

CORE FINANCIAL STATEMENTS**Movement in Reserves 2013/14**

	General Fund Balance	Earmarked GF Reserves	HRA Balance	Earmarked HRA Reserves	Major Repairs Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2013	(1,214)	(4,905)	(680)	(2,283)	-	(885)	(2,517)	(12,484)	(132,586)	(145,070)
(Surplus) or deficit on provision of services (accounting basis)	1,719	-	(1,971)	-	-	-	-	(252)	-	(252)
Other Comprehensive Income and Expenditure	-	-	-	-	-	-	-	-	(8,026)	(8,026)
Total Comprehensive Income and Expenditure	1,719	-	(1,971)	-	-	-	-	(252)	(8,026)	(8,278)
Adjustments between accounting basis & funding basis under regulations (Note 1)	(8,063)	-	1,653	-	(91)	(374)	665	(6,210)	6,210	-
Net Increase / Decrease before Transfers to Earmarked Reserves	(6,344)	-	(318)	-	(91)	(374)	665	(6,462)	(1,816)	(8,278)
Transfers to / (from) Reserves	6,344	(6,267)	318	(318)	-	-	(77)	-	-	-
(Increase) / Decrease in Year	-	(6,267)	-	(318)	(91)	(374)	588	(6,462)	(1,816)	(8,278)
Balance at 31 March 2014	(1,214)	(11,172)	(680)	(2,601)	(91)	(1,259)	(1,929)	(18,946)	(134,402)	(153,348)

Movement in Reserves 2012/13 (restated)

	General Fund Balance	Earmarked GF Reserves	HRA Balance	Earmarked HRA Reserves	Major Repairs Reserve	Usable Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Unusable Reserves	Total Authority Reserves
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 31 March 2012	(1,181)	(4,560)	(649)	-	-	(74)	(2,483)	(8,947)	(137,034)	(145,981)
(Surplus) or deficit on provision of services (accounting basis)	2,406	-	(1,293)	-	-	-	-	1,113	-	1,113
Other Comprehensive Income and Expenditure	1	-	(1)	-	-	-	-	-	(414)	(414)
Total Comprehensive Income and Expenditure	2,407	-	(1,294)	-	-	-	-	1,113	(414)	699
Adjustments between accounting basis & funding basis under regulations (Note 1)	(2,819)	-	(1,021)	-	-	(811)	-	(4,651)	4,651	-
Net Increase / Decrease before Transfers to Earmarked Reserves	(412)	-	(2,315)	-	-	(811)	-	(3,538)	4,237	699
Transfers to / (from) Reserves	379	(345)	2,284	(2,283)	-	-	(34)	1	211	212
(Increase) / Decrease in Year	(33)	(345)	(31)	(2,283)	-	(811)	(34)	(3,537)	4,448	911
Balance at 31 March 2013	(1,214)	(4,905)	(680)	(2,283)	-	(885)	(2,517)	(12,484)	(132,586)	(145,070)

Comprehensive Income and Expenditure Statement

Gross Expenditure (Restated) 2012/13 £'000	Gross Income (Restated) 2012/13 £'000	Net Expenditure (Restated) 2012/13 £'000		Note Reference	Gross Expenditure 2013/14 £'000	Gross Income 2013/14 £'000	Net Expenditure 2013/14 £'000
6,592	(4,641)	1,951	Central Services to the Public		2,337	(900)	1,437
3,061	(746)	2,315	Cultural and Related Services		2,851	(846)	2,005
5,573	(2,753)	2,820	Environmental & Regulatory Services		5,975	(2,899)	3,076
2,937	(1,228)	1,709	Planning Services		2,775	(1,748)	1,027
496	(972)	(476)	Highways, Roads & Transport Services		408	(1,020)	(612)
9,814	(14,095)	(4,281)	Housing Revenue Account		9,286	(14,683)	(5,397)
17,981	(17,293)	688	Other Housing Services		19,310	(17,635)	1,675
109	(10)	99	Adult Social Care		402	(140)	262
1,712	(16)	1,696	Corporate and Democratic Core		1,878	(2)	1,876
3	-	3	Non-Distributed Costs		110	-	110
48,278	(41,754)	6,524	Cost of Services		45,332	(39,873)	5,459
		2,973	Other Operating Expenditure	5.1			8,926
		4,258	Financing & Investment Income and Expenditure	5.2			4,243
		(12,642)	Taxation and Non-Specific Grant Income	5.3			(18,880)
		(5,411)	Corporate Amounts				(5,711)
		1,113	(Surplus)/Deficit on Provision of Services				(252)
		(1,480)	Surplus on Revaluation of Non-Current Assets				(1,029)
		1,066	Actuarial (Gains)/Losses on Pension Assets /Liabilities				(6,962)
		-	Other Movements in Usable/Unusable Reserves				(35)
		699	Total Comprehensive Income and Expenditure				(8,278)

The (Surplus)/Deficit on Provision of Services has been restated for 2012/13 to reflect additional costs in respect of local authority pension arrangements totalling £549k, in accordance with IAS 19 regulations. There is a contra adjustment for these pension costs within Other Comprehensive Income & Expenditure. Grants of £606k have also been reanalysed between the Central Services and Cultural Services categories.

Balance Sheet

31 March 2013 (restated) £'000	Notes	31 March 2014	
		£'000	£'000
511	Intangible Non-Current Assets		418
	Property, Plant and Equipment - Operational Assets		
228,721	Council Dwellings	230,393	
21,942	Other Land and Buildings	22,090	
7,710	Vehicles, Plant and Equipment	6,372	
449	Infrastructure Assets	495	
791	Community Assets	790	
259,613			260,140
	Property, Plant and Equipment - Non Operational		
1,037	Assets Under Construction	812	
233	Heritage Assets	278	
261,394	Total Non-Current Assets		261,648
931	Long Term Investments	-	
945	Long Term Debtors	847	
263,270	Total Long Term Assets		262,495
112	Inventories	94	
3,811	Debtors	14,179	
8,232	Short Term Investments	18,000	
-	Assets Held for Sale	-	
4,052	Cash and Cash Equivalents	764	
16,207	Total Current Assets		33,037
(5,744)	Short Term Creditors	(14,870)	
(580)	Short Term Provisions	(5,004)	
(6,324)	Current Liabilities		(19,874)
273,153	Total Assets Less Current Liabilities		275,658
(88,407)	Long Term Borrowing	(88,407)	
(5,304)	Deferred Liabilities	(5,169)	
(2,626)	Capital Grants and Donations in Advance	(2,381)	
(31,746)	Pensions Liability	(26,353)	
(128,083)	Total Long Term Liabilities		(122,310)
145,070	TOTAL NET ASSETS		153,348

31 March 2013		Notes	31 March 2014	
(restated) £'000			£'000	£'000
	Usable Reserves			
1,214	Revenue Balance - General Fund	2.1	1,214	
4,905	General Fund Earmarked Reserves	2.1	11,172	
680	Revenue Balance - Housing Revenue Account	2.2	680	
2,283	HRA Earmarked Reserves	2.2	2,692	
885	Usable Capital Receipts Reserve	2.3	1,259	
2,517	Capital Grants and Contributions Unapplied	2.4	1,929	
12,484	Total Usable Reserves			18,946
	Unusable Reserves			
45,549	Revaluation Reserve	3.1	46,889	
117,735	Capital Adjustment Account	3.2	117,250	
945	Deferred Capital Receipts	3.3	847	
(127)	Accumulated Compensated Absences Adjustment Account	3.4	(132)	
(31,746)	Pensions Reserve	3.5	(26,353)	
230	Collection Fund Adjustment Account	3.6	(4,099)	
132,586	Total - Unusable Reserves			134,402
145,070	TOTAL - TAXPAYER EQUITY			153,348

For further details of the restatements applied in respect of 2012/13 please refer to the note included with table 3.1 Revaluation Reserve.

Cash Flow Statement

2012/13 (restated) £'000		2013/14 £'000	Notes
(1,113)	Net surplus/(deficit) on the provision of services	252	
10,217	Adjustments to net surplus/(deficit) on the provision of services - non cash movements	14,716	
(1,720)	Adjust for items included in the net surplus/(deficit) on the provision of services that are investing and financing activities	(2,843)	
7,384	Net Cash flows from operating activities	12,125	13.1
(8,542)	Net Cash flows from investing activities	(12,820)	13.2
(267)	Net Cash flows from financing activities	(2,593)	13.3
(1,425)	Net (decrease) in cash and cash equivalents	(3,288)	
5,477	Cash and cash equivalents at the beginning of the reporting period	4,052	13.4
4,052	Cash and cash equivalents at the end of the reporting period	764	13.4

The Cash Flow Statement has been prepared using the indirect method in accordance with IAS 7.

Prior Period Adjustments

Prior Period adjustments may arise as a result of a change in accounting policies or to correct a material error.

In 2012/13 there have been two material amendments.

Employee Benefits

Firstly there have been several changes made in relation to the International Accounting Standard IAS 19 Employee Benefits. The reason for these changes relate to the code's adoption of the amendments to IAS 19 for accounting periods beginning on or after 1 January 2013 (1 April 2013 for Uttlesford District Council). For further detail of these amendments please refer to the note included with accounting policy P25.

In respect of the above changes the following adjustments have been restated in the prior year figures as included in the core financial statements.

Comprehensive Income & Expenditure Account

	Net Expenditure	Net Expenditure (Restated)	Change
	2012/13 £'000	2012/13 £'000	2012/13 £'000
<i>Other Operating Expenditure</i>			
Administration Expenses	-	11	11
<i>Financing & Investment</i>			
Interest Cost	3,316	-	(3,316)
Expected return on assets in the scheme	(2,536)	-	2,536
Net interest on the defined liability	-	1,318	1,318
(Surplus)/Deficit on Provision of Services	780	1,329	549
Actuarial (Gains)/Losses on Pension Assets/Liabilities	1,615	-	(1,615)
Remeasurements of the Net Defined Pensions Liability	-	1,066	1,066
Total Comprehensive Income and Expenditure	1,615	1,066	(549)

Movement in Reserves Statement

	Total	Total	Change
	2012/13	(Restated)	
	£'000	2012/13	2012/13
		£'000	£'000
<i>Total Usable Reserves</i>			
(Surplus)/Deficit on Provision of Services	564	1,113	549
Amounts by which pension costs calculated in accordance with the code are different from the contributions due under the pension scheme regulations	(733)	(1,282)	(549)
<i>Pension Reserve</i>			
Actuarial (Gains)/Losses on Pension Assets/Liabilities	1,615	1,066	(549)
Amounts by which pension costs calculated in accordance with the code are different from the contributions due under the pension scheme regulations	733	1,282	549
Balance at 31 March 2013 carried forward	2,179	2,179	-

Cashflow Statement

	Total	Total	Change
	2012/13	(Restated)	
	£'000	2012/13	2012/13
		£'000	£'000
Net (Surplus) or Deficit on Provision of Services	(564)	(1,113)	(549)
Adjustments for items included in the net (surplus)/deficit on the provision of services that are investing and financing activities	(2,269)	(1,720)	549
Net (increase) or decrease in cash & cash equivalents	(2,833)	(2,833)	-

Adjustment between the Revaluation Reserve and Capital Adjustment Account

A further adjustment to the prior period figures has been included to correctly reflect the closing balances being held for each asset in the revaluation reserve. This follows a comprehensive exercise undertaken during 2013/14 to ensure all movement on asset valuations and impairments have been accounted for in the correct unusable reserve. Further detail of this adjustment can be found in note 3.2.

This adjustment has no bottom line effect to Taxpayers Equity or the Balance Sheet core financial statement.

In respect of the above changes the following adjustments have been restated in the prior year figures as included in the core financial statements.

Balance Sheet

	Total	Total	Change
	2012/13	2012/13	2012/13
	£'000	£'000	£'000
<i>Unusable Reserves</i>			
Revaluation Reserve	6,307	45,549	39,242
Capital Adjustment Account	156,977	117,735	(39,242)
Total Unusable Reserves	163,284	163,284	-
Total Taxpayers Equity	163,284	163,284	-

SECTION A – NOTES TO THE CORE FINANCIAL STATEMENTS**1.0 – Movement in Reserves****1.1 – Movement in Reserves Statement – Adjusting between Accounting and Funding Basis under Regulations**

2013/14	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Charges for depreciation and impairment on non-current assets	(1,207)	(3,809)	-	-	-	5,016
Amortisation of Intangible Assets	(119)	(17)	-	-	-	136
Revenue expenditure funded from capital under statute	(2,770)	(42)	-	-	-	2,812
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CI&E	(1,855)	(918)	-	-	-	2,773
Application of grants to capital financing	-	-	-	-	2,605	(2,605)
Capital grants and contributions that have been credited to the unapplied account	1,873	67	-	-	(1,940)	-
Statutory provision for financing capital investment	1,313	-	-	-	-	(1,313)
Capital expenditure charges against the General Fund and HRA balances	328	2,862	-	-	-	(3,190)
Transfer of sale proceeds credited as part of gains/losses on disposal to the CI&E	19	857	(876)	-	-	-
Use of Capital Receipts Reserve to finance new capital expenditure	-	-	135	-	-	(135)
Contribution from Capital Receipts Reserve towards administrative costs of non-current asset disposal	-	(34)	34	-	-	-
Contribution from Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool	-	(346)	346	-	-	-
Additions to Major Repairs Reserve to finance new capital expenditure	-	3,291	-	(3,291)	-	-
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	3,200	-	(3,200)
Reversal of items relating to post-employment benefits debited or credited to the surplus or deficit on the provision of services in the CIES	(2,615)	(505)	-	-	-	3,120
Employers pension contributions and direct payments to pensioners payable in year	1,303	248	-	-	-	(1,551)
Amount by which collection fund income credited/debited to the CIES is different from Council Tax income calculated for the year in accordance with statutory requirements	(4,329)	-	-	-	-	4,329
Adjustments in relation to short term compensated absences	(4)	(1)	-	-	-	5
Other Adjustments	-	-	(13)	-	-	13
Total Adjustments	(8,063)	1,653	(374)	(91)	665	6,210

2012/13	General Fund Balance	HRA Balance	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied Account	Movement Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'000
Charges for depreciation and impairment on non-current assets	(1,791)	(2,994)	-	-	-	4,785
Revaluation Losses on Property, Plant and Equipment	(393)	(1,878)	-	-	-	2,271
Amortisation of Intangible Assets	(142)	-	-	-	-	142
Capital grants and contributions that have been applied to capital financing	912	238	-	-	(238)	(912)
Revenue expenditure funded from capital under statute	(1,122)	(11)	-	-	-	1,133
Amount of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CI&E	(452)	(961)	230	-	-	1,183
Statutory provision for financing capital investment	292	-	-	-	-	(292)
Capital expenditure charges against the General Fund and HRA balances	637	1,068	-	-	-	(1,705)
Transfer of sale proceeds credited as part of the gains/losses on disposal to the CI&E	322	1,047	(1,352)	-	-	(17)
Contribution from Capital Receipts Reserve towards administrative costs of non-current asset disposal	-	-	12	-	-	(12)
Contribution from Capital Receipts Reserve to finance the payments to the Government Capital Receipts Pool	-	(299)	299	-	-	-
Additions to the Major Repairs Reserve to finance new capital expenditure	-	2,999	-	(2,894)	-	(105)
Use of Major Repairs Reserve to finance new capital expenditure	-	-	-	2,894	-	(2,894)
Application of grants to capital financing	-	-	-	-	238	(238)
Reversal of items relating to post-employment benefits debited or credited to the surplus or deficit on the provision of services in the CI&E	(2,351)	(450)	-	-	-	2,801
Employers pension contributions and direct payments to pensioners payable in year	1,299	220	-	-	-	(1,519)
Difference between Council Tax credited to CIES and required to be charged by statute	165	-	-	-	-	(165)
Other Adjustments	(195)	-	-	-	-	195
Total Adjustments	(2,819)	(1,021)	(811)	-	-	4,651

2.0 – Usable Reserves

The following Usable Reserves, as identified in the Movement of Reserves Statement, can be used to fund future expenditure or reduce future local taxation demands.

2.1 – General Fund - Revenue Balances

General Fund	31 March 2013	Transfer In	Transfer Out	31 March 2014	Purpose of Reserve
	£'000	£'000	£'000	£'000	
Working Balance	1,214	-	-	1,214	
Working Balance Sub Total	1,214	-	-	1,214	
Budget Equalization	1,251	165	-	1,416	Usable resources set aside for equalization of pressures within the budget for the next 5 years.
Budget Slippage Reserve	-	28	-	28	Resources for programmed items requiring funding to be c/fwd to a future year.
Business Rates Reserve	-	4,423	-	4,423	Ring fenced for Business rates appeals refunds.
Change Management	587	508	(172)	923	Finances the costs of special and one-off projects.
Council Tax Freeze Reserve	124	50	-	174	Monies to enable minimisation or deferment of future council tax increases.
Economic Development	117	103	-	220	Reserve to assist economic development and businesses in the district
Elections	47	20	-	67	Contributions toward future election costs.
Emergency Response	90	50	-	140	To cover costs falling on the Council as a result of a response to civil emergency.
Hardship Fund	100	-	-	100	To fund accommodation for homeless people and to support voluntary organisations.
Homelessness	81	20	-	101	Set up to cover unbudgeted additional demand within the Homelessness service.
Landsbanki contingency	165	-	(165)	-	To cover losses against the Landsbanki investment.
Licensing	63	-	(16)	47	Reserve to absorb excess of costs over income in relation to taxi licensing services.
Local Government Resource Review	962	423	-	1,385	Contingency against funding fluctuations and cost pressures arising from the Government's review of local government funding.
Municipal Mutual Reserve	51	-	-	51	Estimated possible liabilities relating to the insolvency of Municipal Mutual Insurance.
Neighbourhood Front Runners	66	-	(9)	57	Funding for ring fenced planning expenditure.
New Homes Bonus - Community Projects	26	-	(11)	15	Monies earmarked for communities projects.
New Homes Bonus - Contingency	830	-	(40)	790	Monies that may be made available for community projects, subject to greater certainty over future Local Government funding.
Planning Development	266	678	(9)	935	Usable resources set aside for planning development issues.
Waste Management	79	221	-	300	Waste management contingency provision against unforeseen costs and to enable a managed reduction in the base budget.
Earmarked Reserves Sub Total	4,905	6,689	(422)	11,172	
Usable Reserves Total	6,119	6,689	(422)	12,386	

2.2 – Housing Revenue - Account Revenue Balances

Housing Revenue Account	31 March 2013 £'000	Transfer In £'000	Transfer Out £'000	31 March 2014 £'000	Purpose of Reserve
Working Balance	680	-	-	680	
Working Balance Sub Total	680	-	-	680	
Change Management	200	-	-	200	To fund HRA operational service improvements.
Capital Projects	1,223	-	-	1,223	Funding allocated to capital projects.
Potential Development Projects	800	-	-	800	Funding for new build schemes.
Revenue Projects	60	-	-	60	To finance outstanding revenue business plan actions.
Sheltered Housing Reserve	-	318	-	318	To finance capital redevelopment of sheltered housing in future years.
Earmarked Reserves Total	2,283	318	-	2,601	
Major Repairs Reserve	-	91	-	91	Funding for future capital expenditure.
Reserves Total	2,283	409	-	2,692	
Housing Revenue Balances Total	2,963	409	-	3,372	

2.3 – Capital Receipts Reserve

The Capital Receipts Reserve identifies capital receipts which are available to finance capital expenditure in future years.

2012/13		2013/14	
£'000		£'000	£'000
74	Balance as at 1 April		885
	<u>Receipts</u>		
371	Capital Receipts - General Fund	20	
981	Capital Receipts - Housing Revenue Account	856	
	<u>Applied</u>		
(299)	Paid to Government housing receipts pool	(345)	
-	Capital Receipts used for financing	(135)	
(12)	Expenses from sales of Capital Assets	(22)	
(230)	Repayment of Compulsory Purchase Order funding	-	
811	Movements in Year		374
885	Balance as at 31 March		1,259

2.4 – Capital Grants and Contributions without Conditions (unapplied)

	31 March 2013 £'000	Income £'000	Interest £'000	Drawn Down £'000	31 March 2014 £'000
S106 Unapplied					
Stansted Housing Partnership	2,343		6	(722)	1,627
Dunmow Eastern Sector	18				18
Section 106 - Woodlands Park	44			(3)	41
Section 106 - Friends School	29				29
Section 106 - The Pastures	30			(30)	-
Section 106 - Priors Green	9			(1)	8
Section 106 - Rochford Nurseries	24				24
Section 106 - Lt Walden Road/Ashdon Road	-	98			98
Section 106 - Oakwood Park	-	5			5
SUB TOTAL	2,497	103	6	(756)	1,850
Capital Grants Unapplied					
ECC Waste Grants	8	-	-	-	8
Free Swimming Capital Grant	12	-	-	(10)	2
Energy Efficiency Grant	-	69	-	-	69
Bellwin Flood Grant	-	17	-	(17)	-
SUB TOTAL	20	86	-	(27)	79
Capital Grants and Contributions Unapplied Total	2,517	189	6	(783)	1,929

3.0 – Unusable Reserves

3.1– Revaluation Reserve

2012/13 (Restated) £'000		£'000	2013/14 £'000
48,062	Balance as at 1 April		45,549
43,258	Housing Revenue Account	-	41,800
(1,554)	Adjustment between the Revaluation Reserve and Capital Adjustment Account	410	
99	Net Gain/(Loss) in Valuation of Assets	98	
(3)	Revaluation Depreciation to Capital Adjustment Account	(1)	
-	Disposals of Assets	(79)	
(1,458)	Movement in year		428
41,800	Housing Revenue Account Balance 31 March		42,228
4,804	General Fund		3,749
(2,298)	Adjustment between the Revaluation Reserve and Capital Adjustment Account	62	
1,381	Net Gain/(Loss) in Valuation of Assets	931	
(138)	Revaluation Depreciation to capital Adjustment Account	(81)	
-	Disposals of Assets	-	
(1,055)	Movement in year		912
3,749	General Fund Balance 31 March		4,661
45,549	Balance at 31 March		46,889

With effect from the 1st April 2007 the Council is required to record unrealised gains and losses arising from holding fixed assets in a designated account 'Revaluation Reserve'. The reserve is matched by the fixed assets held on the balance sheet and is therefore not available to fund future capital expenditure.

During the 2013/14 accounting period we have restated an adjustment between the Revaluation Reserve and the Capital Adjustment Account. This restatement reflects an assessment carried out determining each asset value held in the revaluation reserve.

The assessment was undertaken due to a previous year's adjustment that offset the component values of assets rather than holding each component at its revalued amount.

The review has resulted in the adjustment line in the Revaluation Reserve, previously presented as £43.1m, to be restated as £3.8m with the accounts now illustrating the appropriate adjustment that should have been processed.

It should be noted that both the Revaluation Reserve and the Capital Adjustment Account are unusable reserves and therefore have no material impact to the reader of the financial statements for decision making and/or assessment. The corresponding balance sheet lines have been adjusted but to reiterate this amendment does not change the balance in the unusable reserves nor have any bottom line impact on taxpayer's equity.

3.2 – Capital Adjustment Account

The Capital Adjustment Account provides a balancing mechanism between the different rates at which assets are depreciated in accordance with the proper accounting policies and financed in accordance with the capital finance regime. As with the Revaluation Reserve, the reserve is matched by fixed assets within the Balance Sheet and therefore not available to finance capital expenditure.

2012/13 £'000		£'000	2013/14 £'000
117,450	Balance as at 1st April		117,735
	<u>Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement</u>		
(4,708)	Charges for depreciation and impairment of non-current assets	(5,527)	
(1,868)	Revaluation losses on Property, Plant and Equipment	616	
(142)	Amortisation of Intangible Assets	(137)	
(1,134)	Revenue expenditure funded from capital under statute	(2,812)	
(1,818)	Amounts of non-current assets written off on disposal or sale as part of gain/loss on disposal to the Comprehensive Income and Expenditure Statement	(2,600)	
(9,670)			(10,460)
141	Revaluation Depreciation from the Revaluation Reserve	81	
-	Adjust in respect of Compulsory Purchase Order	(241)	
3,852	Adjusting amounts written out of Revaluation Reserve	(472)	
(5,677)	Net written out amount of the cost of non-current assets consumed in the year		(11,092)
	<u>Capital financing applied in the year</u>		
-	Use of Capital receipts Reserve to finance new capital expenditure	135	
2,894	Use of Major Repairs Reserve to finance new capital expenditure	3,095	
912	Capital grants and contributions credited to Comprehensive Income and Expenditure Statement that have been applied to capital financing	2,690	
238	Application of grants to capital financing from the Capital Grants Unapplied Account	158	
213	Statutory provision for the financing of capital investment charged against the General fund and HRA balances	1,301	
1,705	Capital expenditure charged against the General Fund and HRA balances	3,228	
5,962	Sub Total - Adjustments		10,607
117,735	Balance as at 31 March		117,250

3.3 – Deferred Capital Receipts

Deferred Capital Receipts relate to rent to mortgage arrangements for council dwellings. The balance of the receipt held reflects the redemption of the remaining proportion of the property at the discounted value (as per the Wilks Head and Eve market valuations).

2012/13 £'000		2013/14 £'000
983	Rent to Mortgage opening balance	945
(38)	Redemption of Rent to Mortgage Loan	(98)
945	Rent to mortgage closing balance	847
945	Balance as at 31 March	847

3.4 – Accumulated Compensated Absences Adjustment Account

The Accumulated Compensated Absences Adjustment 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 31st March. Statutory arrangements require that the impact on the General Fund Balance is neutralised to or from the account.

2012/13 £'000		2013/14 £'000
(127)	Balance as at 1 April	(127)
-	In year adjustment	(5)
(127)	Balance as at 31 March	(132)

3.5 – Pension Reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the 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 costs. However, statutory arrangements require benefits earned to be recognised as the Council makes employers' contributions to pension funds or when any other obligations are settled. The debit balance on the Pension Reserve therefore shows a shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

The movement on the pension reserve can be seen in detail in Section E, pages 56 - 62.

2012/13 £'000		Notes	2013/14 £'000
(29,398)	Balance as at 1 April		(31,746)
(1,282)	Surplus/(Deficit) on Provision of Services in CI&E	19.2	(1,569)
(1,066)	Actuarial Gain/(Loss)	19.5	6,962
(31,746)	Balance as at 31 March	11.5	(26,353)

3.6 – 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 payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2012/13		2013/14
£'000		£'000
(64)	(Surplus) as at 1 April	(230)
(166)	Council Tax in Year Surplus	(94)
-	Business Rates in Year Deficit	4,423
(230)	(Surplus)/Deficit as at 31 March	4,099

SECTION B – COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT**4.0 – Compliance with Regulations**

4.1– Service Reporting Code of Practice

The Comprehensive Income and Expenditure Statement reports and illustrates the net cost of the Council's financial activities for the year and demonstrates how that cost has been financed from the Central Government Grants and Income from Local Taxpayers.

The Service Reporting Code of Practice requires mandatory service expenditure analysis to be used by all Local Authorities to show revenue expenditure. The intention is to provide consistency and comparability of service costs between Local Authorities.

5.0 – Notes to the Comprehensive Income and Expenditure Statement

5.1– Total Operating Expenditure

2012/13 (restated) £'000		2013/14 £'000
2,298	Parish Council Precepts	2,327
299	Payments to the Government Housing Capital Receipts Pool	345
511	Loss/(Gains) on the Disposal of Non-Current Assets	1,976
(155)	Collection Fund (Surplus)/Deficit	4,269
20	Other Non-Service Specific Expenditure	8
2,973	Total Other Operating Expenditure	8,925

The 2012/13 figures have been restated to reflect £10k UDC share of budgeted collection fund income which is now presented within table 5.3. There is also an additional £11k of administration expenses in accordance with IAS 19 regulations.

5.2 – Total Financing and Investment Income and Expenditure

2012/13 (restated) £'000		2013/14 £'000
3,074	Interest Payable and Similar Charges	3,065
(43)	Impairment & Loss/(Gains) on Financial Assets	(79)
1,318	Pensions - Net Interest on the Defined Benefit Liability (Asset)	1,336
(91)	Interest Receivable & Similar Income	(79)
-	Vehicle Lease Early Termination	-
4,258	Total Financing and Investment Income and Expenditure	4,243

The 2012/13 figures have been restated to reflect additional interest chargeable of £538k in respect of pension liabilities, in accordance with IAS 19 regulations.

5.3 – Total Taxation and Non Specific Grants

2012/13 (restated) £'000		2013/14 £'000
	<i>Council Tax Income</i>	
(4,973)	- District Council element	(4,647)
(2,298)	- Town/Parish Councils element	(2,327)
	<i>Business Rates Retention</i>	
-	- UDC Share of Budgeted Income in Year	(1,857)
-	- Safety Net Reimbursement Funding	(3,497)
	<i>Non Ring fenced Government Grants</i>	
(1,208)	- New Homes Bonus	(2,042)
(124)	- Supplementary Grants	(464)
	<i>Other</i>	
(2,889)	- Formula Funding from Central Government	(2,038)
(1,150)	- Capital Grants and Contributions	(2,008)
(12,642)	Total Taxation and Non-Specific Grants Income	(18,880)

The 2012/13 figures have been restated to reflect £10k UDC share of budgeted collection fund income previously presented within table 5.1.

5.4 - Subjective Analysis of surplus/deficit on the Net Cost of Services

This reconciliation shows the portfolio income and expenditure surplus/deficit analysed by subjective on the Net Cost of Services line included in the Comprehensive Income and Expenditure Statement.

2013/14	GF Portfolio Analysis £'000	HRA Portfolio Analysis £'000	Amounts not Reported to Management* £'000	Allocation of Recharges £'000	Net Cost of Service £'000	Corporate Amounts £'000	Total £'000
Fees, Charges & Other Income	(7,234)	(14,682)	(104)	-	(22,020)	(2,008)	(24,028)
Interest & Miscellaneous Income	-	(22)	22	-	-	(80)	(80)
Income from Council Tax	-	-	-	-	-	(6,974)	(6,974)
Government Grants, Funding & Contributions	(17,852)	-	-	-	(17,852)	(9,898)	(27,750)
Total Income	(25,086)	(14,704)	(82)	-	(39,872)	(18,960)	(58,832)
Employee Expenses	8,774	1,883	677	-	11,334	1,344	12,678
Other Service Expenses	23,555	2,517	(198)	-	25,874	-	25,874
Support Services Recharges - Charged	-	2,483	-	10,913	13,396	-	13,396
Support Services Recharges - Allocated	-	(1,170)	-	(12,226)	(13,396)	-	(13,396)
Capital Charges	-	-	8,101	-	8,101	-	8,101
HRA Self-Financing Interest	-	2,626	(2,626)	-	-	2,626	2,626
Other Interest Payable & Capital Financing	-	2,862	(2,862)	-	-	439	439
Transfer to Reserves & Balances	-	3,185	(3,185)	-	-	-	-
Precepts & Levies	-	-	-	-	-	2,327	2,327
Share of Collection Fund	-	-	-	-	-	4,271	4,271
Impairment & Gain/Loss on Disposal of Financial Assets	-	-	-	-	-	(79)	(79)
Gain/Loss on Disposal of Non-Current Assets	-	-	22	-	22	1,976	1,998
Payment to the Housing Capital Receipts Pool	-	-	-	-	-	345	345
Total Expenditure	32,329	14,386	(71)	(1,313)	45,331	13,249	58,580
(Surplus) / Deficit on the Provision of Services	7,243	(318)	(153)	(1,313)	5,459	(5,711)	(252)

2012/13 (Restated)	GF Portfolio Analysis	HRA Portfolio Analysis	Amounts not Reported to Management*	Allocation of Recharges	Net Cost of Service	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges & Other Income	(6,142)	(14,055)	(37)	-	(20,234)	(1,150)	(21,384)
Interest & Miscellaneous Income	-	(32)	32	-	-	(91)	(91)
Income from Council Tax	-	-	-	-	-	(7,271)	(7,271)
Government Grants, Funding & Contributions	(21,481)	(40)	-	-	(21,521)	(4,221)	(25,742)
Total Income	(27,623)	(14,127)	(5)	-	(41,755)	(12,733)	(54,488)
Employee Expenses	8,430	1,671	535	-	10,636	1,329	11,965
Other Service Expenses	27,256	2,348	(974)	-	28,630	9	28,639
Support Services Recharges - Charged	-	2,000	-	9,629	11,629	-	11,629
Support Services Recharges - Allocated	-	(899)	-	(10,730)	(11,629)	-	(11,629)
Capital Charges	-	-	4,946	-	4,946	-	4,946
HRA Self-Financing Interest	-	2,625	(2,625)	-	-	2,625	2,625
Other Interest Payable & Capital Financing	-	3,352	(2,284)	-	1,068	449	1,517
Transfer to Reserves & Balances	-	2,999	-	-	2,999	-	2,999
Precepts & Levies	-	-	-	-	-	2,298	2,298
Share of Collection Fund	-	-	-	-	-	(155)	(155)
Impairment & Gain/Loss on Disposal of Financial Assets	-	-	-	-	-	(43)	(43)
Gain/Loss on Disposal of Non-Current Assets	-	-	-	-	-	511	511
Payment to the Housing Capital Receipts Pool	-	-	-	-	-	299	299
Total Expenditure	35,686	14,096	(402)	(1,101)	48,279	7,322	55,601
(Surplus) / Deficit on the Provision of Services	8,063	(31)	(407)	(1,101)	6,524	(5,411)	1,113

The 2012/13 figures have been restated to reflect the additional costs in respect of pension arrangements as mentioned in the notes within the Comprehensive Income & Expenditure Statement section, as well as with tables 5.1-5.3. Furthermore, some additional categories and restatements have been applied to the above statement to assist with transparency, some detail of which is included with note 14.1 Segmental Breakdown.

*Amounts not reported to management are accounting entries which the management have no control over e.g. capital charges.

SECTION C – BALANCE SHEET**6.0 – 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. The movement in intangible assets during 2013/14 are detailed below.

6.1– Intangible Assets

2012/13		2013/14
£'000		£'000
1,572	Gross Balance at 1 April	1,662
103	Additions	44
(13)	Impairment	-
1,662	Gross Balance carried forward at 31 March	1,706
(997)	Amortisation as at 1 April	(1,151)
(154)	Amortisation In Year	(137)
(1,151)	Amortisation Balance carried forward 31 March	(1,288)
511	Net Value At 31 March	418

7.0 – Property, Plant and Equipment

7.1 - Analysis of Non-Current Assets

2013/14	Council Dwellings	Other Land and Buildings	Vehicles Plant and Equipment	Infrastructure Assets	Community Assets	Assets Under Construction	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 31 March 2013	233,609	23,839	11,837	469	813	1,037	271,604
Revaluation Gain recognised in the Revaluation Reserve	513	924	-	-	-	-	1,437
Revaluation Loss recognised in the Revaluation Reserve	(261)	(160)	-	-	-	-	(421)
Revaluation gain/(losses) recognised in the surplus/deficit on the Provision of Service	85	531	-	-	-	-	616
Additions	4,766	251	870	222	-	754	6,863
Adjustment	-	-	-	-	13	-	13
Donations	-	-	-	-	-	-	-
Disposals	(846)	(794)	(1,930)	(293)	(3)	-	(3,866)
Asset write out	(407)	(30)	-	-	-	-	(437)
Reclassification	872	2	-	106	-	(980)	-
Gross Balance as at 31 March 2014	238,331	24,563	10,777	504	823	811	275,809
Accumulated Depreciation at 1 April 2013	(4,888)	(1,897)	(4,127)	(20)	(22)	-	(10,954)
Depreciation In Year	(3,081)	(652)	(1,335)	(19)	(11)	-	(5,098)
Depreciation Write Outs	31	76	1,057	30	-	-	1,194
Depreciation Balance as at 31 March 2014	(7,938)	(2,473)	(4,405)	(9)	(33)	-	(14,858)
Net Value as at 31 March 2014	230,393	22,090	6,372	495	790	811	260,951
Net Value as at 31 March 2013	228,721	21,942	7,710	449	791	1,037	260,650
Assets owned outright	230,393	10,279	4,152	495	363	811	246,493
Donated Assets	-	1,117	144	-	-	-	1,261
Finance lease on assets	-	51	28	-	427	-	506
Assets used under contractual PFI agreement	-	10,643	2,048	-	-	-	12,691
Total	230,393	22,090	6,372	495	790	811	260,951

2012/13	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles Plant and Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets Under Construction £'000	TOTAL £'000
Balance as at 31 March 2012	231,909	22,256	11,765	453	804	76	267,263
Revaluation Gain recognised in the Revaluation Reserve	325	477	-	-	-	-	802
Revaluation Loss recognised in the Revaluation Reserve	-	-	-	-	-	-	-
Revaluation gain/(losses) recognised in the surplus/deficit on the Provision of Service	(1,868)	622	-	-	-	-	(1,246)
Additions	4,184	661	2,328	16	9	961	8,159
Adjustment	-	56	-	-	-	-	56
Donations	-	-	-	-	-	-	-
Disposals	(941)	(233)	(2,218)	-	-	-	(3,392)
Asset write out	-	-	(38)	-	-	-	(38)
Gross Balance as at 31 March 2013	233,609	23,839	11,837	469	813	1,037	271,604
Accumulated Depreciation at 1 April 2012	(2,011)	(1,219)	(4,741)	(10)	(11)	-	(7,992)
Depreciation In Year	(2,894)	(688)	(1,174)	(10)	(11)	-	(4,777)
Depreciation Write Outs	17	10	1,788	-	-	-	1,815
Depreciation Balance as at 31 March 2013	(4,888)	(1,897)	(4,127)	(20)	(22)	-	(10,954)
Net Book Value as at 31 March 2013	228,721	21,942	7,710	449	791	1,037	260,650
Net Value as at 31 March 2012	229,898	21,037	7,024	443	793	76	259,271
Assets owned outright	228,721	10,588	5,054	449	330	1,037	246,179
Donated Assets	-	1,434	165	-	-	-	1,599
Finance lease on assets	-	-	102	-	461	-	563
Assets used under contractual PFI agreement	-	9,921	2,388	-	-	-	12,309
Total	228,721	21,943	7,709	449	791	1,037	260,650

7.2 – Quantitative Analysis of Non-Current Assets

31 March 2013			31 March 2014	
Number	Value £'000		Number	Value £'000
Housing Revenue Account				
2,844	228,721	Dwellings	2,843	230,392
555	2,003	Garages	545	1,569
n/a	154	Vehicles, Plant and Equipment	n/a	380
n/a	930	Assets Under Construction	1	604
3	256	Other Land and Buildings	3	383
3,402	232,064	Total HRA	3,392	233,328
General Fund				
1	3,371	Offices- Saffron Walden	1	3,278
2	773	Depot Premises	2	521
8	3,219	Car Parks	9	3,403
4	931	Day Centres	4	1,010
1	126	Public Conveniences	1	137
10	295	Amenity Land	11	305
2	461	Community Land & Buildings	2	450
2	42	Coach Parks Infrastructures	2	42
n/a	337	Other Infrastructure	8	453
n/a	4,067	Vehicles, Plant and Equipment	n/a	2,994
7	102	Leased Assets	4	28
3	12,309	Assets Under Contractual PFI	3	12,690
n/a	361	Information Technology	n/a	359
1	310	Turpin's Bowls Hall	1	309
2	1,599	Community Halls	1	1,262
1	51	Land Leased to Town Council	1	51
1	107	Assets Under Construction	1	208
4	125	Other Assets	2	123
49	28,586	Total General Fund	53	27,623
3,451	260,650	Total Fixed Assets	3,445	260,951

7.3 – Heritage Assets

The Council has the following assets that meet the definition of ‘Heritage Assets’ under the Financial Reporting Standard (FRS) 20.

- Saffron Walden Motte and Bailey Castle
- Saffron Walden Museum Artefacts

Saffron Walden Motte and Bailey Castle:

The structure and retaining wall is a Grade 1 scheduled monument which was passed to the Council’s ownership in 1979.

The castle is Norman dating from the 12th century. The wall surrounding the castle is also listed. To date there has been no excavations on the site of notable interest.

For proposals of works to the Castle please refer to our website www.uttlesford.gov.uk

Saffron Walden Museum Artefacts

Under the terms of a 99 year lease with Saffron Walden Museum Society Limited, the Council is responsible for operating and managing the Saffron Walden Museum and associated artefacts. It has been established that the risks and rewards associated with the arrangement and therefore the artefacts are included in the Council’s accounts. Under the terms of the lease the Council is responsible for the repair and restoration of the museum artefacts and the nature of the displays, acquisitions and disposals. Governance arrangements are also conducted through the Museum Board of the Society and the Council’s Museum Management Working Group.

The collection of an estimated 11,000 artefacts can be categorised as follows:

Collections	Of Particular Importance	Last professional valuation	Valuation Details	Estimated Value £'000
Archaeological	Small number of Egyptian and classical artefacts.	Not undertaken to date.	N/A	N/A
Fine Art	Oil paintings and prints of local significance.	2006	A Bowyer and Co. Banbury. Fine Arts Valuer.	155
Decorative Collection	Small number of Ceramics and Glass of high value.	N/A	J Dutton – Ceramics specialist (September 2011).	1,300
Costumes and Textiles	Small selection of important /high value items.	Not undertaken to date.	N/A	N/A
Natural Sciences	Specified rare and high value taxidermy and osteology specimens	N/A	G Lucy - Geologist. (2001).	510
World Cultures	Small number of rare objects.	Not undertaken to date.	N/A	N/A
Social History Collection	Small number of high value items.	Not undertaken to date.	N/A	N/A
Intangible Heritage Assets	Accounts for 10% of the total collection	Not undertaken to date.	N/A	N/A

The collection is on the whole of significant local importance with a small proportion of high value items. The valuations undertaken were not commissioned in line with accounting requirements and therefore the Council is unable to place reliance on the valuations for the accounts.

In 2013/14 the North-West Essex ring was acquired using grant-aid from various organisations through the Museum Society. As per FRS 30 it is considered that the cost of seeking valuations of these items would be disproportionate to the benefit gained from their recognition on the balance sheet, therefore we are only holding the fine art collection on the balance sheet.

For further information please visit our website www.uttlesford.gov.uk

The carrying value reported in the balance sheet for Heritage assets is detailed below:

2012/13 £'000		2013/14 £'000
78	Saffron Walden Motte and Bailey	123
155	Museum Artefacts	155
233	Net Value At 31 March	278

The movement in year is expenditure incurred as per proposals of work on the Saffron Walden Motte & Bailey Castle (as narrated on our website www.uttlesford.gov.uk)

7.4 – Significant Commitments under Capital Contracts

As at March 2014, the Council has the following significant future capital contracts for capital investment

	WIP 31 March 2014 £'000	Total remaining commitment £'000	Duration of commitment Years
Capital Scheme			
<u>Housing</u>			
Mead Court/Canon's Mead Development	596	3,741	3
Total	596	3,741	

7.5 – Capital Expenditure and Financing

The total amount of capital expenditure (including finance leases) incurred in the year and the sources of financing this expenditure are detailed in the table below. Where the capital expenditure is to be financed in future years for assets which are used by the council to provide services is charged to the revenue budget over the expected life of the asset. These charges result in an increase to the Capital Financing Requirement (CFR) and this represents a measure of the expenditure incurred but not yet financed.

2012/13		2013/14
£ '000		£ '000
94,798	Opening Capital Financing Requirement	98,232
	<u>Capital Expenditure</u>	
8,159	Property Plant and Equipment	6,908
103	Intangible Assets	44
1,134	Revenue Expenditure Funded from Capital Under Statute	2,812
9,396	Total Capital Expenditure:	9,764
	<u>Sources of Finance</u>	
-	Capital Receipts	135
1,150	Government Grants and Other Contributions	2,605
1,705	Capital Expenditure Financed from Revenue Contributions	3,191
2,894	Major Repairs Reserve	3,200
213	Minimum Revenue Provision	885
5,962	Total Capital Financing	10,016
98,232	Closing Capital Financing Requirement	97,980
2012/13		2013/14
£'000		£'000
	<u>Explanation of Movements</u>	
3,647	Increase in underlying need to borrow (unsupported by government financial assistance)	633
(213)	Minimum Revenue Provision	(885)
3,434	Increase / (decrease) in Capital Financing Requirement	(252)

8.0 – Other Long Term Assets

8.1 – Long Term Debtors

The council has long term debtors relating to the Rent to Mortgages, which is shown in Financial Instruments – 20.5 under collateral.

9.0 – Current Assets

9.1 – Inventories (Stock)

31 March 2013 £'000		31 March 2014 £'000
45	Housing Stores	41
44	Building Maintenance	43
10	Vehicle Fuel	-
13	Trading Stock	10
112	TOTAL	94

9.2 – Debtors

2012/13 £'000		2013/14 £'000
776	Central Government Bodies*	10,273
582	Other Local Authorities	1,549
5,117	Other Entities and Individuals	3,877
6,475	Total	15,699

*The movement in the Central Government Bodies figure relates to balances held in respect of NNDR (including £5.5m central government share of NNDR3 deficit and £3.5m safety net funding accrual).

9.3 – Provision for Bad Debts

2012/13 £'000		2013/14 £'000
1,545	Non Domestic Rates	386
143	Council Tax	190
376	Housing Rents	344
544	Overpaid Benefit	514
30	Court costs	74
26	Sundry Debtors	12
2,664	Total Provision for Bad Debt	1,520

The Debtors figure in the Balance Sheet is the total of tables 9.2 & 9.3.

9.4 – Assets Held for Sale

2012/13 £'000		2013/14 £'000
231	Balance Brought Forward	-
-	Reclassification of Assets Held for Sale	-
(231)	Disposal of Asset	-
-	Net Value At 31 March	-

9.5 – Cash and Cash Equivalents

2012/13 £'000		2013/14 £'000
3,721	Net Cash Equivalent as per Financial Instruments	486
353	Cash in Transit	312
(22)	Un-presented Cheques	(34)
4,052	Cash & Cash Equivalents 31 March	764

10.0 – Current Liabilities

10.1 – Creditors

2012/13		2013/14
£'000		£'000
271	Central Government Bodies*	6,925
1,822	Other Local Authorities	3,337
3,651	Other Entities and Individuals	4,608
5,744	Total	14,870

*The movement in the Central Government Bodies figure mainly relates to balances held in respect of NNDR (£6.5m provisions and prepayments).

10.2 – Provisions

Balance as at		In year	Provision	Balance as at
31 March 2013		Provision	Applied	31 March 2014
£'000		£'000	£'000	£'000
27	Legal Claims	-	-	27
210	Land Charges - Legal Claims on Charging Policy	8	-	218
	Expenditure commitments for New Homes Bonus			
204	- 2011/12 Parish Councils	-	(120)	84
106	- 2012/13 Ward Members / Jubilee Fund	-	(90)	16
-	- 2013/14 Ward Members	26	-	26
24	Community Halls	-	-	24
9	Municipal Mutual Insurance (MMI)	-	(9)	-
-	NNDR Appeals	4,609	-	4,609
	In year movements			
580	Balance as at 31 March	4,643	(219)	5,004

The total provision applied for NNDR appeals as at 31st March 2014 is £11.5 million. The above table only reflects the council's share of the provision at the value of £4.609 million.

11.0 – Long Term Liabilities

11.1 – Long Term Borrowing

The long term borrowing relates to the Housing Revenue Account Self Financing Loan which is detailed in Financial Instruments, reference 20.2

11.2 – Deferred Liabilities

2012/13	2013/14	1 Year	2 - 5 years	6 - 10 years	11 - 15 years	16 - 20 years	21 - 25 years
£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<u>Central Services</u>							
83	Finance leases Opening balance	82	28	10	-	-	-
(27)	Principal Payments	(28)	(18)	(10)	-	-	-
26	Adjustment to Liability	(26)	-	-	-	-	-
82	Closing balance	28	10	-	-	-	-
<u>Leisure</u>							
5,296	PFI – Opening balance	5,222	5,141	5,053	4,621	3,845	2,690
(74)	Principal repayment	(81)	(88)	(432)	(776)	(1,155)	(1,721)
5,222	Closing balance	5,141	5,053	4,621	3,845	2,690	969
5,304	Deferred Liabilities at 31 March	5,169	5,063	4,621	3,845	2,690	969

11.3 – Creditor – Capital Grants and Contributions with Conditions

	31 March 2013	Income	Drawn Down	31 March 2014
	£'000	£'000	£'000	£'000
S106 Receipts in Advance				
Section 106 - Priors Green	222	1	(122)	101
Section 106 - Felsted	10	-	-	10
Section 106 - Oakwood Park	10	-	-	10
Section 106 - Rochford Nurseries	444	346	(6)	784
Section 106 - Bell College	-	6	-	6
Section 106 - Manuden Village Hall and Sports Facilities	1,583	-	(1,308)	275
Section 106 - The Orchard, Elsenham	-	42	-	42
Section 106 - Wedow Road, Thaxted	-	64	-	64
SUB TOTAL	2,269	459	(1,436)	1,292
Capital Grants Receipts in Advance				
Heritage Quest Centre Grants	82	-	-	82
Disabled Facilities Grant	42	70	(112)	-
English Heritage Grant	-	20	(20)	-
Capital Hardware Grant	-	11	-	11
SUB TOTAL	124	101	(132)	93
Capital Grants and Contributions	2,393	560	(1,568)	1,385

11.4 – Creditor – Capital Grants and Contributions to other bodies

	31 March 2013 £'000	Income £'000	Drawn Down £'000	31 March 2014 £'000
S106 Receipts in Advance				
Section 106 - Sector 4 Woodlands Park (Helena Romanes School)	225	-	(60)	165
Section 106 - Priors Green	8	-	(7)	1
Section 106 - Wedow Road, Thaxted	-	187	-	187
Section 106 - Barnetson Court, Dunmow	-	66	(66)	-
Section 106 - Broomfields, Hatfield Heath	-	155	(155)	-
Section 106 - Rochford Nurseries	-	289	-	289
Section 106 - Sampford Road	-	354	-	354
SUB TOTAL	233	1,051	(288)	996

11.5 – Pension Liability

The pension liability is the current obligation of the future retirement benefits the council has to its members, this is calculated as a net of the fair value of assets less the current obligation, details of which can be found in table 19.3.

12.0 – Tax Payers Equity

12.1 – Usable Reserves

The usable reserves are monies that are set aside and can be used by the council to fund future projects and initiatives as directed by Members and the senior management team, that are not part of the normal running of the council services. For details please refer to section 2, page 9.

12.2 – Unusable Reserves

The unusable reserves are unrealised gains and losses of the council that relate to the financing of capital expenditure as well as timing differences between recognition of assets and liabilities under accounting rules and statutory regulations. For details please refer to section 3, page 12 – 17.

SECTION D – CASH FLOW STATEMENT**13.0 – Cash Flow Activities**

13.1 – Cash Flow Statement – Operating Activities

2012/13 £'000		2013/14 £'000
(564)	Net surplus/(deficit) on the provision of services	252
	Adjustments to net surplus/(deficit) on the provision of services for non-cash movements	
4,778	Depreciation	5,527
1,868	Impairment and downward valuations	(616)
154	Amortisation	137
(24)	Material impairment losses/(gains) on investment debited to surplus/(deficit) on the provision of services in year	-
732	Increase in creditors	1,261
(66)	Decrease in interest and dividend debtors	-
599	(Increase)/decrease in debtors	(260)
(13)	(Increase)/Decrease in inventories	18
733	Pension Liability	1,569
(379)	Contribution to provisions	4,425
-	Unwinding the discount on deferred receipts	55
1,835	Carrying amount of non-current assets sold	2,600
10,217	Total	14,716
(2,269)	Adjustments for items included in the net (deficit) on the provision of services that are investing or financing activities	(2,843)
7,384	Net cash flows from operating activities	12,125

13.2 – Cash Flow Statement – Investing Activities

2012/13		2013/14
£'000		£'000
(8,264)	Purchase of property, plant and equipment, investment property and intangible assets	(6,975)
(4,195)	Purchase of net short term investments	(9,767)
26	Add back new finance leases	-
1,120	Proceeds from sale of property, plant and equipment	876
421	Proceeds from long term investments	1,010
2,350	Capital grants received	2,036
(8,542)	Total Cash Flows from Investing Activities	(12,820)

13.3 – Cash Flow Statement – Financing Activities

2012/13		2013/14
£'000		£'000
-	Cash Receipts from long term borrowing	-
-	Billing Authorities - Council Tax & NNDR Adjustment	(2,458)
(166)	Appropriation to/from Collection Fund Adjustment Account	-
(101)	Cash Payments for the Reduction of the outstanding Liabilities	(135)
(267)	Total Cash Flows from Financing Activities	(2,593)

13.4 – Cash Flow Statement – Cash and Cash Equivalents

2012/13		2013/14	Movement in
£'000		£'000	year
			£'000
853	Cash and Bank Balances	764	(89)
3,199	Cash Investments - Cash Equivalents	-	(3,199)
4,052	Total Cash and Cash Equivalents	764	(3,288)

13.5 – Cash Flow Statement – Interest on Balances

2012/13		2013/14
£'000		£'000
3,074	Interest paid	3,065
(91)	Interest received	(79)
2,983	Net Interest Paid	2,986

SECTION E – SUPPLEMENTARY NOTES TO THE CORE FINANCIAL STATEMENTS**14.0 – Supplementary Comprehensive Income and Expenditure Notes****14.1 – General Fund Income and Expenditure Segmental Breakdown**

The analysis of income and expenditure by service on the face of the Comprehensive Income and Expenditure Statement is shown as specified by the Service Reporting Code of Practice. However, decisions about resource allocation are taken by the Council's Cabinet on the basis of budget reports analysed across service portfolios. These reports are prepared on a different basis from the accounting policies used in the financial statements.

- No charges are made in relation to capital expenditure (whereas depreciation, impairment and amortisation are charges to services in the Comprehensive Income and Expenditure Statement).
- The cost of retirement benefits are based on cash flows (payments of employer's pension contributions) rather than the current service cost of benefits accrued in the year.

Portfolio Income and Expenditure for 2013/14

	Community Safety	Community Partnerships & Engagement	Environmental Services	Finance & Administration	Housing	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges & Other Income	(338)	(324)	(4,958)	(806)	(808)	(7,234)
Government Grants	-	(450)	-	(17,402)	-	(17,852)
Total Income	(338)	(774)	(4,958)	(18,208)	(808)	(25,086)
Employee expenses	463	971	3,659	3,150	531	8,774
Other service expenses	161	1,622	2,086	19,472	214	23,555
Total Expenditure	624	2,593	5,745	22,622	745	32,329
Net Expenditure/(Income)	286	1,819	787	4,414	(63)	7,243

Portfolio Income and Expenditure Restated for 2012/13

	Community Safety	Community Partnerships & Engagement	Environmental Services	Finance & Administration	Housing	TOTAL
	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges & Other Income	(330)	(347)	(4,150)	(571)	(744)	(6,142)
Government Grants	-	(550)	(10)	(20,836)	(85)	(21,481)
Total Income	(330)	(897)	(4,160)	(21,407)	(829)	(27,623)
Employee expenses	433	929	3,728	2,854	486	8,430
Other service expenses	186	1,963	2,082	22,663	362	27,256
Total Expenditure	619	2,892	5,810	25,517	848	35,686
Net Expenditure	289	1,995	1,650	4,110	19	8,063

The 2012/13 figures have been restated to primarily to remove £1.208m of New Homes Bonus funding, to be consistent with table 5.4 Subjective Analysis where this income is already categorised within 'Corporate Items'.

14.2 – Grant Income – Revenue

The council receives a number of grants and donations which are credited to the service lines of the Comprehensive Income and Expenditure Statement. These are analysed below. Please note this table excludes government grants which are credited to the taxation and non-specific grant income line in the Comprehensive Income and Expenditure Statement (including new homes bonus funding).

2012/13		2013/14
£'000		£'000
(9,698)	Housing Benefits Allowance Subsidy	(9,986)
(6,674)	Housing Benefits Rent Rebate Subsidy	(6,786)
(450)	Private Finance Initiative	(450)
(328)	Benefits Administration	(293)
(138)	Non Domestic Rates Cost of Collection	(138)
(37)	S106 Contributions	(103)
(46)	Discretionary Housing Payments	(100)
(46)	Pig Market Charity	(44)
-	Local Council Tax Scheme Admin Subsidy	(36)
-	Improvement East Use of Resources	(31)
-	Gypsy and Traveller Study	(30)
(19)	Benefits Fund	(26)
(29)	Other Miscellaneous (under £10,000)	(22)
(3,966)	Council Tax Benefits Subsidy	-
(100)	Town Centre Initiative	-
(86)	Homelessness	-
(84)	Council Tax Reform	-
(40)	Community Covenant	-
(10)	Neighbourhood Planning	-
(21,751)	Total Revenue Grants	(18,045)

The 2012/13 figures have been restated to remove New Homes Bonus and include Non Domestic Rates Cost of Collection.

15.0 – Supplementary Balance Sheet Notes

15.1 – Post Balance Sheet Events

Curators House

The Curators house was held on the Councils balance sheet as at 31st March on a peppercorn lease, the carrying value being £53k.

A decision was made by the Museum Society on the 25th March 2014 to sell the Curators house, the house was marketed for Sale on the 24th April 2014 and an offer was accepted subject to contract on the 6th May. Although this asset was held on the council balance sheet the council makes no financial gain from this sale and all proceeds go to the Museum Society fund.

15.2 – Contingent Liabilities

Business Rates Appeals

Uttlesford District Council on behalf of Essex County Council, Essex Fire Authority and Central Government is required to refund ratepayers who have successful appeals against the rateable value of their properties on the 2010 rating list. It has determined a total provision of £11.5m of which £4.6m relates to UDC.

In relation to outstanding business rates appeals recorded as at 31 March 2014 with the Valuation Agency Office (VOA) the Council is able to estimate the expenditure required to settle present obligation. Furthermore, local businesses can also appeal against the Rateable Value on the 2010 Rating list until 31 March 2017. Having assessed the information available to the authority the provision made includes an element for appeals not yet recognised.

However, it is difficult to estimate the total future liability to the authority of businesses lodging an appeal in the future and being successful. The Council has made provision in the accounts for business properties where the risk of an appeal materialising is probable. Therefore, if further appeals are submitted to VOA in the future and successful, it could impact on the Council's Financial Statements.

Planning Appeals

Uttlesford District Council is expecting appeals to be lodged against previous planning decisions which were made in 2013/14. Whilst the outcome and exact financial implications of these appeals is not yet known it is estimated that the council may incur potential liabilities.

15.3 – Net Assets Employed

31 March 2013		31 March 2014	
£'000		£'000	
276	General Fund	7,508	
144,794	Housing Revenue Account	145,840	
145,070	Total	153,348	

16.0 – Leasing Arrangements and Private Finance Initiative

16.1 – Operating Leases

The Council has no significant operating lease commitments as at 31st March 2014.

16.2 – Operating Leases Income

	2012/13	2013/14	Within 1 Year	Within 2–5 Years	6-10 Years	11-15 Years
	£'000	£'000	£'000	£'000	£'000	£'000
Turpins Bowling Hall	21	21	21	84	63	-

16.3 – Finance Leases Rental

	2012/13	2013/14	1 Year	2 - 5 years
	£'000	£'000	£'000	£'000
Finance lease - amount payable	32	32	32	-
Principal repayment	26	28	28	-
Interest payable	6	4	4	-

16.4 – Private Finance Initiative

The Council's Private Finance Initiative (PFI) Scheme provided two new Leisure Centres in Great Dunmow and Stansted Mountfitchet and the refurbishment of the Lord Butler Fitness and Leisure Centre in Saffron Walden. The PFI contract is with Leisure Connection Limited who manages the 3 Leisure Centres on the Council's behalf.

The contract was operational from the financial year 2003/04 and runs for a period of 32 years (ending 2035/36) leaving 22 years outstanding. The total contract payments estimated at the time of entering into the contract were estimated at £39.9 million. Actual payments are dependent on the service provided. The remaining capital liability for 2013/14 is £5.141 million.

2012/13 (Restated)		2013/14	1 Year	2 - 5 years	6 - 10 years	11 - 15 years	16 - 20 years	21 - 25 years
£'000		£'000	£'000	£'000	£'000	£'000	£'000	£'000
1,018	Leisure PFI - Unitary charge	1,012	1,082	4,550	6,219	6,867	7,581	3,291
75	Capital Repayment	81	88	432	776	1,155	1,721	969
439	Interest Expense	433	426	1,626	1,797	1,418	852	102
148	Contingent Rent	158	172	875	1,393	1,899	2,515	1,519
356	Services*	340	396	1,617	2,253	2,395	2,493	701
1,018	Total Unitary Charge	1,012	1,082	4,550	6,219	6,867	7,581	3,291

*The Services charge has been restated to reflect the actual cost of the service provided.

17.0 – Members, Officers and Related Parties

17.1 – Members Allowances

The Local Government Act 2000 and the Local Government (Members Allowances) Regulation 2003 requires the Council to appoint an independent remuneration panel to review its scheme for Members Allowances. The panel make recommendations to the Council regarding the scheme to be operated in 2013/14.

The total Members allowances paid in 2013/14 was £304,238 (£308,575 for 2012/13), these are detailed below.

2012/13 £'000		2013/14 £'000
	Allowance:	
220	Basic Allowance	218
6	Group Leaders Allowances	5
56	Special Responsibility Allowances	63
18	Travel and Subsistence	12
2	Broadband	-
7	Employers Pension Contribution	6
309	Total	304

17.2 – Related Party Transactions

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

There are no disclosures from Members of any material related party transactions.

17.2.1 - Members of the Council

Members of the Council have direct control over the Council's financial and operating activities. Any contracts entered into by the Council are in full compliance with the Council's constitution and any decisions made take full consideration of any declarations of interest. A register of Members Interests is held and records all transactions and declarations and this is available for public inspection during office opening times.

17.2.2 - Senior Officers of the Council

Senior Officers of the Council have control over the day to day management of the Council, the Chief Executive and Directors are required to declare any related party transactions. All transactions are recorded in the register of Officers Interest, Gifts and Hospitality and this is available for public inspection during office opening hours

17.2.3 – Central Government

Central Government has significant influence over the general operations of the authority – it is responsible for providing the statutory framework within which the authority operates, provides the majority of its funding in the form of grants and prescribes the terms of many of the transactions that the authority has with other parties (e.g. Council Tax bills, Housing Benefits).

Further information on significant funding streams from Central Government is included within section 5 of the explanatory foreword.

17.2.4 – Companies and Organisations

- Turpin's Indoor Bowling Club Limited
Under the terms of a 25 year lease Turpin's Indoor Bowling Club Limited leases property owned by the Council. The asset is leased to the company for a market rent; taking account of the covenant within the terms of the lease of 40% of the facility is for the use of community residents. To protect the Council's interest two Uttlesford Councillors have a seat on the organisation board. The financial implications of the lease are detailed in the note at 16.2.
- Stansted Area Housing Partnership
The Partnership is comprised of four local authorities, two housing associations, the housing corporation and the BAA Stansted, its aim is to provide a significant number of new affordable homes in the Stansted area over the next ten years. BAA is funding £2.34 million approximately through a planning obligation payment under the S106 arrangements held and monitored by the Council.

- Saffron Walden Pig Market

Uttlesford District Council is the sole trustee of the Saffron Walden Pig Market Charity. The Charity owns a proportion of a public pay and display car park and their income is derived from this asset.

The Car Park is maintained and run by the North Essex Parking Partnership on behalf of the District Council and the Charity receives its share of the net income on the basis of 66/303 split.

The Charity distributes the income it receives by way of grants to charities that work in the Saffron Walden area.

Citizens Advice Bureau – 2013/14 - £43,857

2012/13 - £45,543

- Saffron Walden Museum Society Limited

The Council rents the Saffron Walden Museum and Museum artefacts under the terms of a 99 year lease from the Museum charity at a nominal annual rent. The asset is classified as a donated asset under the International accounting rules, on the basis that the Council receives all the rewards and benefits of the asset used to provide a service. The Museum service is fully funded by the Council and all staff associated with this service are employed by the Council. A nominated council member has a seat on the Museum Charity board.

The net costs of running the Museum are;

2013/14 - £284,336

2012/13 - £284,332

17.2.5 – Partnership Schemes

- Local Strategic Partnership (LSP) – Uttlesford Futures

Uttlesford Futures Management Board work together in relation to the Strategic needs of the district.

The Partnership consists of Uttlesford District Council, Essex County Council, Essex Police, Essex Fire Authority, NHS West Essex, and Uttlesford Council for Voluntary Services, Federation of Small Businesses, Sustainable Uttlesford, Uttlesford Association of Local Councils and Learning Skills Council.

In 2013/14 the gross income of the partnership was £27,836 and expenditure £11,185 (£31,402 and £8,556 respectively for 2012/13). The Council's contribution for 2013/14 was £5,000 (£5,000 for 2012/13).

- Community Safety Partnership

Uttlesford District Council is a member of the district wide Community Safety Partnership, this comprises of statutory, private and voluntary organisations working together to tackle crime and disorder.

The Partnership consists of Uttlesford District Council, Essex County Council, Essex Police, Essex Fire Authority, NHS West Essex and Uttlesford Council for Voluntary Services. The Partnership reports into the Local Strategic Partnership

In 2013/14 the gross income of the partnership was £57,229 and expenditure £12,078 (£53,101 and £22,872 respectively for 2012/13). The unspent income of £45,151 has been carried forward and will contribute towards the costs of the partnership's strategic vision. The Council's contribution for 2013/14 was £5,000 (£5,000 for 2012/13).

17.2.6 – Parking Partnership

- The Council is a member of the North Essex Parking Partnership which was formed with Colchester Borough Council, Braintree District Council, Epping Forest District Council, Harlow District Council and Tendring with effect from the 1st April 2011. The Partnership operates the Councils' off street pay and display car parks, and administers the on street parking services on behalf of Essex County Council. The lead authority is Colchester Borough Council and they provide the support services and accommodation for the Partnership.

The Partnership is governed by a Joint Committee, on which each partner Council has a representative. The Joint Committee produces its own accounts which are summarised below.

The Partnership is funded by previously agreed contributions by each Council partner; these are expected to remain constant. In the event that the Partnership falls into deficit (costs exceed income) then an increase in the contributions may be required. The Partnership's cumulative reserves will be used as a contingency to ensure financial stability. If deemed appropriate by the Joint Committee a proportion of the reserves may be returned to the partners.

2012/13 (Restated) £'000		2013/14 £'000
2,231	Staffing Costs	2,388
715	Other running costs	640
525	Support services	557
3,471	Total expenditure	3,585
(2,173)	Income	(2,434)
1,298	Net expenditure	1,151
(145)	Partner contribution - UDC	(148)
(977)	Other partner contributions	(1,097)
(183)	Contribution from Reserves	(67)
(7)	Surplus for the year	(161)
(446)	Reserves as at 1 April	(270)
183	Use of reserves	67
(7)	Surplus for the year	(161)
(270)	Reserves as at 31 March	(364)

17.3 – Officers Remuneration

Senior Officers remuneration is detailed below

		Salary, Fees and Allowances	Bonuses	Car Allowances	Benefits in Kind	Redundancy	Total Remuneration Excluding Pension Contributions	Pension Contributions	Total Remuneration including Pension Contributions
		£	£	£	£	£	£	£	£
Chief Executive	2012/13	102,151	-	445	235	-	102,831	13,280	116,111
	2013/14	102,151	-	490	-	-	102,641	13,280	115,921
Assistant Chief Executive - Legal	2012/13	69,387	-	800	-	-	70,187	9,020	79,207
	2013/14	70,841	-	490	-	-	71,331	9,209	80,540
Assistant Chief Executive - Finance	2012/13	69,387	-	-	1,602	-	70,989	9,020	80,009
	2013/14	70,841	-	94	1,428	-	72,363	9,209	81,572
Director of Public Services	2012/13	77,811	-	585	-	-	78,396	10,115	88,511
	2013/14	79,408	-	490	-	-	79,898	10,315	90,213
Director of Corporate Services	2012/13	77,811	-	-	3,203	-	81,014	10,115	91,129
	2013/14	79,345	-	375	329	-	80,049	10,315	90,364
Assistant Director - Corporate Services	2012/13	50,919	-	-	1,927	-	52,846	6,619	59,465
	2013/14	52,178	-	324	468	-	52,970	6,783	59,753
Assistant Director - Housing and Environmental Services	2012/13	50,919	-	800	-	-	51,719	6,619	58,338
	2013/14	52,241	-	490	-	-	52,731	6,783	59,514
Assistant Director - Planning and Building Control	2012/13	50,919	-	800	-	-	51,719	6,619	58,338
	2013/14	52,214	-	490	-	-	52,704	6,783	59,487

17.4 – Employees Salary over £50,000

The Council's employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts.

No. of Employees 2012/13	Remuneration Band	No. of Employees 2013/14
6	£50,000 - £54,999	6
-	£55,000 - £59,999	-
-	£60,000 - £64,999	-
-	£65,000 - £69,999	-
2	£70,000 - £74,999	2
1	£75,000 - £79,999	1
1	£80,000 - £84,999	1
-	£85,000 - £89,999	-
-	£90,000 - £94,999	-
-	£95,000 - £99,999	-
1	£100,000 - £104,999	1
11	Total	11

The number of employees shown above includes the senior officers shown in the preceding senior officers' note (17.3)

17.5 – Termination Benefits

The Council terminated the contracts of 6 employees in 2013/14 (zero in 2012/13) incurring liabilities of £170,073 (zero in 2012/13). The table below identifies the number of exit packages in bands of £20,000.

2012/13		Exit Package Cost Band		2013/14		
Number of Compulsory Redundancies	Number of other Departures Agreed	Total Number of Exit Packages		Number of Compulsory Redundancies	Number of other Departures Agreed	Total Number of Exit Packages
-	-	-	£0 - £20,000	1	1	2
-	-	-	£20,001 - £40,000	-	3	3
-	-	-	£40,001 - £60,000	1	-	1
-	-	-	Total Number of Packages	2	4	6
-	-	-	Total Cost (£)	61,526	108,547	170,073

18.0 – Fees Payable

18.1 – External Audit Fees Payable

In 2013/14 external audit and inspection costs incurred by the Council are detailed in the following table.

2012/13		2013/14
(Restated)		
£'000		£'000
40	Fees payable in relation to External Audit Services carried out by the appointed Auditor	62
43	Fees payable in relation to Certification of Grant Claims and Returns	55
83	Total	117

The 2012/13 restated figures include transitional arrangements for external audit services in year as well as grant claims and returns costs in respect of 2011/12.

19.0 – Pension Scheme**19.1 – Pension Scheme Disclosure**

The Council offers membership to a Pension Scheme with defined benefits as part of their employment terms and conditions to all employees. The benefits of the scheme are not payable until the employees retire, but the Council has a commitment to make payments which need to be disclosed at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme, administered by Essex County Council. This is a funded scheme which means both the Council and employee pay contributions into the fund, the contributions are calculated at a level intended to balance pension liabilities with investment assets over the long term.

The contributions are based on rates determined by the fund's professionally qualified actuaries and these are reviewed every 3 years. The last review was carried out in 2013 and formally reported in January 2014 to be effective from 2014/15 until 2016/17.

The Pension Scheme has been restated based on the revised IAS19 standard. The disclosures for 2012/13 have been restated to reflect this and will enable the user to look at comparative figures. The main changes are related to the CIES, as detailed below;

- Removal of the expected return on assets, to be replaced by a 'net interest cost' comprising of income interest on the asset and interest expense on the liabilities.
- Re-presentation in the CIES; 'Service Cost' now includes what was previously described as 'Current Service Cost' plus 'Past Service Cost' plus any Curtailments and Settlements.
- Administration costs are now accounted for in the CIES where previously a deduction was made to the actual and expected return on assets.

The Council currently has 879 members enrolled in the pension scheme, of which an assumption has been made that 60% of members will exchange their commutable pension for cash at retirement.

19.2 – Transactions Relating to the Pension Scheme

The Council is required to recognise the cost of retirement benefits in the Net Cost of Services when they are earned by employees rather than when the benefits are actually paid. The real cost of retirement benefits are reversed out of the Comprehensive Income and Expenditure Statement via the movement in reserves, the actual charge the Council is required to make against the Council Tax is based on the cash payable in the year. The following transactions reflect these accounting entries.

With effect from the 1st April 2011 public service pensions have been up-rated in line with Consumer Price Index (CPI) rather than Retail Price Index (RPI).

2012/13 (Restated) £'000		2013/14 £'000
1,472	Current Service Cost	1,776
1,318	Net interest on the defined liability/asset	1,336
11	Administration cost	8
2,801	Net Charge to Comprehensive Income and Expenditure Statement	3,120
1,282	Reversal of Net Charge made for retirement benefits in accordance with IAS19 Actual amount charged against Council Tax for Pensions in the year:	1,569
855	Employer Contributions to the Pension Fund	909
438	Deficit Contribution Payments	457
115	Contributions to the Pension Fund in respect of Early Retirement	67
111	Added Years Discretionary Payments	118
1,519	Payments to the Pension Fund During the Year	1,551
2,801	Total	3,120

19.3 – Pension Liabilities (Summary)

The liabilities show the underlying commitments the Council has in the long term to pay future retirement benefits. The deficit on the scheme will be decreased by increased contributions over the remaining working life of the employees, as assessed by the scheme actuary.

A reconciliation of the opening and closing balances of the present value of the scheme liabilities for retirement benefits attributable to the Council as at 31st March 2014 are as follows:

2012/13 (Restated) £'000		2013/14 £'000
73,075	Present Value of Scheme Obligation at 1 April 2013	80,339
1,469	Current Cost of Service	1,666
3,316	Interest Cost	3,414
434	Contributions by Scheme participants	452
-	Past Service Cost/(Gain)	-
4,506	Change in financial assumptions	834
-	Change in demographic assumptions	(4,513)
(18)	Experience gain on defined benefit obligation	(2,544)
3	Past Service Cost and Curtailments	110
(2,446)	Benefits/Transfers paid	(2,529)
7,264		(3,110)
80,339	Present Value of Scheme Obligation as at 31 March	77,229

19.4 – Pension Liabilities (Sensitivity Analysis)

Additional information in respect of how potential fluctuations would affect the scheme obligation value is provided below:

Adjustments made to:-	+ 1 year / + 0.1% change £'000	No change £'000	- 1 year / - 0.1% change £'000
Mortality age rating (increase/decrease by 1 year)	74,525	77,229	79,958
Rate of increase in salaries (increase/decrease by 0.1%)	77,353	77,229	77,105
Rate of increase in pensions (increase/decrease by 0.1%)	78,402	77,229	76,076
Rate for discounting scheme liabilities (increase/decrease by 0.1%)	75,974	77,229	78,506

19.5 – Pension Assets

A reconciliation of the opening and closing balances of the present value of the scheme assets for retirement benefits attributable to the Council as at 31st March 2014 are as follows:

2012/13 (Restated) £'000		2013/14 £'000
43,678	Fair Value of Scheme Assets as at 1 April	48,594
1,998	Interest on assets	2,078
3,422	Return on assets less interest	1,925
-	Other actuarial losses	(1,186)
(11)	Administration expenses	(8)
1,519	Contributions by employer including unfunded	1,551
434	Contributions by Scheme participants	452
(2,446)	Estimated benefits paid plus unfunded net of transfers in	(2,529)
4,916		2,283
48,594	Fair Value of Scheme Assets as at 31 March	50,877

19.6 – Pension Scheme History

The liabilities show the underlying commitments that the Council has in the long term to pay employment retirement benefits. The total liability of £26.3 million (£31.7 in 2012/13) has a substantial impact on the net worth of the Council as recorded in the balance sheet. However, statutory arrangements are in place for funding the deficit to maintain a healthy financial position of the Council, by the following;

- Increased contributions over the remaining working life of employees (before payments fall due), as assessed by the actuary.
- Finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

	2009/10	2010/11	2011/12	2012/13 (Restated)	2013/14
	£'000	£'000	£'000	£'000	£'000
Estimated Liabilities in the Scheme	(65,840)	(61,763)	(73,075)	(80,339)	(77,229)
Estimated Assets in the Scheme	43,162	42,603	43,678	48,593	50,877
Net (Deficiency) in the Fund	(22,678)	(19,160)	(29,398)	(31,746)	(26,353)
Actuarial Gains/(Losses)	(5,983)	429	(10,078)	(1,066)	6,962
Total Pension Cost Recognised in the Movement in Reserves Statement	(5,983)	429	(10,078)	(1,066)	6,962

19.7 – Basis for Estimating the Pension Scheme Assets and Liabilities

The assets and liabilities of the fund attributable to Uttlesford District Council have been derived by Barnett Waddingham Public Sector Consulting from a full actuarial valuation of the fund undertaken by Mercer Ltd as at 31st March 2010.

The expected rate of return effectively set by the net interest cost is assumed at the current time to be 8%. The other financial assumptions used within the report are detailed below;

2012/13		2013/14
	Mortality Assumptions:	
	Longevity at 65 for future pensioners (Years)	
24.2	Men	24.9
26.9	Women	27.4
	Financial Assumptions:	
3.30%	Rate of Inflation - RPI	3.50%
2.50%	Rate of Inflation - CPI	2.70%
4.30%	Rate of Increase in Salaries (reflects long term salary growth assumptions)	4.50%
2.50%	Rate of increase in Pensions	2.70%
4.30%	Rate of Discounting Scheme Liabilities	4.40%
50%	Take Up option to convert annual pension into retirement	60%

19.8 – Analysis of Assets Held

The assets held by the fund attributable to Uttlesford District Council as at 31st March 2014 are detailed below;

2012/13			2013/14		
£'000			£'000		
31,100	64%	Equity Investments	34,088	67%	
3,402	7%	Gilts	4,070	8%	
3,887	8%	Other Bonds	4,070	8%	
5,831	12%	Property	5,596	11%	
1,944	4%	Cash	1,018	2%	
2,430	5%	Other Assets	2,035	4%	
48,594	100%	Total	50,877	100%	

19.9 – History of Experience of Gains and Losses

	2009/10		2010/11		2011/12		2012/13 (Restated)		2013/14	
	£'000	% change	£'000	% change	£'000	% change	£'000	% change	£'000	% change
Return on plan assets in excess of interest	-	0.0%	-	0.0%	-	0.0%	3,422	n/a	1,925	n/a
Asset Gain/(Loss)	9,124	21.1%	3,523	7.3%	(2,409)	5.5%	-	0.0%	(1,186)	n/a
Liability Gain/(Loss)	(15,107)	22.9%	(3,094)	5.7%	(126)	-20.0%	18	0.02%	2,544	3.2%
Change in Demographic Assumptions	n/a	n/a	n/a	n/a	n/a	n/a	-	n/a	4,513	n/a
Change in Assumptions	n/a	n/a	n/a	n/a	(7,543)	n/a	(4,506)	n/a	(834)	n/a
Net Gain/(Loss)	(5,983)		429		(10,078)		(1,066)		6,962	

19.10 – Pension Reserve

The Pension Reserve has been set up as part of the requirements to comply with IAS19 – Employee Benefits. This reserve represents the actuarially calculated deficit between the value of all pension liabilities and the assets held by the Pension Fund as at 31st March 2014. The deficit also includes the difference between the cost of statutorily required payments to the Pension Fund and the IAS19 accounting cost charged to the CIES.

Further information can be found in Essex County Council’s Pension Fund’s Annual Report which is available upon request from Essex County Council, County Hall, Chelmsford, Essex, CM1 1JZ.

20.0 – Financial Instruments

Financial Classifications

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

Financial Liabilities

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

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

- long-term loans from the Public Works Loan Board
- finance leases detailed
- Private Finance Initiative contracts detailed

Financial Assets

A financial asset is a right to future economic benefits controlled by the Council that is represented by cash or other instruments or a contractual right to receive cash or another financial asset. The financial assets held by the Council during the year are held under the following two classifications. Loans and receivables (financial assets that have fixed or determinable payments and are not quoted in an active market) comprising:

- cash in hand
- bank current and deposit accounts with Barclays Bank Plc

- fixed term deposits with banks and building societies
- loans to other local authorities
- lease receivables detailed
- trade receivables for goods and services delivered

20.1 - Financial Instruments – Balances

Long Term Financial Instruments		Short Term Financial instruments		
As at 31 March 2013 Book Value	As at 31 March 2014 Book Value		As at 31 March 2013 Book Value	As at 31 March 2014 Book Value
£'000	£'000		£'000	£'000
		Financial Assets, Loans and Receivables:		
945	847	Debtors (Contractual)	1,130	1,112
931	-	Investments (Note 1)	8,232	18,000
-	-	Cash and Cash Equivalents (Note 2)	3,721	486
1,876	847	Total	13,083	19,598
		Financial Liabilities at Amortised Cost:		
-	-	Creditors (Contractual)	(2,859)	(3,666)
(88,407)	(88,407)	Borrowing	-	-
(5,304)	(5,169)	Deferred Liabilities	-	-
(93,711)	(93,576)	Total	(2,859)	(3,666)
(91,835)	(92,729)	Net Total	10,224	15,932

Note 1: All £18m is invested with Debt Management Office (UK Treasury) as at 31 March 2014 for up to 1 month. Furthermore all relevant credit criteria ratings were met when investments were placed with relevant counterparties during the year.

Note 2: Reconciliation is shown in 9.6, which details the Cash and Cash Equivalents movements from the balance sheet values to the financial instrument book values.

Landsbanki

Landsbanki Islands HF was an Icelandic bank that became insolvent in October 2008, shortly before the Council's deposit of £2.2 million was due to be repaid.

From October 2008 to January 2014, uncertainty existed about the prospects for full recovery of the unpaid deposit. Throughout this period a legal insolvency process was being run in Iceland, in which the Local Government Association acted on behalf of local authority creditors, including the Council. As funds became available, interim payments were made to Landsbanki creditors. During this period, there were uncertainties about the prospects for recovering the remaining unpaid sums, and uncertainties over the timing of any payments. These uncertainties affected the deposit's balance sheet value. As at 31 March 2013 the balance sheet value of the remaining unpaid deposit was £0.948m.

In September 2013, the Council received a further repayment of £0.116 million from the authorities in Iceland.

In early 2014, an opportunity arose to sell the residual unpaid sum to a third party Deutsche Bank. A price was negotiated on behalf of local authority creditors by the Local Government Association's legal advisers. The Council decided to accept the offer and the balance was sold to Deutsche Bank on 3 February 2014. The Council is bound by a strict confidentiality agreement and is unable to publicly disclose the sale price; however, this was greater than the remaining balance sheet value. As at 31 March 2014 there is no longer any item relating to the Landsbanki investment on the Council's balance sheet, and all remaining risks and uncertainties are removed from the Council.

The Council had established an earmarked reserve for the purpose of financing any future adverse accounting losses that may have arisen. Since this risk no longer exists, the earmarked reserve has been closed and the balance in the reserve transferred to another reserve.

20.2 - Housing Revenue Account – Self Financing Reforms

The Department for Communities and Local Government (DCLG) abolished the HRA subsidy system in March 2012, under the Localism Act, with Local Authorities taking control of the housing expenditure and income. This will enable the effective long term planning of housing stock at a local level.

The Council was required to borrow £88.407 million on 28 March 2012 to buy itself out of the subsidy regime. The Housing Revenue Account maintains a 30 year rolling business plan as part of the council's financial planning, and gives details of income, expenditure, financing and repayments. The Housing Revenue account incurred interest payments on the loan portfolio of £2.6 million in 2013/14. Please refer to 20.5 which details the repayment schedule.

20.3 - Financial Instruments – Gains and Losses

The gains and losses recognised in the Comprehensive Income and Expenditure Statement in relation to financial instruments consist of the following items:

2012/13		2013/14		2013/14		2013/14	
£'000		Financial Assets £'000		Financial Liabilities £'000		£'000	
3,074	Interest Expenses	-	-	3,065	-	3,065	-
(44)	Impairment on Long Term Investment	-	-	-	-	-	-
3,030	Interest Payable and Similar Charges	-	-	3,065	-	3,065	-
(10)	Gain on redemption of Long Term Debtor	(79)	(79)	-	-	(79)	(79)
(59)	Interest and Investment Income	(79)	(79)	-	-	(79)	(79)
(69)	Interest Receivable and Similar Income	(158)	(158)	-	-	(158)	(158)
2,961	Net (gains)/loss for the Year	(158)	(158)	3,065	(158)	2,907	(158)

20.4 - Financial Instruments – Fair Values

	Balance Sheet	Fair Value
	31 March 2014	31 March 2014
	£'000	£'000
Financial Liabilities:		
Creditors (Contractual)	(3,666)	(3,666)
Finance lease payables	(29)	(29)
Long-term loans borrowed	(88,407)	(79,617)
PFI scheme liabilities	(5,140)	(7,394)
Total	(97,242)	(90,706)
Financial Assets:		
Cash & Cash Equivalents	486	486
Debtors (Contractual)	1,112	1,112
Investments	18,000	18,000
Total	19,598	19,598

Financial assets classified as loans and receivables and all non-derivative financial liabilities are carried in the Balance Sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March 2014, using the following methods and assumptions:

- The fair values of loans from the PWLB have been discounted at the published interest rates for new PWLB certainty rate loans with an identical remaining term to maturity arranged on 31st March.
- The fair values of finance lease assets and liabilities and of PFI scheme liabilities have been calculated by discounting the contractual cash flows (excluding service charge elements) at the appropriate AA corporate bond yield.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables is assumed to approximate to the carrying amount.

The fair value of the HRA long term liability (£88.407m) is lower than the carrying amount because the authority's portfolio of loans includes a number of loans where the interest rate payable is lower than the current rates available for similar loans as at the Balance sheet date. The fair value of the HRA loan would have been £89.281m if the Premature Repayment Rate had been adopted instead of the New Loan Rate.

20.5 - Financial Instruments - Risks

The Council has adopted CIPFA's Code of Practice on Treasury Management (and subsequent amendments) and complies with The Prudential Code for Capital Finance in Local Authorities (both revised in November 2011).

As part of the adoption of the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with Financial Instruments.

The main risks covered are:

- *Credit Risk*: The possibility that one party to a financial instrument will fail to meet its contractual obligations, causing a loss for the other party.
- *Liquidity Risk*: The possibility that the Council might not have the cash available to make contracted payments on time.
- *Market Risk*: The possibility financial loss will materialise because of changes in market variables such as interest rates or equity prices.

Credit Risk: Investments

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

which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures when selecting commercial entities for investment.

A limit of £1m of the total portfolio is placed on the amount of money that can be invested with a single counterparty or same banking group (other than the UK government).

Credit Risk: Receivables

Credit risk arises from deposits with banks and financial institutions, as well as credit exposure to Council's customers.

Council's customers

Payments for services are either required in advance or due at the time of the service is provided. As at 31 March 2014 £0.945m is due to the Council from its customers, the total being past its due date and categorised as follows:

Note: the aged debtor analysis detailed above excludes payments in advance as these are technically not debts. Government grants due are also excluded as they will be received in full. In line with "The Code" statutory debt (Council Tax, NNDR arrears, and Housing Benefit Overpayment Arrears are excluded from the analysis. The Council's provision for bad debt totalling £0.356m (Housing Rent and Sundry Debtors) as at 31 March 2014 (£0.4m as at 31/3/13) is deemed sufficient. In order to recover all debts effectively the Council it will concentrate on debt management and ensure efficient use of debt management information.

Banks and financial institutions

Credit risk is minimised through the annual investment strategy (details of which are available on the Council's website) which requires the Council to maintain a counterparty list that follows the criteria set out in the Treasury Management Practices. Credit worthiness is assessed by the use of credit ratings provided by Fitch, Moody's and Standard and Poor's to assess an institutions long and short term financial strength along with its individual and support ratings. Other information provided by brokers, advisers and financial and economic reports are also collated and assessed to monitor each individual institution against the Council's criteria.

Any counterparty whose ratings fall to the extent that they no longer meet the credit criteria are immediately removed from the lending list. Only highly rated counterparties are included on the lending list.

20.6 – Financial Instruments – Collateral

The council holds collateral in relation to the following loans

Debt Outstanding 31 March 2013		Debt Outstanding 31 March 2014	
£'000		£'000	
945	Rents to Mortgages	847	
945	Total	847	

20.7 – Financial Instruments - Liquidity Risk

The Council has ready access to borrowing at favourable rates from the Public Works Loan Board and other local authorities, and at higher rates from banks and building societies. There is no perceived risk that the Council will be unable to raise finance to meet its commitments. It is however exposed to the risk that it will need to refinance a significant proportion of its borrowing at a time of unfavourably high interest rates.

The maturity analysis of the principal sums borrowed is as follows:

	Maturity	31 March 2014 £'000	% of total debt portfolio
Long Term Borrowing			
	1 to 5 years	4,000	4.52%
	6 to 10 years	11,000	12.44%
	11 to 15 years	15,000	16.97%
	16 to 20 years	20,000	22.62%
	21 to 25 years	23,000	26.02%
	26 to 30 years	15,407	17.43%
Total Long Term Borrowing		88,407	100.00%

20.8 – Financial Instruments - Market Risks

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 authority. For instance, a rise in interest rates would have the following effects:-

- borrowings at variable rates – the interest expense will rise
- borrowings at fixed rates – the fair value of the liabilities borrowings will fall
- investments at variable rates – the interest income credited will rise
- investments at fixed rates – the fair value of the assets will fall.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates. At 31 March 2014, £60.41m (£78.41m less £18m) of net principal borrowed (i.e. debt net of investments) was exposed to fixed rates and £10m to variable rates.

Market Risks: Price Risk

The Council has no investments in equity shares and therefore is not exposed to losses arising from movements in the price of shares.

Market Risks: Foreign Exchange Risk

The Council has no foreign financial instruments denominated in foreign currencies.

SECTION F – SUPPLEMENTARY FINANCIAL STATEMENTS – HOUSING REVENUE ACCOUNT (HRA)**21.0 – Income and Expenditure Account and Supporting Tables****21.1 – Comprehensive Income and Expenditure Statement**

2012/13 (Restated)		2013/14
£'000		£'000
	Income	
(13,069)	Dwelling Rents	(13,703)
(214)	Non-Dwelling Rents	(204)
(771)	Charges for Services and Facilities	(772)
(49)	Contributions towards Expenditure	(3)
(14,103)	Total Income	(14,682)
	Expenditure	
2,220	Repairs and Maintenance	2,680
2,375	Supervision and Management	2,341
289	Rents, Rates, Taxes and other Charges	533
	Depreciation of Non-Current Assets	
2,894	- Dwellings	3,081
105	- Other Non-Current Assets	104
1,878	Impairment of Non-Current Assets	536
52	Movement in Bad Debt Provision	(32)
11	Revenue Expenditure Funded from Capital Under Statute (REFFCUS)	42
9,824	Total Expenditure	9,285
(4,279)	Net Cost of HRA Services as included in the Comprehensive Income and Expenditure Statement	(5,397)
200	HRA Services Share of Corporate and Democratic Core	245
-	HRA Share of other amounts included in the Whole Authority Net Cost of Services but not allocated to Specific Services	2
(4,079)	HRA share of the operating income and expenditure in the Comprehensive Income and Expenditure Statement	(5,150)
218	Loss/(gain) on Sale of HRA Non-Current Assets	461
2,625	Interest payable and similar charges	2,626
(32)	Interest and Investment Income	(22)
213	IAS 19 Pensions - Net Interest on Defined Assets/Liabilities	224
(238)	Capital Grants and Contributions Receivable	(111)
(1,293)	Deficit/(Surplus) for the year on HRA Services	(1,972)

21.2 – Movement in HRA Reserves

2012/13 £'000		2013/14 £'000
649	Balance on HRA working balance at the end of the previous year	680
1,293	Surplus for the year on the HRA Comprehensive Income and Expenditure Account	1,972
1,021	Adjustments between accounting basis and funding basis under statute	(1,654)
2,314	Net increase/(decrease) in year on the HRA	318
(2,283)	Transfers to Earmarked Reserves	(318)
31	Increase/(decrease) in year on the HRA Working Balance	-
680	Balance on the HRA at the end of the current year	680

21.3 – HRA – Adjustments between Accounting Basis and Funding Basis under Statute

2012/13 £'000		2013/14 £'000
	Items included in the HRA Income and Expenditure Account but excluded from the movement on the HRA Balance for the Year	
(218)	Gain/(loss) on Sale of HRA Non-Current Assets and Right to Buy Pooling	(450)
(1,878)	Impairment of Non-Current Assets	(536)
10	Insurance settlement	-
(11)	Amounts treated as revenue expenditure in accordance with the 'Code' but which are classified as capital expenditure by statute	(42)
238	Reversal of Non Specific Grants	111
(230)	Net Charges made for Retirement Benefits in accordance with IAS 19	(257)
	Items not included in the HRA Income and Expenditure Account but included in the movement on the HRA Balance for the Year	
1,068	Capital Expenditure funded by the HRA	2,862
-	Right to Buy Administration Costs Allowance	(34)
(1,021)	Adjustments between accounting basis and funding basis under statute	1,654

The 2012/13 figures have been restated in tables 21.1 – 21.3 to reflect additional costs in respect of local authority pension arrangements totalling £88k, in accordance with IAS 19 regulations.

22.0 – Notes to the HRA

22.1 – Introduction

The Housing Revenue Account (HRA) is a record of revenue income and expenditure relating to the Council's housing stock. The items to be charged to the HRA are prescribed by statute and our funded by rent collection. The HRA is ring-fenced from the Council's General Fund, the Council has no general discretion to transfer sums between the HRA and General Fund accounts. Other housing services (e.g. homelessness, lifeline) are charged to the General Fund account and through the HRA. The items to be charged to the HRA are prescribed by Statute.

22.2 – Gross Rental Income

Gross Rental Income is the total rent income due after allowance is made for void properties. At the end of 2013/14 an average of 1.49% of properties were vacant (1.2% in 2012/13). The actual average rent for all stock was £90.91 per week in 2013/14 (£88.12 in 2012/13) leading to an actual gross rental income for dwelling rents of £13.7 million for 2013/14 (£13.06 million in 2012/13).

22.3 – Housing Revenue Account Self-Financing Transactions

With effect from April 2012 Housing Subsidy arrangements ceased for Uttlesford District Council and replaced by a self-financing system giving local authorities greater autonomy and flexibility with its finances for the provision of council housing. At the outset of self-financing the council took on a loan of £88.407 million, for which the 2013/14 accounts reflect related interest costs payable of £2.625 million.

22.4 – Housing Stock

2012/13 No. of Properties		2013/14 No. of Properties
738	Flats	736
745	Bungalows	753
1,361	Houses	1,354
2,844	Total Properties	2,843

22.5 – Rent Arrears

2012/13		2013/14
£'000		£'000
	Arrears due from:	
462	- Current Tenants	423
41	- Former Tenants	26
503	Total Rent Arrears	449
3.6%	Total as a % of Gross Debt	3.2%

22.6 – Balance Sheet Value of Housing Revenue Assets

2012/13		2013/14
£'000		£'000
	Operational Assets comprising	
228,721	Dwellings	230,392
2,003	Garages	1,569
154	Vehicles, Plant and Equipment	398
930	Assets Under Construction	604
256	Other Land and Buildings	383
232,064	Total HRA Asset Value	233,346

The vacant possession value of dwellings within the HRA as at 1st April 2013 was £590.7 million (£589.1 million as at 1 April 2012). The difference of £360 million between the vacant possession value and the balance sheet value of the dwellings within the HRA represents the economic cost of providing council housing at less than open market value.

22.7 – Depreciation and Impairment of Non-Current Assets charged to the Comprehensive Income and Expenditure Account

2012/13		2013/14
£'000		£'000
2,894	Dwellings	3,081
105	Other Assets	104
2,999	Total Depreciation	3,185
10	Impairment of Fixed Assets	522
3,009	Total Depreciation and Impairment	3,707

22.8 – Major Repairs Reserve

2012/13		2013/14
£'000		£'000
-	Opening Balance	-
(2,995)	Depreciation on Fixed Assets	(3,291)
101	Transfers to HRA	-
2,894	Capital expenditure funded from the MRR	3,200
-	Closing Balance	(91)

22.9 – Capital Financing

2012/13		2013/14
£'000		£'000
5,067	Total HRA Capital Expenditure	5,724
	Financed by:	
(1,069)	Revenue Contributions	(1,977)
(2,894)	Contribution from Repairs Reserve	(3,200)
(238)	Capital Grants	-
(11)	Internal Borrowing	-
(4,212)	Total Financing	(5,177)

The difference between HRA capital expenditure in year and the amount financed relates to the element included in Assets under Construction at year-end.

22.10 – HRA Contribution to Pension Fund

Under IAS19, the cost of retirement benefits is recognised in the net cost of service when employees earn them rather than when the benefits are eventually paid, this principle is applied to the HRA. In addition the HRA has been charged with its share of the net interest on the defined benefit liability/asset and related administration cost. All of these costs together have been matched by a transfer to the pension reserve so that the net outturn on the HRA is not altered by these IAS19 adjustments.

SECTION G – SUPPLEMENTARY FINANCIAL STATEMENTS – COLLECTION FUND

23.0 – Collection Fund Summary

Uttlesford District Council is the authority responsible for the billing, collection and recovery of council tax and business rates. The Council is required to maintain a separate income and expenditure account to reflect the transactions relating to the Collection Fund.

The Local Government Finance Act 2012 introduced a Business Rates Retention Scheme which enabled local authorities to retain a proportion of the business rates generated in their area. The new arrangements for the business rates came into effect on 1 April 2013.

23.1 – Collection Fund Income and Expenditure Account

2012/13			Collection Fund	2013/14		
Business Rates £'000	Council Tax £'000	Total £'000		Business Rates £'000	Council Tax £'000	Total £'000
-	47,689	47,689	Council Tax Payers	-	48,886	48,886
-	-	-	Historic Balance Adjustment	-	375	375
-	3,879	3,879	Council Tax Benefit	-	-	-
38,319		38,319	Business Rate Payers	40,576	-	40,576
38,319	51,568	89,887	Total Income	40,576	49,261	89,837
-	36,658	36,658	Precepts and Demands: - Essex County Council	3,598	34,601	38,199
-	4,612	4,612	Precepts and Demands: - Essex Police Authority	-	4,505	4,505
-	2,240	2,240	Precepts and Demands: - Essex Fire Authority	400	2,115	2,515
-	7,271	7,271	Precepts and Demands: - Uttlesford District Council	15,991	6,974	22,965
-	-	-	Precepts and Demands: - Central Government	19,988	-	19,988
-	50,781	50,781	Total Precept and Demand	39,977	48,195	88,172
-	(51)	(51)	Distributions of Previous Years' Surplus/(Deficit): - Essex County Council	-	300	300
-	(6)	(6)	Distributions of Previous Years' Surplus/(Deficit): - Essex Police Authority	-	38	38
-	(3)	(3)	Distributions of Previous Years' Surplus/(Deficit): - Essex Fire Authority	-	18	18
-	(10)	(10)	Distributions of Previous Years' Surplus/(Deficit): - Uttlesford District Council	-	60	60
-	(70)	(70)	Total Distributions of Previous Years Surplus/(Deficit)	-	416	416
-	(99)	(99)	Provision for Doubtful Debts	(4)	(9)	(13)
38,181	-	38,181	Business Rates: - Payments to the National Pool	-	-	-
138	-	138	Business Rates: - Cost of Collection Allowance to General Fund	138	-	138
-	-	-	Business Rates: - Provision for Appeals	11,524	-	11,524
38,319	(99)	38,220	Total Other Expenditure	11,658	(9)	11,649
38,319	50,612	88,931	Total Expenditure	51,635	48,602	100,237
-	(631)	(631)	(Surplus)/Deficit as at 1 April	-	(1,587)	(1,587)
-	(956)	(956)	(Surplus)/Deficit for the Year	11,059	(659)	10,400
-	(1,587)	(1,587)	(Surplus)/Deficit as at 31 March	11,059	(2,246)	8,813

24.0 - Notes to the Collection Fund**24.1 – Council Tax Introduction**

Council Tax derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands using estimated April 1991 valuations for this purpose. Individual charges are calculated by aggregating the requirements of Essex County Council, Essex Police Authority, Essex Fire Authority and the Council.

The average amount for a Band D property in 2013/14 was £1,440.62 (2012/13 £1,437.30), is multiplied by the proportion specified for the particular band to give an individual amount due, to which must be added any parish precept.

The average Band D Council Tax bill including Parish Precepts in 2013/14 was £1,513.71 (2012/13 £1,505.42).

24.2 – Council Tax Base

2012/13	Council Tax Base	2013/14
32,941	Total Dwellings	33,454
29,748	Net Chargeable Dwellings	30,217
33,816	Band D Equivalentents	34,362
230	Additions (Net of Discounts/Exemptions)	293
34,046	Total Band D Equivalentents	34,655
33,535	Collection Rate for 2012/13 - 98.5%	-
-	Collection Rate for 2013/14 - 98.64%	34,184
-	LCTS Discounts	(2,550)
196	M.O.D Properties	205
33,731	COUNCIL TAX BASE	31,839

24.3 – Council Tax Income Analysis

2012/13		2013/14
£'000		£'000
57,045	Gross Council Tax Collectable	58,008
(1,584)	Less: - Exemptions	(1,081)
(3,537)	Less: - Discounts	(4,509)
(3,879)	Less: Council Tax Benefit	179
-	Less: - LCTS	(3,670)
2	Transitional Relief	2
(358)	Write-offs	(43)
47,689	Income from Council Tax Payers	48,886

24.4 – Council Tax Collection Fund Balance

2012/13		2013/14
£'000		£'000
(1,139)	Essex County Council	(1,612)
(148)	Essex Police Authority	(211)
(70)	Essex Fire Authority	(99)
(230)	Uttlesford District Council	(324)
(1,587)	Total Surplus Apportioned	(2,246)

24.5 – National Non Domestic Rates Introduction

Business Rates are derived from rates due for business premises. The rateable value payable by businesses is set by the valuation office and is outside the control of the council. The council acts as a billing agent for central government and its preceptors (Essex County Council, Fire Authority and the Police Authority).

The National Non Domestic Rateable value in the council's area as at 1 April 2013 was £101,804,977 (£100,216,636 as at 1 April 2012) and the multipliers, as specified by Central Government were 46.2p excluding small business surcharge (45.0p 2012/13) and 47.1p including small business surcharge (45.8p 2012/13). Based on the lower rate this produced an approximate yield of £47.034m (£45.097m 2012/13). The difference between the approximate yield and the actual value of rate payers' income (as reported in the collection fund summary) is explained by the application of reliefs, discounts, void properties and movement on the bad debt provision.

24.6 – National Non Domestic Rates Income Analysis

2012/13		2013/14
£'000		£'000
45,030	Gross Business Rate Collectable	46,914
(1,584)	Small Business Rate Relief	(1,717)
(1,748)	Mandatory Relief	(1,838)
(1,908)	Property Relief	(2,190)
(158)	Discretionary Relief	(265)
(1,313)	Bad debt	(328)
38,319	Income from Business Rates Payers	40,576

24.7 - National Non Domestic Rates Funds Balance

2012/13		2013/14
£'000		£'000
-	Central Government	5,530
-	Essex County Council	996
-	Essex Fire Authority	110
-	Uttlesford District Council	4,423
-	Total Deficit Apportioned	11,059