

NARRATIVE REPORT

Introduction

The Statement of Accounts presents the financial results of the Council's activities for the year ended 31 March 2019, and summarises the overall financial position of the Council as at 31 March 2019. This Narrative Report sets out the key issues and is intended to give the reader an insight into the Council's performance during 2018/19.

The Council is required by law to complete its accounts in line with the CIPFA Code of Practice on Local Authority Accounting and constitutes a 'proper accounting practice' under the terms of section 21(2) of the Local Government Act 2003. The Code is based upon International Financial Reporting Standards (IFRS). The Code reconciles IFRS with the statutory local government finance framework. This is necessary because there are material differences between what IFRS states should be included in the accounts, and what legislation states should be financed by a local authority and local Council taxpayers.

Uttlesford District

Uttlesford is a thriving, predominantly rural district in north-west Essex encompassing Saffron Walden, Great Dunmow, Stansted Mountfitchet and Thaxted with about 100 villages and hamlets in between. Geographically Uttlesford is the largest district in Essex, and has a population of approximately 85,000. It is home to London Stansted Airport and major road and rail networks with links to London to the south and the historic city of Cambridge to the north. Uttlesford offers a good quality of life with both new development and an historic and rural environment existing in harmony.

The Council offices are based in the market town of Saffron Walden, with its array of independent and unique boutique shops, cafes, restaurants and galleries, surrounded on all sides by fields and picturesque villages.

Uttlesford – The Council

The Council is governed by 39 members and as at 31 March 2019 was made up of 24 Conservatives, 10 Residents for Uttlesford, 4 Liberal Democrats and 1 vacancy. District Elections were held on the 2 May 2019 and the following this the make-up changed to 26 Residents for Uttlesford, 7 Liberal Democrats, 4 Conservatives and 2 Independents who represent 22 wards made up of 60 parishes. The Council operates a Cabinet system, with The Leader having responsibility for the appointment of members to the Cabinet, allocation of portfolios and delegation of executive functions.

The key services and activities of the Council are the provision of council housing, refuse collection & recycling, litter picking, planning, building control, environmental health, housing and council tax benefits, Council Tax and Business Rates collection, off street car parking, community safety, healthy lifestyles and wellbeing, and voluntary sector support, leisure centres, museum and licensing. Other key local authority services such as social care, education and roads are provided by Essex County Council. For more information about Uttlesford District Council please visit the Council's website at www.uttlesford.gov.uk.

The Council employed 369 employees in established posts (319.79 full time equivalents) as at 31 March 2019. The workforce is made up of 201 women (54%), 8 of the Council's 17 senior management posts are held by women. In January 2015 the Living Wage Foundation accredited the Council as a Living Wage Employer.

Corporate Plan

The Corporate Plan is the key document that sets out the Council's vision and priorities for the next four years and forms part of a wider strategic planning framework directing how and where Council resources are allocated. It is accompanied by a delivery plan that sets out the outputs, outcomes and performance measured against the priorities. The Corporate Plan is reviewed annually to ensure it remains fit for purpose and reflects the needs and priorities of the residents, local communities and businesses of the District. Full details can be found at the following link: [Corporate Plan 2019-2023](http://www.uttlesford.gov.uk/corporateplan)



Key achievements

It has been a busy year and the Council and its partners have worked hard on initiatives, partnerships and projects to bring the Corporate Plan priorities to life. Below is a summary of some of the key achievements this year.

Police Community Support Officers

Uttlesford District Council is an active member of the Community Safety Hub which is a multi-agency group focusing on low level crime and anti-social behavioural (ASB) issues. The community policing team has grown in the year and now includes seven Police Officers and four Police Community Support Officers (PCSOs). In 2018/19 the Council fully funded two PCSOs and agreed to provide match funding (with parish councils) for two further PCSOs. Statistics show that both low level crime and ASB incidents have decreased in the district.

Health and Wellbeing

The Uttlesford Health and Wellbeing Board is the strategic partnership for the coordination, communication and commissioning of health improvement and wellbeing activities and services for the local population. Through this, the Council works closely with the following partner organisations:

- [Essex Health and Wellbeing Board](#)
- [West Essex CCG](#)
- [Essex County Fire & Rescue Service](#)
- [West Essex Mind](#)
- [Centre for Voluntary Support Uttlesford](#)
- [Uttlesford Volunteers](#)
- [Uttlesford Citizens Advice](#)
- [Alzheimer's Society](#)
- [Support 4 Sight](#)

A strategy has been developed to take into account the district's evolving communities and proposed new developments which will bring a larger and more diverse population. Full details are set out within the [Health and Wellbeing Strategy 2017-2022](#).

The five key health and wellbeing priorities identified within the district are:

- Combatting loneliness and social isolation
- Supporting people to age well in Uttlesford
- Enabling people to eat well and be active
- Alleviating winter pressures and fuel poverty
- Planning for healthy communities

A number of projects have been delivered to tackle social isolation including the introduction of a Digital Buddies service - providing home visits to set up and maintain smart and digital devices that make life in the home a little bit easier e.g. digital assistants such as Amazon Echo, smart TVs, tablets and home computers. A gardening project has seen 83 gardens cleared and tidied and there is also a winter warmth handyman service being offered in conjunction with the Council's Environmental Health department.

A Walking for Health Programme has been instigated and six Walking for Health walks now take place across the district. The My Weight Matters programme is now running in venues across the district; those completing the programme have made significant progress towards their 5% weight loss goal. There has also been a programme of seated exercise classes introduced for the elderly across the district; on average 15 people attend each class and the exercises are helping them to stay independent and build their strength.

Mind in West Essex were commissioned by the Uttlesford Health and Wellbeing Board to encourage businesses and organisations within Uttlesford to sign up to the Time to Change national campaign to end mental health discrimination. Uttlesford District Council signed its own pledge in October 2018 on World Mental Health Day. As part of this, four Mental Health First Aid courses were made available for all managers at the Council plus a mental health awareness session was made available to all staff.

Social Housing Development Programme

The Council has continued with its development of housing as detailed in the 30 year business plan providing new and updated accommodation for the elderly and replenishing its stock of general needs housing.

A development at Reynolds Court in Newport was completed in 2018/19 and provides 41 flats and communal areas for the elderly. The project attracted Homes for England funding due to its innovative design. It has been a collaborative project – the Council's Housing team, planners, architects, the parish council, the community and other key stakeholders have helped shape this stunning building.

Hatherley Court in Saffron Walden has been updated and remodelled with phase I of the sheltered scheme completed in March 2019. In total this scheme will provide 26 remodelled properties, one new build flat and new communal areas.

The council has also provided five new general needs properties, of which two are new builds and three were directly purchased on the private housing market and from a Housing Association.

Museum Lottery Fund Bid

The Council made a successful application to the National Lottery Heritage Fund's Resilient Heritage grants programme. This is the first step of the long-term development programme for Saffron Walden Museum which aims to increase visitors, community engagement and income, and make the Museum more sustainable in the future.

The award is for a grant of £51,300 with a further £10,000 contribution from Saffron Walden Museum Society Ltd; no financial contribution is required from the Council. The project will fund an audience development study, to provide an in-depth analysis of the Museum's actual and potential visitors, and a feasibility study with options appraisal and business plan, to determine the optimum way to develop the Museum and provide a costed plan. Other strands of the project include developing the fund-raising capacity of the Museum Society, which uses its charitable status to raise money for capital projects, and to support and mentor Museum staff and volunteers, who will be taking on a considerable challenge to run a major project alongside day-to-day service operations.

Grant Funding

The Council has provided a total of just under £600,000 in grants and funding during the year to local charities and voluntary organisations and this included a sum allocated to each Member to spend within their local ward.

Saffron Walden Business Improvement District

The Saffron Walden Business Improvement District (BID) was finalised after a formal consultation and a Board of Directors has been appointed. The BID has generated £94,000. The initial marketing campaign delivered by the BID in the first month was considered very successful with the initial feedback being:

- **Vintage Lodge's Buses** – a free bus service was provided to encourage people into the town from Audley End with 1,250 people using the buses over five Saturdays
- **Shopping prize draw** – the prize draw was organised to encourage shopping locally, with 55 independent businesses taking part. Some 1,407 shopping prize draw entries were received from visitors and residents
- **Fairy and Elf Hunt & #saffronwaldenelfieselfie** -This competition was to encourage families to explore the town by looking for a hand-made fairy or elf in a shop window and 120 competition forms were returned. People who entered came not only from Saffron Walden but also London Cambridge and even Jersey.

Local Plan

The Council successfully submitted the Local Plan before the Government's January deadline triggering the start of its examination by the Planning Inspectorate. The Council has received the Inspector's list of Matters, Issues and Questions seeking updated and clarifications on elements of the Plan and dates have already been agreed for the initial examination sessions in July. The Council will consult on main modifications arising from the examination on behalf of the Inspector, before the final decision to adopt the plan can be made.

Garden Communities

A key element to the Council's housing plan is its development strategy for three new Garden Communities which make a significant contribution to meeting Uttlesford's growth needs over the next 15 years.

The Council is strongly committed to creating communities that will offer the same quality of life as its historic towns and villages. The Council has been focusing on exploring the potential of partnerships with the individual promoters, developing models for long term stewardship, designing housing that relates to the range of business opportunities and jobs locally, sustainable transport links and commercial investment.

Councillors and officers along with members of the Youth Council have been on visits to Garden Communities outside the district. In addition, the Youth Council has also held its own forums on the future look and feel of these settlements.

The Council has attracted a grant of £750,000 capacity funding and other support available under the garden settlements programme from the Ministry of Housing, Communities and Local Government (MHCLG) and Homes England to continue to take this work forward.

Investment Strategy

The Council invested £45 million in its wholly owned company, Aspire CRP Ltd, in May 2017 to purchase a 50% share in Chesterford Research Park with an annual return of 4%. The Park is not yet fully developed and the Council has approved further investments of £2.74 million for the rebuild (shell and core) of The Newnham Building. Building work began in January 2019 and a further £4.25 million was approved by Council in December 2018 at a higher interest rate of 4.5% to reflect the recent interest rate rises. The new investment will fund the fitting out of the building for prospective tenants and further details on the anticipated level of return is detailed on the following page under Aspire (CRP) Ltd.

In February as part of the budget setting process for future years, the Council approved a new investment strategy for a £100 million of future investment; £20 million to invest in the growth of Chesterford Research Park and £80 million for other investments. The £80 million of other investments will be subject to the following criteria:

- a) Preference will be given to in-area investment as for commercial acquisitions this helps to sustain jobs and generate business rates. If however suitable opportunities do not arise

b) The Council will look within the region for investment opportunities. For clarity this means the following counties

- Essex
- Hertfordshire
- Cambridgeshire
- Suffolk

c) If suitable opportunities do not arise the Council will look outside of the region but staying within the United Kingdom.

Aspire (CRP) Ltd

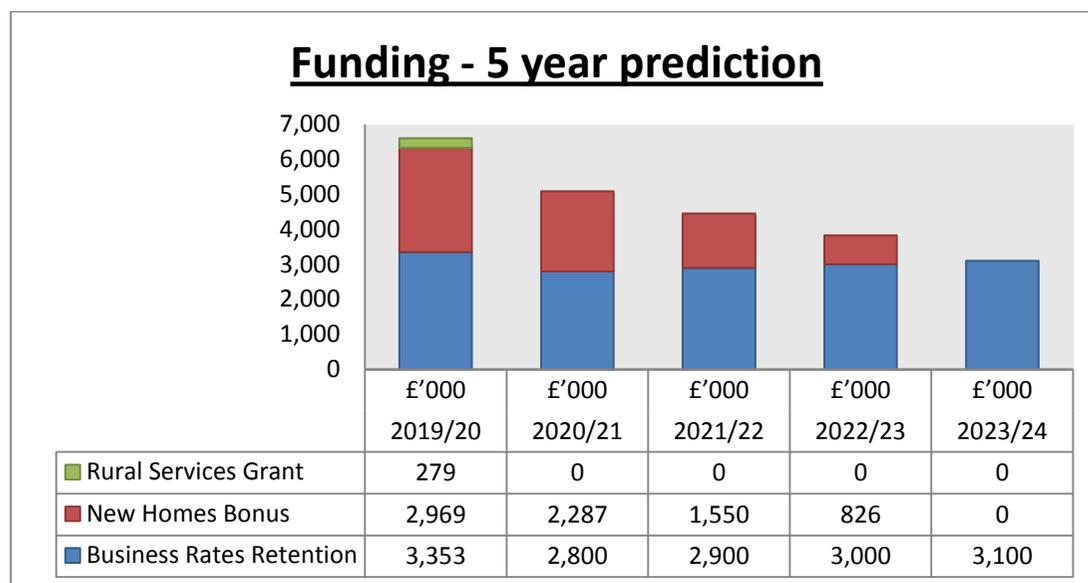
The investment in the wholly owned subsidiary delivered a net surplus for the Council in 2018/19 of £1.588 million which is in line with the original business plan forecast. The refurbishment of the Newnham Building is ongoing. In addition to the refurbishment loan of £2.741 million, the Council agreed to loan the company an additional £4.25 million to enable the Newnham Building to be fully fitted. At the expected rental income, this will see a net yield of 10.16% being achieved. The Newnham Building is due for completion in the spring of 2020.

Financial Outlook

Local government funding has changed significantly over the last few years and further reforms are planned in the next two years. These changes will affect the way funding is allocated to local authorities. The mechanism for these changes is being assessed through the Fair Funding Review of Needs and Resources and this is closely linked to the reform of the Business Rates Retention Scheme, through which local authorities will move from 50% to 75% retention.

There is still uncertainty about the level of funding the Council will receive in future years and it has participated in various consultations on the Government's proposals. It is expected that an announcement will be made at the time of the 2020 autumn Budget. There are also indications that the New Homes Bonus grant will be limited to legacy only payments from 2020/21, with the final year of these payments being 2022/23.

The Medium Term Financial Strategy (MTFS) is the Council's plan to manage its financial position over a five year period, providing an overall spending position and highlighting areas of risk to ensure Members and Chief Officers can make informed decisions to set a balanced budget and maintain the Council's financial stability. The table below is an extract from the current MTFS approved by Council as part of the 2019/20 budget and sets out the Council's funding streams and demonstrates the predicted funding changes by 2023.



Business Rates Retention

The table above shows that Business Rates is a key source of income and the Council becomes more reliant on this in future years. Business Rates Retention is currently set at 50% and Uttlesford acts as a collection agent for Central Government, Essex County Council and Essex Fire Authority. The total collectable income is split as follows:

- Central Government – 50%
- Local Share (50% retained within the county)
 - Uttlesford – 40%
 - Essex County Council – 9%
 - Essex Fire Authority – 1%

The 40% income retained by the Council is then subject to a tariff and this is set by Central Government based on a calculation of our share of the retained income less our baseline funding need.

Financial Performance – 2018/19

The following are the key factors that can affect the Council's financial position:

Income

- Fees and charges e.g. car park charges, garden waste income, planning fees
- Specific government grants e.g. benefits subsidy
- Rents and service charges (Housing Revenue Account only)
- Income generated from the investment in the council's wholly owned company Aspire (CRP) Ltd.

Expenditure

- Employee costs including salaries, national insurance and pensions
- Premises costs including energy costs, rates and building maintenance
- Transport costs including fuel and vehicle maintenance
- Inflationary increases in contracts
- Support payments such as Housing Benefit and Local Council Tax Support

A summary of the key operational financial results for 2018/19 are shown in the following tables. The figures shown are direct costs and income only, rather than the accounting basis used to produce figures for the Core Financial Statements. However the bottom line results are consistent with the movement in usable reserves as shown in the core accounting statements in the main body of this document.

Full and detailed outturn reports for the General Fund Revenue Account, Housing Revenue Account, Capital Programme and Treasury Management will be presented to members at Cabinet on the 15 July 2019. All reports will be published and will be available for the public to view on our website from 10 July 2019 and can be accessed by clicking on the following link [Cabinet Reports 2019](#)

General Fund Reserves

The Council's reserves have increased by a net £2.471 million. The key items that attribute to the increase are the year-end surplus, additional funding received from MHCLG for Garden Communities delivery, re-profiling of revenue projects funded by reserves and the financing of the Capital Programme.

£'000	31 March 2018	31 March 2019	Net Increase/ (Decrease)
Useable Reserves (available to spend)	12,053	13,866	1,813
Ringfenced Reserves (set aside for specific uses)	2,894	3,215	322
	14,947	17,082	2,135

The above reserves table excludes the surplus of £336,000 and the £14,000 restated reduction in surplus for 2017/18 which are approved at Cabinet on 15 July 2019.

General Fund Revenue Account

After allowing for transfers to and from the reserves this leaves an overall net underspend of £336,000.

£'000	2017/18 Outturn	2018/19			
		Original Budget	Current Budget	Outturn	Variance
Portfolio (Service) Budgets	11,555	12,982	12,965	10,224	(2,742)
Corporate Items	(701)	(60)	4,277	(1,736)	(6,013)
Funding	(6,542)	(5,145)	(5,145)	(5,614)	(469)
Net Operating Expenditure	4,313	7,776	12,098	2,875	(9,224)
Transfers to/(from) Reserves	722	(2,446)	(6,767)	2,135	8,902
Overall Net Position	5,035	5,330	5,331	5,010	(322)
Restatement of 2017/18 surplus*					14
2018/19 Actual Surplus					(336)

*A prior period adjustment has been actioned due to a review of the accounts and our treatment of the forward starting loans the Council set up in 2017 to fund the investment in Aspire (CRP) Ltd. The accounting amendment required the accounts for 2017/18 to be restated and this increased the interest charge by £14,000 and reduced the actual in year surplus of £336,000 to a final net outturn of £322,000. Full details relating to the restatement can be found in note 19.7 Prior Period Adjustments on page 90.

The portfolio service budgets show a year end surplus of £2,741,578. This is due in part to various work streams and projects being carried forward to 2019/20. A total of £1,930,196 will be added to reserves and reallocated in 2019/20, which leaves an actual surplus for the delivery of services of £811,382. An analysis of the key variances and revenue allocations to reserves are detailed in the table below.

Direct Services Variance Analysis

Description	Variance (under)/over spend	Variance allocated (from)/to Reserves
Expenditure		Total Service Variance
Housing Benefit Expenditure	(2,688,962)	
Salaries	(1,178,972)	
Consultants	(722,758)	Garden Communities Delivery
Planning Policy Fees	(150,000)	Development Plan Document
Agency Staff	880,613	EU Exit Funding
Vehicle maintenance and hire	236,488	Development Control (20% Fee income)
Disposal Charges for waste and recycling	113,844	Homelessness
Net of other expenditure variances	<u>(110,628)</u>	Citizen Access Project
	(3,620,375)	Economic Development
		Health Improvement
Income		Neighbourhood Grant
Housing Benefit Subsidy Income	2,446,462	Members New Homes Bonus Grant
MHCLG Funding for Garden Communities Delivery	(768,497)	S106
MHCLG Funding EU Exit	(153,846)	
MHCLG Funding Homelessness Support	(113,896)	
Trade Waste Income	(80,041)	
Car Park Income and Penalties	(78,517)	
Net of other income variances	<u>(372,868)</u>	Total Reserves Allocation
	878,797	1,930,196
Total Service Variance	<u>(2,741,578)</u>	Actual Service Variance
		<u>(811,382)</u>

Housing Revenue Account (HRA) Reserves

The HRA is governed by the 30 year Business Plan, approved and overseen by the Council's Housing Board. The Business Plan sets out priorities for improving existing housing stock and identifies sites for redevelopment and new-build council housing.

The HRA shows a reduction in total reserves of £2.022 million which has been used to fund the capital housing programme, for new homes, sheltered housing and maintenance of the existing housing stock.

£'000	31 March 2018	31 March 2019	Net Increase/ (Decrease)
Useable Reserves (available to spend)	4,853	2,540	(2,313)
Ringfenced Reserves (set aside for specific uses)	524	489	(35)
	5,377	3,029	(2,348)
Major Repairs Reserve	147	473	326
TOTAL RESERVES	5,524	3,502	(2,022)

The above reserves table excludes the surplus of £14k which is approved at Cabinet.

Housing Revenue Account Income and Expenditure

The operating deficit of £701,000 is the net effect of reduced rental income, increased cost of housing repairs and actual adjustments to the bad debt provision and depreciation.

£'000	Budget	Outturn	Variance
Income	(15,402)	(15,279)	123
Expenditure	4,204	4,509	305
Corporate Items	10,552	10,825	273
Operating (Surplus)/Deficit	(646)	55	701
Funding from Capital Receipts Reserve for HRA Loan	(413)	(413)	0
Funding of Capital Projects from the HRA	5,779	2,692	(3,087)
Transfers (to)/from reserves	(4,720)	(2,348)	2,372
(Surplus)/Deficit	0	(14)	(14)

The key variances in the Housing Revenue account relate to the following items:

Service Delivery

- Income reduction on housing rents of £209,000 which was offset by increased charges for services and facilities based on actual costs incurred.
- Housing repairs had a net increase of £281,000

Corporate Costs

- A decrease in the provision for rental income generating a reduced revenue contribution of £100,000
- The depreciation charge increased and this has increased the required contribution to the Major Repairs Reserve. The calculation for this is based on the valuation of the housing stock

Capital Programme

The budget allocated for 2018/19 was £20.091 million with total capital expenditure of £9.240 million and after allowing for capital slippage of £11.034 million, to be carried forward to future years projects, this left an overspend of £183,000.

£'000	Budget	2018/19 Slippage	Revised Budget	Outturn	Variance - Actual (under)/over spend
General Fund	9,739	7,948	1,791	1,115	(676)
Housing Revenue Account	10,352	3,086	7,266	8,125	859
Total Capital Expenditure	20,091	11,034	9,057	9,240	183

The key areas of requested slippage are detailed in the table below.

£'000	2018/19 Slippage
General Fund	
New Depot Site	4,563
Vehicle Replacement	2,174
Superfast Broadband	600
Other minor items of slippage	611
HRA	
The Moors	759
Walden Place	787
Hatherley Court	482
Other minor items of slippage	1,058
Total Capital Expenditure	11,034

The Capital Programme is funded by a variety of sources and the following table shows how this was funded in 2018/19.

£'000		
Sources of Financing	General Fund	Housing Revenue Account
Revenue Contribution	592	699
Grants and Contributions	97	965
Reserves Funding	178	2,313
Internal Borrowing	249	0
Right to Buy Receipts	0	499
Capital Receipts	0	3,648
	1,116	8,124
Total Financing requirement		9,240

Treasury Management

Treasury Management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

The Council holds significant invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Council's investment balances ranged between £7.5 million and £22.5 million due to timing differences between income and expenditure. The average interest rate achieved for the year was 0.45%

At 31 March 2019 the Council held £116 million of loans, a decrease of £4 million from 31 March 2018, as part of its strategy for funding previous and current years' capital programmes and investments. The average interest rate for long term borrowing was 2.82% and 0.75% for short term borrowing.

The long-term borrowing of £97 million relates to:

- The major reform of the Housing Revenue Account self-financing arrangements in 2012. The Council purchased the housing stock for £88.4 million with no repayments for five years. The HRA started making principal repayments of £2 million per annum in 2017/18; the current balance of the outstanding borrowing is £84.4 million.

- On 3 July 2017 the Council entered into a loan agreement with Phoenix Life Limited to borrow £37 million at a fixed rate of 2.86% over 40 years, with no principal repayments until 5 January 2022 to fund part of the investment of £47.25 million in Aspire (CRP) Ltd. The loan profile was set to be drawn down in three separate stages:
 - £10 million on 3 July 2017
 - £12 million on 3 July 2020
 - £15 million on 3 July 2021

The Council entered into the forward starting loans to provide a low risk approach which minimised future interest rate risk whilst maximising investment returns. A measured approach was taken to the borrowing profile to fund the investment making it possible to drawdown the funding in stages and take advantage of inter authority borrowing for short periods of time at an average interest rate of 0.75% where our cash balances were insufficient. Due to the Council's predicted future cash flows the total investment did not need to be borrowed externally and the Council will continue to fund the remaining £10.25 million from internal cash balances and short term borrowing from other local authorities.

The principal repayment was deferred until January 2022 to allow for further investment focusing on future development of the Park and increase income returns.

Employee Pension Scheme

The accounts show an updated view of the Council's share of the assets and liabilities of the Pension Fund, administered by Essex County Council. An independent body, Barnet and Waddington, has carried out an expense calculation and provided a report on the financial performance of the fund. The report has been prepared in accordance with International Accounting Standard 19.

The Council's estimated pension deficit is £30.787million as at 31 March 2019; this is an in-year reduction of the liability of £3.959million.

An actuarial valuation is carried out every three years to set the contribution levels for the pension deficit. The last valuation was carried out in March 2016 and Essex County Council provides a breakdown of the required payments to offset the deficit. This includes various payment options and the Council took the option of paying a discounted three year upfront payment of £1.177million. The Council also paid an in-year pension contribution rate of 16.8% for all employees that are in the pension scheme. The annual contributions made for 2018/19 were £1.468million from employers and £0.599million from employees.

Performance indicators

Key performance indicators are set annually to monitor service performance. A summary of the key indicators are listed below and full details of the Council's performance was presented to the Governance, Audit and Performance Committee on 30 May 2019. The full report can be found at [Governance Audit and Performance Committee 30.05.19](#)

Income Collected as a % of amount due		
	2017/18	2018/19
Council Tax	99.17	99.17
Business Rates	99.47	98.85
Rent Collected	98.24	98.57
Local Council Tax Support Contributions	87.52	89.44

Key Performance Indicators for Services		
	2017/18	2018/19
Domestic bins collected on first visit	99.88%	99.92%
Domestic waste collected that is recycled/composted	50.65%	49.69%
Customer enquiries dealt with at first point of contact	N/A	87%
Supplier invoices paid within 30 days	93.68%	99.00%
Average number of days to pay supplier invoices	12.9	8.1
Accuracy of processing Housing Benefits claims	99.55%	98.71%
Average number of days to process new Housing Benefit claims	21.2	20.5
Average number of days to process a change of circumstances	6.0	5.7

Financial Statements and what they mean

Movement in Reserves Statement (page 16)

This statement shows the movement in the year on the different reserves held by the Council, analysed into Usable Reserves (those that can be used to fund expenditure) and Unusable Reserves (those held to manage the accounting process). The (surplus)/deficit on the Provision of Services line shows the true economic cost of providing the Council's services, details of which are shown in the Comprehensive Income and Expenditure Statement. Adjustments between the accounting basis of measuring cost and the statutory basis are shown, to derive a net increase/decrease in usable and unusable reserves.

Comprehensive Income and Expenditure Statement (page 18)

This statement shows the cost of providing services in accordance with accounting rules, rather than the statutory amounts to be funded from taxation. Expenditure is categorised under standard headings that differ from the actual operational structure of the Council.

Balance Sheet (page 19)

This statement is fundamental to the understanding of the Council's financial position at the year-end. It shows the value as at 31 March of the Council's assets and liabilities. The Council's net assets (i.e. assets less liabilities) are matched by reserves held by the Council, analysed between Usable Reserves (available to fund expenditure) and Unusable Reserves (held to manage accounting items, not available to spend).

Cash Flow Statement (page 20)

This statement shows the changes in the cash flow position of the Council during the financial year, and sets out the sources of funds and what they are spent on.

Group Accounts (page 1-14)

These statements and notes show the consolidated position of the Council with its wholly owned company trading as 'Aspire Ltd'.

Notes to the Core Financial Statements (page 21)

These notes provide additional supporting information to the figures included within the core financial statements.

Housing Revenue Account (HRA) Comprehensive Income and Expenditure Account (page 94)

The HRA fulfils the statutory requirement to maintain a separate ring-fenced revenue account for local authority social housing provision. This statement shows in more detail the income and expenditure on HRA services included as a one line summary in the Comprehensive Income and Expenditure Account.

Collection Fund (page 100)

This shows the transactions of the Council as a billing authority relating to Council Tax and Business Rates, and shows the distribution of this income between Central Government and local preceptors Essex County Council, Essex Fire Authority, Essex Police and Crime Commissioner and Town and Parish Councils. The Police and Crime Commissioner, Town and Parishes are preceptors for Council Tax only.

Principal Risks and Uncertainties

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

- Depreciation and amortisation are provided for Property, Plant and Equipment and Intangible Assets respectively. This enables the assets to be written down over their estimated useful lives and show an appropriate cost of the asset in the Comprehensive Income and Expenditure Statement. Management judgements are based on independent external advice to determine the useful economic lives of the Council's property.
- Property, Plant and Equipment are reviewed for both economic and price impairment on an annual basis. As at 1 April each year the Council's valuers carry out a valuation review of the Council's assets. In addition a year-end impairment review is also undertaken. The recoverable amount is then estimated having regard to the application of the concept of materiality.
- Pension liability estimation of future payments due depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase in the long term, changes in retirement ages, mortality rates and expected returns on pension fund assets. These judgements are completed by the Essex County Council Fund Actuaries.
- Business Rate appeals recognised in the provision are based on a calculation provided by our external valuers Analyse Local. This determines the likely effect of appeals in terms of effect on rateable value (RV), the timing of the losses expected and the overall percentage reduction in RV. Whilst the figure provided in the accounts is expected to be materially accurate a small variance in actual appeal costs incurred may arise.

Audit of the Accounts

The final accounts will be published following completion of the audit by the External Auditor, BDO LLP, 16 The Havens, Ransomes Europark, Ipswich IP3 9SJ.

Further Information

The Council produces a detailed Budget Book, which sets out the financial plans for the following financial year. A copy of this may be obtained by contacting Angela Knight, Assistant Director – Resources, at Uttlesford District Council, Council Offices London Road, Saffron Walden, CB11 4ER. Email aknight@uttlesford.gov.uk

For more information visit our website. <https://www.uttlesford.gov.uk/finance>

Adrian Webb

Director of Finance and Corporate Services

Section 151 Officer