |
| 387              | Contribution to Perpetuity Earmarked Reserves   | 0                |
|                  | - Contribution to Housing Investment Fund       | 2,931            |
| 153              | Interest on Earmarked Reserves                  | 0                |
|                  | - Contribution to Insurance Claims Reserve      | (846)            |
| (195)            | Contribution from Insurance Fund                | (1,899)          |
| (670)            | Contribution from Perpetuity Earmarked Reserves | 7                |
| 3,583            | Contribution to Pensions Reserve                | (333)            |
|                  | - Contribution to Risk Management Reserve       | (47)             |
| (10)             | Contribution to Earmarked Grants Reserve        | (16)             |
| <b>3,509</b>     | <b>Total</b>                                    | <b>(203)</b>     |

## H3. ANALYSIS OF THE HOUSING STOCK

| 2023/24<br>No. Of<br>Prop | HRA Analysis of Housing Stock by Type of Dwelling      | 2024/25<br>No. Of<br>Prop |
|---------------------------|--|---------------------------|
| 5,515                     | Houses and Bungalows                                   | 5,504                     |
| 3,511                     | Flats and Maisonettes                                  | 3,534                     |
| 11                        | Equity Share Ownership (ESO)                           | 9                         |
| 3                         | Houses of Multiple Occupation (HMO)                    | 3                         |
| -                         | - Assets (Dwellings ) Under Construction (AUC)         | -                         |
| -                         | - Assets (Dwellings ) Held for Sale under Right to Buy | -                         |
| <b>9,040</b>              | <b>Total Number of Housing Units</b>                   | <b>9,050</b>              |
| <b>4.88%</b>              | <b>Percentage of ESO owned by the Council</b>          | <b>4.88%</b>              |

| 2023/24<br>No. Of<br>Prop | 3                                    | 2024/25<br>No. Of<br>Prop |
|---------------------------|--------------------------------------|---------------------------|
| 395                       | Bedsitters                           | 394                       |
| 2,031                     | 1 Bedroom                            | 2,063                     |
| 3,479                     | 2 Bedrooms                           | 3,468                     |
| 2,795                     | 3 Bedrooms                           | 2,786                     |
| 312                       | 4 Bedrooms                           | 311                       |
| 25                        | 5 Bedrooms                           | 25                        |
| 3                         | HMO 6 Bedrooms or more               | 3                         |
| <b>9,040</b>              | <b>Total Number of Housing Units</b> | <b>9,050</b>              |

| 2023/24<br>No. Of<br>Prop | HRA The change in Housing Stock can be summarised as follows: | 2024/25<br>No. Of<br>Prop |
|---------------------------|---|---------------------------|
| 9,065                     | Stock at 1 April  | 9,040                     |
| (23)                      | Deduct Dwelling Sales   | (26)                      |
| (2)                       | Deduct Demolitions / Disposals                                | (2)                       |
| -                         | Add House Purchases - New Build - AUC                         | 38                        |
| <b>9,040</b>              | <b>Total Number of Housing Units</b>                          | <b>9,050</b>              |

#### H4. BALANCE SHEET VALUES FOR THE HOUSING STOCK

| 2023/24<br>£'000 | HRA Balance Sheet Values                | 2024/25<br>£'000 |
|------------------|---|------------------|
|                  | Council Dwellings;                      |                  |
| 193,340          | Land                                    | 202,143          |
| 663,372          | Dwellings                               | 721,603          |
| <b>856,712</b>   |   | <b>923,746</b>   |
| 23,758           | Other Land & Buildings                  | 4,548            |
| 103              | Infrastructure and Community Assets     | 96               |
| 3,423            | Assets under Construction               | 4,577            |
| 1,174            | Surplus Assets Not Held for Sale        | 765              |
| 1,329            | Assets Held for Sale                    | 965              |
| <b>886,499</b>   | <b>Balance carried forward 31 March</b> | <b>934,697</b>   |

#### H5. VACANT POSSESSION

The vacant possession value of the Council's Housing stock is shown below. It shows the economic cost of providing council housing at less than market rents.

| 2023/24<br>£'000 | HRA Balance Sheet Values at Vacant Possession | 2024/25<br>£'000 |
|------------------|---|------------------|
| 2,254            | Vacant possession Value of Dwellings          | 2,431            |
| <b>2,254</b>     | <b>Total HRA Balance Sheet Values</b>         | <b>2,431</b>     |

## H6. IMPAIRMENT CHARGES

There were no material impairment charges on the Housing Revenue Account for 2024/25.

## H7. CAPITAL EXPENDITURE AND FINANCING

| 2023/24<br>£'000 | HRA Capital Expenditure                                   | 2024/25<br>£'000 |
|------------------|---|------------------|
| 23,226           | Dwelling Stock  | 31,394           |
| -                | - Non-dwelling Stock                                      | -                |
| 2,570            | Assets under Construction                                 | 12,866           |
| 276              | Investment in IT  | 183              |
| <b>26,072</b>    | <b>Total HRA Capital Expenditure</b>                      | <b>44,444</b>    |
| -                | - Financed by: Revenue Contributions                      | -                |
| 12,845           | Financed by: Contribution from Major Repairs Reserve      | 13,213           |
| 1,698            | Financed by: Capital Receipts                             | 12,861           |
| 114              | Financed by: Capital Grant & Contributions                | 475              |
| 11,415           | Financed by: Borrowing for New Builds and House Purchases | 17,895           |
| <b>26,072</b>    | <b>Total Financing</b>                                    | <b>44,444</b>    |

## H8. CAPITAL RECEIPTS

| 2023/24<br>£'000 | HRA Capital Receipts Reserve                 | 2024/25<br>£'000 |
|------------------|--|------------------|
| 2,964            | Sale of Council Houses- direct               | 3,592            |
| 684              | Other (including shared ownership)           | 146              |
| 67               | Other (including shared ownership)- Deferred | 65               |
| <b>(3,715)</b>   | <b>Total</b>                                 | <b>3,803</b>     |

## H9. CHARGES FOR DEPRECIATION

| 2023/24<br>£'000 | HRA Charges for Depreciation and Amortisation | 2024/25<br>£'000 |
|------------------|---|------------------|
| 150              | Council Dwellings                             | <b>194</b>       |
| -                | - Other land and buildings                    | -                |
| -                | - Infrastructure and community assets         | (7)              |
| (44)             | Surplus assets held for sale                  | -                |
| -                | - Vehicles, Plant & Equipment                 | -                |
| -                | - Intangible assets - amortisation            | -                |
| <b>106</b>       | <b>Total</b>                                  | <b>187</b>       |

## H10. MOVEMENT ON THE MAJOR REPAIRS RESERVE

| 2023/24<br>£'000 | Major Repairs Reserve | 2024/25<br>£'000 |
|------------------|-----------------------|------------------|
| -                | Balance as at 1 April | -                |

|                                 |               |          |
|---------------------------------|---------------|----------|
| 12,845                          | Transfers in  | 12,140   |
| (12,845)                        | Transfers out | (12,140) |
| <b>- Balance as at 31 March</b> |               | <b>-</b> |

## H11. HRA SHARE OF CONTRIBUTIONS TO/ FROM THE PENSIONS RESERVE

With effect from 2017/18 the accounting statements, upon cessation of the organisation, include Kier Harlow pension figures. Also incorporated within the single entity accounts are the HTS Ltd IAS19 reported figures.

The actual payments for pensions made to the pension fund from the HRA of £728,895 (2023/24: £723,306) plus the continuing pension payments in relation to underfunding and early retirements awarded to HRA employees of £412,018 (2023/24: £405,496) are removed from the HRA and replaced by the current service cost applying the principles of IAS 19 making a total amount removed of £662,941 (2023/24: £652,447). The corresponding entry is to the Pensions Fund Reserve.

The current service cost included in the HRA is the IAS19 reported sum of £561,312 (2023/24: £527,306) which represents the pension costs of current staff.

## H12. RENT ARREARS

Outstanding tenant rent arrears at 31 March 2025 total £2,668,515 including £67,033 in overpaid housing benefit (£2,640,027 and £68,341 as at 31 March 2024). An allowance for the impairment of debts has been made as at 31 March 2025 totalling £2,140,503 (£2,237,207 at March 2024).

The arrears exclude prepayments of £1,463,831 (£1,101,301 as at March 2024) and may be analysed as follows:

| 2023/24<br>£'000 | Rent Arrears                      | 2024/25<br>£'000 |
|------------------|-----------------------------------|------------------|
| 1,822            | Arrears due from: Current Tenants | 1,804            |
| 1,179            | Arrears due from: Former Tenants  | 1,285            |
| <b>3,001</b>     | <b>Total Rent Arrears (gross)</b> | <b>3,089</b>     |
| (1,089)          | Prepayments                       | (1,453)          |
| <b>1,911</b>     | <b>Total Rent Arrears (net)</b>   | <b>1,636</b>     |

These arrears include all charges due from tenants i.e. rent, rates, heating and other charges.



# Collection Fund

## Financial Statements

## COLLECTION FUND ACCOUNT

Harlow District Council is the authority responsible for the billing, collection and recovery of Council Tax and Business Rates on behalf of itself, its preceptors (Essex County Council, Essex Fire Authority and Essex Police Authority) and Central Government.

The Collection Fund (England) is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing Council in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and business rates.

| 31 March 2024           |                      |                  | 31 March 2025                                     |                         |                      |                  |
|-------------------------|----------------------|------------------|---|-------------------------|----------------------|------------------|
| Business Rates<br>£'000 | Council Tax<br>£'000 | Total<br>£'000   | Collection Fund<br>Income and Expenditure Account | Business Rates<br>£'000 | Council Tax<br>£'000 | Total<br>£'000   |
|                         |                      |                  | <b>Income:</b>                                    |                         |                      |                  |
|                         | (60,503)             | <b>(60,503)</b>  | Council Tax Receivable                            |                         | (64,129)             | <b>(64,129)</b>  |
| (45,603)                |                      | <b>(45,603)</b>  | Business Rates Receivable                         | (50,179)                |                      | <b>(50,179)</b>  |
| -                       |                      | -                | TPP due (from) Central Govt #                     | -                       |                      | -                |
|                         | (189)                | <b>(189)</b>     | Ctax discounts funded from GF                     |                         | (17)                 | <b>(17)</b>      |
| <b>(45,603)</b>         | <b>(60,692)</b>      | <b>(106,295)</b> | <b>Total amounts to be credited</b>               | <b>(50,179)</b>         | <b>(64,146)</b>      | <b>(114,325)</b> |
|                         |                      |                  | <b>Expenditure:</b>                               |                         |                      |                  |
|                         |                      |                  | <b>Apportm'nt of Prev. Yr (Surp)/Def:</b>         |                         |                      |                  |
| (1,880)                 | (17)                 | <b>(1,897)</b>   | Harlow District Council                           | 1,515                   | 537                  | <b>2,052</b>     |
| (423)                   | (84)                 | <b>(507)</b>     | Essex County Council                              | 341                     | 2,693                | <b>3,034</b>     |
|                         | (13)                 | <b>(13)</b>      | Essex Police Authority                            | -                       | 434                  | <b>434</b>       |
| (47)                    | (5)                  | <b>(52)</b>      | Essex Fire Authority                              | 38                      | 149                  | <b>187</b>       |
| (2,350)                 |                      | <b>(2,350)</b>   | Central Government                                | 1,893                   | -                    | <b>1,893</b>     |
|                         |                      |                  | <b>Precepts, demands and shares:</b>              |                         |                      |                  |
| 18,859                  | 8,229                | <b>27,088</b>    | Harlow District Council                           | 19,387                  | 8,307                | <b>27,694</b>    |
| 4,243                   | 41,305               | <b>45,548</b>    | Essex County Council                              | 4,362                   | 43,777               | <b>48,139</b>    |
|                         | 6,650                | <b>6,650</b>     | Essex Police Authority                            | -                       | 7,085                | <b>7,085</b>     |
| 471                     | 2,287                | <b>2,758</b>     | Essex Fire Authority                              | 485                     | 2,376                | <b>2,865</b>     |
| 23,574                  |                      | <b>23,574</b>    | Central Government                                | 24,234                  | -                    | <b>24,234</b>    |
|                         |                      |                  | <b>Disregarded Amounts:</b>                       |                         |                      |                  |
| 1,794                   |                      | <b>1,794</b>     | Enterprise Zone                                   | 2,040                   | -                    | <b>2,040</b>     |
|                         |                      |                  | <b>Charges to Collection Fund:</b>                |                         |                      |                  |
| 899                     | 789                  | <b>1,687</b>     | Inc/(dec) in allowance for debt impair            | 367                     | 774                  | <b>1,141</b>     |
| (2,109)                 |                      | <b>(2,109)</b>   | BR Appeals settles against provision              | 654                     | -                    | <b>654</b>       |
| 912                     |                      | <b>912</b>       | BR Appeals change in provision                    | -                       |                      | -                |
| 112                     |                      | <b>112</b>       | BR Cost of Collection Allowance GF                | 112                     | -                    | <b>112</b>       |
| -                       |                      | -                | Interest charged to Collection fund               | -                       | -                    | -                |
| (2,256)                 |                      | <b>(2,256)</b>   | TPP due to Central Govt #                         | (43)                    | -                    | <b>(43)</b>      |
| <b>41,798</b>           | <b>59,140</b>        | <b>100,939</b>   | <b>Total amounts to be debited</b>                | <b>55,385</b>           | <b>66,132</b>        | <b>121,517</b>   |
| <b>(3,804)</b>          | <b>(1,552)</b>       | <b>(5,356)</b>   | <b>(Surplus)/Deficit arising in year</b>          | <b>5,206</b>            | <b>1,986</b>         | <b>7,192</b>     |
|                         |                      |                  |   |                         |                      |                  |
| 479                     | (1,625)              | <b>(1,146)</b>   | (Surplus)/Deficit b/f at 1 April                  | (3,325)                 | (3,176)              | <b>(6,501)</b>   |
| <b>(3,325)</b>          | <b>(3,176)</b>       | <b>(6,501)</b>   | <b>(Surplus)/Deficit c/f at 31 March</b>          | <b>1,881</b>            | <b>(1,190)</b>       | <b>691</b>       |

## CF1. Business Rates

National Non-Domestic Rates (also known as NNDR or Business Rates) are based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform business rate (a “multiplier”) set nationally by Central Government. The national multipliers for 2024/25 were 49.9p for qualifying small businesses and 54.6p for all other businesses (49.9p and 51.2p respectively in 2023/24).

The NNDR income due (after exemptions and reliefs) of £50.179 million for 2024/25 (£45.603 million for 2023/24) was based on a rateable value for the Council’s area of £117.524 million 31 March 2025 (£118.566 million 31 March 2024).

## CF2. Council Tax

Council Tax income derives from charges raised according to the value of residential properties (estimated as at 1 April 1991), which have been classified into eight valuation bands. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Essex County Council, Essex Police and Crime Commissioner, Essex Fire Authority and the Council for the forthcoming year and dividing this by the Council Tax base.


The Council Tax base, which was 28,753 for 2024/25 (28,483 for 2023/24), is the aggregate of an adjusted total number of properties in each valuation band (reduced by allowances for discounts and an estimated collection rate) converted by a proportion to the number of Band D equivalent chargeable dwellings.

The Council Tax base was calculated as follows:

|  | Discounted<br>Equivalent<br>Dwelling | Weighting | Band D<br>Equivalent |
|--|--------------------------------------|-----------|----------------------|
| Valuation Band A*                      | 3                                    |           | 2                    |
| Valuation Band A                       | 2,050                                | 6/9       | 1,366                |
| Valuation Band B                       | 6,981                                | 7/9       | 5,430                |
| Valuation Band C                       | 17,638                               | 8/9       | 15,678               |
| Valuation Band D                       | 4,541                                | 1         | 4,541                |
| Valuation Band E                       | 2,842                                | 11/9      | 3,474                |
| Valuation Band F                       | 1,118                                | 13/9      | 1,615                |
| Valuation Band G                       | 408                                  | 15/9      | 680                  |
| Valuation Band H                       | 15                                   | 18/9      | 29                   |
| <b>Total Band D Equivalents</b>        |                                      |           | <b>32,814</b>        |
| Less Local Council Tax Support         |                                      |           | (3,172)              |
| Less allowance for non-collection (3%) |                                      |           | 889                  |
| <b>Total Band D Equivalents</b>        |                                      |           | <b>28,753</b>        |

## CF3. Distribution of surplus/deficit

| 31 March 2024              |                      |                | 31 March 2025           |                            |                         |                |
|----------------------------|----------------------|----------------|-------------------------|----------------------------|-------------------------|----------------|
| Business<br>Rates<br>£'000 | Council Tax<br>£'000 | Total<br>£'000 |                         | Business<br>Rates<br>£'000 | Council<br>Tax<br>£'000 | Total<br>£'000 |
| (1,330)                    | (451)                | (1,781)        | <b>Allocated to;</b>    |                            |                         |                |
| (299)                      | (2,241)              | (2,540)        | Harlow District Council | 750                        | (164)                   | <b>586</b>     |
|                            | (360)                | (360)          | Essex County Council    | 170                        | (846)                   | <b>(676)</b>   |
| (33)                       | (125)                | (158)          | Essex Police Authority  |                            | (136)                   | <b>(136)</b>   |
| (1,662)                    |                      | (1,662)        | Essex Fire Authority    | 19                         | (45)                    | <b>(26)</b>    |
|                            |                      |                | Central Government      | 944                        |                         | <b>944</b>     |
| <b>(3,325)</b>             | <b>(3,176)</b>       | <b>(6,501)</b> | <b>Total</b>            | <b>1,881</b>               | <b>(1,190)</b>          | <b>691</b>     |



# Glossary of Terms and Abbreviations

### Glossary of Terms and Abbreviations

This glossary of terms and abbreviations is designed to aid interpretation of the Council's Statement of Accounts.

#### **Accounting Period**

A period of 12 months commencing on 1 April also referred to as "financial year of account" or "financial year". The end of the accounting period (31 March) is the Balance Sheet date.

#### **Accruals**

Amounts included in the accounts for income or expenditure relating to the financial year for which payment has not been received or made in the financial year. The Council accrues for both revenue and capital items.

#### **Amortisation**

The measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period, charged to the Income and Expenditure Account. It reduces the carrying value of these assets in the Balance Sheet and is similar to a depreciation charge.

#### **Annual Governance Statement**

This is a statutory document that explains the processes and procedures in place to enable the Council to carry out its functions effectively.

#### **Assets Held for Sale**

Assets are classified as held for sale if their carrying amount is going to be recovered principally through a sale transaction rather than through continued use. This excludes any assets that are going to be abandoned or scrapped at the end of their useful lives.

#### **Balances (or Reserves)**

These are accumulated funds available to the Council. Some balances (reserves) may be earmarked for specific purposes for funding future defined initiatives or meeting identified risks or liabilities; and some that are technical only and may not be used to finance services.

#### **Billing Authority**

A billing authority is a local authority responsible for collecting Council Tax and Non-Domestic Rates.

#### **Business Rates**

Business Rates (sometimes referred to as Non-Domestic Rates or NDR) are charged on most non-domestic premises, including commercial properties such as shops, offices, pubs, warehouses and factories. The sums collected by the Council are distributed to Central Government (50%) and to local authorities for the area (Harlow Council 40%, Essex County Council 9% and Essex Fire Authority 1%).

#### **Capital Expenditure**

Spending which produces or enhances an asset such as land, buildings, roads, vehicles, plant and machinery, and intangible assets such as computer software. Only expenditure that directly relates to bringing the asset in use may be treated as capital expenditure. Any expenditure which does not fall within the definition must be charged to a revenue account.

#### **Capital Adjustment Account**

This is an account that reflects financing of capital from revenue and capital receipts together with the adjustment of the minimum revenue provision.

#### **Capital Receipts**

Proceeds from the sale of non-current assets such as land and buildings which can be used to repay any outstanding debt on fixed assets or to finance new capital expenditure, within rules set down by Government. Capital receipts cannot be used to finance revenue expenditure.

#### **Carrying Amount**

The value at which an asset is shown in the Balance Sheet after deducting any accumulated depreciation and impairment losses.

## GLOSSARY OF TERMS AND ABBREVIATIONS

### **Chartered Institute of Public Finance and Accountancy (CIPFA)**

The professional accountancy body concerned with local authorities and the public sector.

### **Code of Practice (The Code)**

The Code of Practice on Local Authority Accounting in the United Kingdom (issued by CIPFA) defines proper accounting practices to be adopted for the Statement of Accounts to ensure they 'present a true and fair view of the financial position of the Council. The Code incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards and carries statutory status via the provision of the Local Government Act 2003. An updated version is published every year.

### **Collection Fund**

This is a statutory fund set up under the provisions of the Local Government Finance Act 1988. It includes the transactions of the charging authority in relation to Business Rates and Council Tax, and illustrates the way in which the fund balance is distributed to the Government, preceptors and the Council.

### **Collection Fund Adjustment Account**

This is a reserve that reconciles differences between statutory requirements as a Billing Authority and proper accounting practice.

### **Community Assets**

The class of Non-current Assets held in perpetuity that have no determinable useful life and may have restriction on their disposal.

### **Componentisation**

For some assets it is possible to identify parts of that asset separately which then, by their nature, can be depreciated separately according to their individual economical lives. For example, components in a building might comprise land, building structure, major mechanical and electrical items, all of which would have different useful lives and so would be depreciated at different rates.

### **Consumer Price Index (CPI)**

This is a measure of inflation that examines changes in the weighted average of prices of a basket of consumer goods and services. Changes in CPI are used to assess price changes associated with the cost of living.

### **Contingent Assets/Liabilities**

These are potential gains and losses for which a future event will establish whether a liability or asset exists and for which it is inappropriate to set up a debtor or provision in the accounts.

### **Deferred Capital Receipts**

Arise when non-current assets are sold and the amounts owed by the purchasers are repaid over a number of years, e.g. mortgages. The balance is reduced by the amount principal repayable in any financial year.

### **Depreciation**

A charge made to the revenue account that represents a measure of the wearing out, consumption or other reduction in the useful life of a fixed asset.

### **DWP**

The Department for Work and Pensions, which is a Central Government department that administers the State Pension and a range of working age, disability and ill health benefits.

### **Earmarked Reserves**

Funds set aside for a specific purpose, or a particular service, or type of expenditure.

### **Finance Lease**

An arrangement whereby the lessee is treated as the owner of the leased asset, and is required to include such assets within the non-current assets on the balance sheet.

### **Financial Instruments**

This is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Examples include bank deposits, cash, investments, debtors (or receivables), long-term debtors, creditors, temporary loans and borrowings.

### **Non-current Assets - Tangible**

These are any assets with a physical presence such as land and buildings and which yield benefits to the Council and the services it provides for a period of more than one year.

### **Non-current Assets – Intangible**

## GLOSSARY OF TERMS AND ABBREVIATIONS

There are any assets which are of benefit to the organisation but have no physical presence, e.g. as software licences.

### **General Fund**

This is the primary account through which all the Council's non-HRA related transactions pass. The balance at year-end is not earmarked for any specific purpose.

### **Harlow Trading Services Ltd (HTS)**

This is a company set up by the Council and it is wholly owned subsidiaries of HTS Group Ltd. Services provided by HTS include housing repairs and maintenance, capital and planned works, facilities management, environmental and compliance services. These are provided to the tenants, leaseholders and residents of Harlow.

### **Housing Beacons**

These are dwellings that are used in valuing the Council's housing stock. A typical dwelling has been identified for each dwelling type that the Council owns e.g. a 3-bedroom semi-detached, a 2-bedroom bungalow. These are known as Beacon Properties and the valuer will value these Beacon Properties and the value for each Beacon Property will be applied to all properties of the same Beacon type. This approach is taken as it would take too long and be too costly to value every single dwelling that the Council owns.

### **Infrastructure Assets**

These are assets which have no tangible value such as highways and roads.

### **International Accounting Standard Board (IASB)**

This is an accounting standards setting body. The Council will comply with the accounting standards when preparing the Statement of Accounts. It should be noted that compliance with statute will override compliance with the accounting standards and so adjustment will be made in the accounts to move from one position to the other where required.

### **International Financial Reporting Standards (IFRS)**

These are accounting standards which are recognised globally and are ones that the Council will comply with in preparing the accounts initially. Adjustments will be made to the accounts prepared in accordance with the standards in order to present a position that complies with statute.

### **Impairment**

This is an accounting adjustment made to the value of an asset when its carrying amount (the amount at which an asset is recognised in the Balance Sheet after deducting accumulated depreciation and impairment losses) exceeds its recoverable amount (the higher of assets fair value less cost of sale and its value in use).

### **Intangible Assets**

Assets which are of benefit to the organisation but have no physical presence such as software licences, or goodwill which is more commonly found in the private sector.

### **International Public Sector Accounting Standards (IPSAS)**

These are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

### **Investment Property**

These are land and buildings, or part of a building held solely to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of operations.

### **Investments – Short-Term**

These are cash deposits for less than one year with approved institutions.

### **Loans and Receivables**

These are sums invested by the Council that are not quoted in an active market; and short-term trade debtors.

### **Long-Term Debtors**

These are debtors where the capital income is still to be received, for example, from the sale of an asset or the granting of a loan.

### **Medium Term Financial Strategy (MTFS)**

This is the Council's strategic financial plan for the future five-year period. It takes into account the anticipated cost of future service plans and matches this with the Council's financial resources and

## GLOSSARY OF TERMS AND ABBREVIATIONS

its forecast levels of grant and other income. It is updated annually so that it is constantly looking at the next 5 years into the future.

### **Minimum Revenue Provision (MRP)**

This is a charge made to the General Fund or HRA revenue accounts representing the setting aside of prudential sums for the repayment of debt. When a Council has incurred borrowing, there is a statutory requirement to set a prudent level of MRP for the General Fund.

### **MHCLG**

This is the Ministry of Housing, Communities and Local Government - a Government department responsible for housing, planning, devolution and local government, as well as community issues.

### **Movement in Reserves Statement (MIRS)**

This is a core financial statement which shows the movement in usable and unusable reserves (the Council's total reserve balances).

### **Net Realisable Value**

The amount at which an asset could be sold after the deduction of any related selling costs.

### **Non-Current Assets**

These are capital assets which provide benefits to the Council for more than a year.

### **Non-operational Assets**

These are non-current assets held by an organisation but not directly occupied, used or consumed in the delivery of services. An example of a non-operational asset is an investment property or an asset being held pending its sale.

### **Operational Asset**

These are non-current assets held by the Council which are used or consumed in the delivery of its services.

### **Operating Lease**

This is an arrangement whereby the risks and rewards of ownership of the leased asset remain with the lessor.

### **Pension Fund**

This is a pension scheme for employees, maintained by an administering authority, or a group of authorities, under statute primarily in order to make pension payments on retirement of scheme members. It is financed from contributions from both the employing authorities and the employees together with income from investments.

### **Perpetuity Reserves**

These are funds received from a range of sources over many years which have covenants concerning their use (contractually binding obligations, usually indefinite in nature), or have other contractual or ring-fencing obligations incorporated within them.

### **Pooling of Housing Capital Receipts**

This is the term given to the requirement to pay over to the Government a proportion of certain types of capital receipt, such as from the sale of council houses under the Right to Buy scheme.

### **Precept**

This is the amount which an authority, e.g. a County Council, a Police Authority, requires from a Billing Authority (e.g. District Councils) to meet its expenditure requirements. The Billing Authority collects these sums on behalf of the precepting authorities from its residents through the Council Tax.

### **Profit on the sale of Non-Current Assets**

The difference between the book value of an asset sold and the sale proceeds.

### **Provisions**

Sums set aside to meet future expenditure where a specific liability is known to exist but cannot be measured accurately.

### **Receivables**

## GLOSSARY OF TERMS AND ABBREVIATIONS

These are sums due from customers and clients that the Council provides services to and are known as short-term trade debtors.

### **Reserves**

These are amounts set aside, each for a specific purpose in one year and carried forward to meet future obligations.

### **Retail Price Index (RPI)**

This is a measure of inflation that examines changes in the weighted average of prices of a basket of consumer goods and services. RPI includes the cost of mortgage interest in its calculation which is excluded from CPI.

### **Revenue**

Costs and income relating to the day-to-day running of services e.g. salaries and wages, supplies and services, transport and fees from service-related income.

### **Revenue Expenditure Funded from Capital under Statute**

This is capital expenditure which is allowable by statute to be funded from capital resources but which does not fall within the Code's definition of non-current assets (as the assets on which the expenditure is being incurred does not belong to the Council). Examples include grants and similar advances made to other parties to finance capital investment.

### **Revenue Support Grant**

This is a Government grant provided by the MHCLG based on the Government's assessment as to what a Council should be spending on local services. The amount of grant is fixed at the beginning of each financial year.

### **Surplus Asset**

This is a non-current asset not in use which does not meet the criteria of an Asset Held For Sale and is held as Property, Plant and Equipment.

### **Tangible Assets**

These are assets that are property, plant or equipment which has long-term physical existence or is acquired for use in the operations of the organisation and is not specifically held for sale to customers.

### **UK Generally Accepted Accounting Practice (GAAP) Accounting Standards**

These are accounting Standards and other guidance published by the UK's Financial Reporting Council (FRC).



# INDEPENDENT AUDITOR'S REPORT AND CERTIFICATE

The accounts are subject to audit.



## ***INDEPENDENT AUDITOR'S REPORT AND CERTIFICATE***

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HARLOW DISTRICT COUNCIL**

**The accounts are subject to audit.**

# ANNUAL GOVERNANCE STATEMENT

# **Harlow District Council - Annual Governance Statement 2024/25**

**(To be included in the Final Audited statements)**