



## **South Cambridgeshire District Council**

### **Statement of Accounts 2025-26**

Please note that figures are rounded to the nearest thousand (where applicable) throughout the document and may not sum due to rounding.

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## 1. Introduction

This report has been compiled to provide a summary of the development and performance of the Council over the financial year, outline planned future developments in service delivery including revenue and capital investment plans and to provide assistance in understanding the financial statements and the Council's financial position.

## 2. Our Vision for South Cambridgeshire

Our vision is for a fairer, kinder, and greener South Cambridgeshire, where all residents will be equal partners in their communities.

We aspire to create a better district to the benefit of everyone in our communities. We recognise the many challenges that face the district and will continue to work to overcome these to help realise its full potential.

## 3. Our Priorities

- Healthy and supported communities
- Sustainable homes and vibrant places
- Being green to our core
- Helping businesses to thrive in South Cambridgeshire
- Financially secure and fit for the future

South Cambridgeshire is a vibrant rural district of 350 square miles surrounding Cambridge City. We are home to world-leading centres of science and technology such as Granta Park, the Babraham Institute and the Genome Campus at Hinxtton. In addition to hosting some of the most renowned science parks, we are home over 8,000 businesses, the majority of whom are small to medium enterprises.

Although we are home to some of England's oldest villages, we are also developing exciting new towns such as Cambourne, Northstowe and Waterbeach. Based on our latest housing trajectory, it is anticipated that 23,980 dwellings will have been completed in Greater Cambridge (the city of Cambridge and South Cambridgeshire) between April 2011 to March 2026. This brings with it the environmental and housing-based pressures associated with one of the fastest growing areas of the UK.

The district is largely rural with most of the population of around 162,000 living in small, relatively isolated, outlying rural settlements, and with larger settlements situated on strategic routes into Cambridge such as Histon, Milton and Cambourne, along with developments on the edge of Cambridge - such as Orchard Park and Trumpington Meadows.

Between the last two censuses (held in 2011 and 2021), the population of South Cambridgeshire increased by 9%, from around 148,800 in 2011. This compares with an 8.3% population increase for the whole of the East of England and a 6.6% increase for England. According to Cambridgeshire County Council's population forecasts, the population of South Cambridgeshire is projected to grow to 222,345 by 2041.

As per the 2021 census, the number of people aged between 65 to 74 years rose by around 3,400 (an increase of 26.2%), while the number of residents between 20 and 24 years fell by around 850 (a 12.0% decrease). The average (median) age of South Cambridgeshire residents increased by one year, from 41 to 42 years of age.

Of South Cambridgeshire households, 68.9% owned their home in 2021, down from 70.3% in 2011. In 2021, 14% rented privately, compared with 12% in 2011. The percentage of South Cambridgeshire households that lived in a socially rented property increased from 14.3% to 14.5%.

Overall, South Cambridgeshire is a prosperous area with high levels of economic activity and low levels of unemployment. The district forms part of the Cambridge Sub-Region. The district is a key contributor to the growth that makes Greater Cambridge a major driver of UK economic prosperity, competing for inward investment on a global stage with areas such as Massachusetts, California, Europe and the Far East.

## 4. South Cambridgeshire District Council Plan 2025-2030

The Corporate Plan 2025-2030 is the document that sets out the Council's vision and strategic objectives, providing the context for the agreement of financial strategies and subsequent departmental budgets to deliver them. The Plan contains:

- Our Vision for the district;
- Five Strategic Objectives setting out how the Vision will be achieved, delivered through delivered through 20 key objectives.

Our Priority areas are as follows:

**Healthy and supported communities** - We want to create a district where people feel safe, supported, and confident in their communities. Together, we'll focus on what delivers for residents, enabling healthier, more independent lives for everyone.

**Sustainable homes and vibrant places** - Building environmentally sustainable places is fundamental to our work - helping people live near their work, shops, schools, leisure, and healthcare, with affordable and reliable public transport. High-quality, affordable housing in the right places is essential. We'll continue increasing our council housing stock and bringing empty homes back into use to ensure everyone has a place to call home.

**Being Green to our Core** - Being green is at the heart of everything we do. We're tackling the climate and ecological crises head-on, ensuring our district is ready for the challenges of climate change.

**Helping Businesses to thrive** - We will support local businesses as they start up and grow and as we transition towards a sustainable economy. Working with partners we are helping our residents develop the skills they need to take full advantage of local opportunities. Our area is already truly world leading and we will work to strengthen this position, whilst being mindful of the inequalities that exist and which access to work will go some way to address.

**Financially secure and fit for the future** - We will make it easier for residents to engage with our services and democratic processes. We will make smart financial decisions to safeguard our services for the future and invest in our staff to ensure they remain equipped to deliver for our district's needs. Tackling fraud and continuing to deliver good value for money are both essential to the continued sound financial management of the council.

Whilst the Corporate Plan sets out the Council's vision and priorities for the future, the detailed breakdown of how we intend to achieve this vision is set out in the Corporate Action Plan.

Each financial year the Council will create and adopt a new corporate action plan which details the planned actions, and monitoring arrangements for that year

## Performance and Plans

The following link, [Performance and Plans](#), provides information on the Council's KPI performance and corporate plan actions update for each quarter since 2018-19.

## 5. Political and Management Structure

South Cambridgeshire District Council was represented by a total of 45 Councillors. At 31<sup>st</sup> March 2026, the breakdown of councillors by political group was as follows:

Liberal Democrat	35
Conservative	9
Independent	1

The Council operates a Leader and Cabinet model of governance under which the Leader of the Council, elected by the whole Council to serve a four-year term of office, appoints a Cabinet of up to ten councillors, each of which are given a Portfolio to reflect a corporate priority. The Cabinet implements the strategic policy and budgetary framework agreed by all Councillors each February. It is held to account by the Scrutiny and Overview Committee which comprises of 14 members and met 10 times during the financial year.

The Council's Leadership Team is responsible for ensuring that the plans agreed by Council and Cabinet are delivered. At 31 March 2026, the Team consisted of the Chief Executive and Head of Paid Service (Liz Watts), supported by:

- Chief Operating Officer – Anne Ainsworth
- Head of Finance, Section 151 Officer – Farzana Ahmed
- Head of Transformation – Jeff Membery
- Head of Housing – Peter Campbell
- Director of Shared Planning (Joint with Cambridge City Council) – Stephen Kelly
- Head of Climate, Waste and Environment (Joint with Cambridge City Council) – Bode Esan
- Monitoring Officer – Nurainatta Katevu

The Council's three statutory officers were as follows:

- Head of Paid Service - Liz Watts
- Section 151 Officer – Farzana Ahmed
- Monitoring Officer – Nurainatta Katevu

The functions and areas of responsibility of the Statutory Officers are set out in Article 12 of the Constitution. This is recognised in our Code of Governance, which is reviewed regularly and published on our website.

## 6. Local Government Reorganisation (LGR)

In December 2024, the Government published the English Devolution White Paper setting out plans to replace two-tier council areas with unitary authorities. On 5 February 2025, the Secretary of State formally invited all councils in Cambridgeshire and Peterborough to develop proposals for

new unitary councils, to replace Cambridgeshire County Council, the five district and city councils (including this Council), and Peterborough City Council.

On 28 November 2025, four proposals for local government reorganisation were submitted to the Ministry of Housing, Communities and Local Government (MHCLG).

The Council, jointly with Cambridge City Council and East Cambridgeshire District Council, submitted a proposal (known as "Option B") for two new unitary councils:

- Greater Cambridge (serving approximately 322,000 people in Cambridge and South Cambridgeshire); and
- North Cambridgeshire and Peterborough (serving approximately 612,000 people in East Cambridgeshire, Fenland, Huntingdonshire and Peterborough).

Three other proposals were also submitted by other groups of councils. On 5 February 2026, MHCLG launched a statutory public consultation on all four proposals, running until 26 March 2026. The Government is expected to announce its final decision around July 2026, with shadow elections anticipated in 2027 and new councils formally coming into effect in April 2028.

## 7. Summary of Financial Performance

The financial year began with the setting of the budget in February 2025. The following sections describe the actual performance against this budget. The Council incurs both revenue and capital expenditure. The revenue account, known as the General Fund, bears the cost of providing day to day services. The capital account shows the net cost of transactions to buy or sell land, property or other assets, build new property, make improvements and provide grants or loans to other bodies to undertake this type of activity. The tables below show the outturn position and variances for the General Fund (services for the whole community) and the Housing Revenue Income and Expenditure Account (Council housing). The overall financial position of the Council is reflected in its Comprehensive Income & Expenditure Account and its Balance Sheet shown in these Statement of Accounts.

When the General Fund budget for the financial year ending 31 March 2026 was set in February 2025, the surplus was estimated at £3.469m (Appropriation to General Fund Balance line). The budget was revised to a surplus of £3.451m in the year. The actual outturn reported to cabinet was a surplus of £3.790m.

General Fund Summary	Revised Budget	Provisi- onal Reported Outturn	Actual Outturn	Actual v/s Provisi- onal Outturn	Actual Outturn v/s Revised Budget
	2025/26	2025/26	2025/26	2025/26	2025/26
	£'000	£'000	£'000	£'000	£'000
<b>Net Expenditure</b>					
<b>Portfolio</b>					
Chief Executive	4,071	4,139	3,952	(187)	(119)
Head of Climate, Environment & Waste	10,183	9,403	9,160	(243)	(1,023)
Head of Finance	3,881	3,525	3,511	(14)	(370)
Monitoring Officer	127	94	94	0	(33)
Head of Housing	1,232	643	2,960	2,317	1,728
Director of Greater Cambridge Shared Planning	5,343	4,223	4,402	179	(941)
Head of Transformation, People & Corporate Services	4,384	4,900	5,079	179	695
<b>Operational Net Cost</b>	<b>29,220</b>	<b>26,927</b>	<b>29,158</b>	<b>2,231</b>	<b>(63)</b>
Income from Investments	(8,522)	(8,813)	(8,013)	800	509
Other Levies and Contributions	2,180	2,210	2,210	0	30
Interest Payable (Inc. HRA)	3,288	3,645	3,024	(621)	(264)
Accounting Reversals	1,524	2,200	(210)	(2,410)	(1,734)
Appropriation to/(from) Earmarked Reserves	3,513	4,690	4,690	0	1,177
<b>Net Operational Budgets</b>	<b>1,983</b>	<b>3,932</b>	<b>1,701</b>	<b>(2,231)</b>	<b>(282)</b>
<b>Total Expenditure</b>	<b>31,203</b>	<b>30,859</b>	<b>30,859</b>	<b>0</b>	<b>(345)</b>
Government Grants	(2,949)	(2,949)	(2,949)	0	0
Council Tax	(12,255)	(12,255)	(12,255)	0	0
Business Rates Income	(14,064)	(14,041)	(14,041)	0	23
Business Rates Pool Gain	(2,019)	(2,038)	(2,038)	0	(19)
Business Rates Collection Fund (Surplus) / Deficit	(3,401)	(3,401)	(3,401)	0	0
Council Tax - Collection Fund (Surplus) / Deficit	35	35	35	0	0
<b>Income from Taxation and Government Grants</b>	<b>(34,653)</b>	<b>(34,649)</b>	<b>(34,649)</b>	<b>0</b>	<b>4</b>
<b>Appropriation (to)/from General Fund</b>	<b>(3,451)</b>	<b>(3,790)</b>	<b>(3,790)</b>	<b>0</b>	<b>(341)</b>

The table above shows the variances against the revised 2025/26 budget for the General Fund with an overall variance of £341,000.

## Head of Climate, Environment and Waste

The Domestic Collection Service generated higher-than-anticipated income from multiple sources. The recycling market recovered in quarter 4 following an earlier downturn, resulting in an additional income from the sale of recycled materials. In addition there was lower than expected operational costs within the waste service, including salaries, fuel, electricity, vehicle maintenance, and equipment purchases.

There were also underspends relating to lower-than-expected expenditure on the introduction of the weekly food waste collection service. All transitional costs are being funded from the Department for Environment, Food & Rural Affairs (DEFRA) grant currently held in earmarked reserves.

## Director of Greater Cambridge Shared Planning

The majority of the variance is attributable to additional income received above the revised budget, comprising from fees and charges and from planning performance agreement income.

A grant of £700,000 was received in March from the Ministry of Housing, Communities and Local Government (MHCLG) to support the Cambridge Shared Evidence Base. This funding relates primarily to site-specific work (including Cambourne) and neutral evidence studies, such as community infrastructure and healthcare.

## Head of Housing

The variance is due to the change in the classification of grant monies from capital grant.

## Head of Transformation, People & Corporate Services

The budget primarily supports a central, strategic function focused on modernising and improving how the organisation operates and delivers services to residents.

A review of ICT expenditure identified elements that did not meet capitalisation criteria; these have therefore been reclassified as revenue expenditure. Additionally, costs relating to the migration of the Eastnet internet service to a new provider has been treated as Revenue Expenditure Funded from Capital (REFCUS), as it does not result in the creation of a Council asset, although it is capital in nature.

## Other

Investment income was higher than anticipated driven by the elevated interest rate environment in the final quarter of 2025/26.

Business rates income remains inherently difficult to forecast with precision and is therefore estimated at the beginning of the year for the General Fund. For 2025/26, the Business Rates levy payable to the Pool Account was £1.13m higher than anticipated in the revised budget. It is important to note that the levy is calculated and paid on an actual basis. At the financial year-end, actual income and expenditure are reconciled with the estimates, with any resulting surplus or deficit carried forward for distribution or recovery in the subsequent year

Overall there was no change in the outturn position to the General Fund, reserves stood at £23.721m at 31 March 2026, (see movement on General Fund statement).

## Housing Revenue Account

The Housing Revenue Account (HRA) summarises the transactions relating to the provision, management and maintenance of Council houses and flats. Although this account is also included within the core financial statements it represents such a significant proportion of the services provided by the Council that it is a requirement that it has a separate account. The account has to be self-financing and there is a prohibition on cross subsidising to or from the council tax payer. The HRA statement and notes are included after the main statement notes.

Housing Revenue Account	Revised Budget	Provisional Reported Outturn	Actual Outturn	Actual v/s Provisional Outturn	Actual Outturn v/s Revised Budget
	2025/26	2025/26	2025/26	2025/26	2025/26
	£'000	£'000	£'000	£'000	£'000
Housing Management	9,414	9,046	8,951	(95)	(463)
Housing Repairs	8,525	6,727	6,731	4	(1,794)
Depreciation	7,867	8,132	8,137	5	270
Interest Payable	8,308	8,352	8,352	0	44
Capital Expenditure Funded from Revenue	17,453	13,177	13,186	9	(4,267)
Other Items	475	589	602	13	127
<b>Gross Expenditure</b>	<b>52,042</b>	<b>46,023</b>	<b>45,959</b>	<b>(64)</b>	<b>(6,083)</b>
Rents	(40,409)	(40,486)	(40,486)	0	(77)
Charges for services and facilities	(1,366)	(1,498)	(1,498)	0	(132)
Interest on Balances	(565)	(801)	(802)	(1)	(237)
Contributions towards expenditure	(583)	(611)	(588)	23	(5)
<b>Gross Income</b>	<b>(42,923)</b>	<b>(43,396)</b>	<b>(43,374)</b>	<b>22</b>	<b>(451)</b>
<b>Transfer from Earmarked Reserve</b>	<b>(8,500)</b>	<b>(2,000)</b>	<b>(2,000)</b>	<b>0</b>	<b>6,500</b>
<b>Amount (to)/from HRA Balance</b>	<b>619</b>	<b>627</b>	<b>585</b>	<b>(42)</b>	<b>(34)</b>

The table above shows the variances against the revised 2025/26 budget for the HRA with an overall variance of £34,000.

### Repairs

Routine property repairs are charged to the revenue account and are difficult to estimate accurately. The underspend in Planned Repairs and Maintenance was primarily driven by Damp and Mould surveys (£0.2m), where delivery was brought in-house towards the end of the year, reducing contractor costs. Further underspends were reported in Electrical Surveys and Asbestos Surveys. In addition, the Smoke Alarm replacement programme was underspent, as the significant volume of alarms replaced in previous years reduced the activity required in this year.

The underspend in Responsive Repairs and Maintenance reflects a lower than anticipated demand for general repairs. A more targeted planned maintenance programme contributed to this reduction, alongside a higher proportion of works being covered under the Price Per Property arrangement within the Mears contract

A further underspend arose from a backlog of works on void properties between tenancies. An increase in properties being returned in poor condition required additional contractors to be engaged

to meet demand. However, delays associated with procurement requirements contributed to the backlog and slowed progress in completing the works

Transfers from earmarked reserves totalled £2.0m, compared to the revised budget of £8.5m.

Capital Expenditure Funded from Revenue - This reflects lower Revenue Funding of Capital Expenditure (£4.3m below budget) and reduced Repairs and Maintenance costs (£1.8m below budget).

Overall the outturn position generated a deficit of £0.585m, compared to a forecast deficit of £0.619m. As a result, the General HRA reserve decreased by £0.585m, from £4.129m to £3.544m. (see movement on HRA statement)

## Capital

Capital expenditure produces assets capable of providing benefits to the community for several years to come. Total expenditure for the year amounted to £82.583m (including revenue expenditure funded from capital (REFCUS)).

The programme included £1.619m investment for the Waterbeach Renewable Energy Network (WREN), £8.577m spent on civic and community buildings at Northstowe, £1.809m to support the development of 256 new low-carbon homes delivered through the Council's investment partnership, South Cambridgeshire Investment Partnership (SCIP), £0.326m on the introduction of the food waste collection and £66.062m being invested through the HRA in the Council's own housing stock and new build initiatives.

## Treasury Management

At 31 March 2026, investments (including those classed as cash equivalents) totalled £149.770m. These are shown on the Balance Sheet as follows, long term investments £138.240m, and cash and cash equivalents £11.530m. These investments produced interest of £6.943m, which was used towards the cost of services.

The Council has debt of £312.123m of which £262.123m was in respect of funding Housing Revenue Account assets. The HRA has long term borrowing of £258.123m with short term borrowing of £4.0m. The General Fund has short term borrowing of £50.0m.

## Balances and Reserves

The balances on the General Fund and the Housing Revenue Account were £23.721m and £3.544m respectively as at 31 March 2026 (excluding earmarked reserves). This compares to the proposed minimum level of balances of £2.5m (General Fund) and £3.5m (Housing Revenue Account). These will be used to meet the cost of services in future years and/or to control any increases in council tax/rents.

Reserves available for capital expenditure stood at £28.916m, consisting of the usable capital receipts reserve, capital grants unapplied and major repairs reserve.

## Council Tax

The Council collects the Council Tax from residents for a number of preceptors including itself and passes the amounts in line with agreed precepts onwards. The preceptors who the Council collect on behalf of are shown in the Collection Fund Statement on page 60.

The Council Tax set by the Council is substantially below the average charged by other shire districts because in the past the Council used a proportion of its reserves to reduce the amount of Council Tax residents would have to pay. Without the use of reserves, the Council Tax would be at its higher, underlying level. The gap is now constant due to applying the maximum £5 increase allowed under the Council Tax capping arrangements since 2017.

## Reporting Cycle

The General Fund and Housing Revenue Account budgets are presented to Cabinet and Council for approval every year, in February, and are published on the Council website.

During the year, expenditure and income is monitored and significant variances reported to Cabinet. The Council's Forward Plan providing information on key reports is published on the Council's website.

The Council's Scrutiny and Overview Committee and Cabinet regularly monitors performance against key performance indicators. This information and the Corporate Plan 2025 to 2030 is available on the Council's website.

## The Current Economic Climate and Other Significant Risks

The council continues to face a challenging and uncertain financial environment. Funding reforms, changes to the local government finance system, inflationary pressures, increasing service demand and wider economic uncertainty all present significant risks to the Council's medium-term financial position. The Council's Medium Term Financial Strategy is therefore identified within the Corporate Risk Register as a significant strategic risk, reflecting the uncertainty surrounding future funding levels, demand-led expenditure and the wider economic climate.

Although inflation has reduced significantly from the peak levels experienced following the COVID-19 pandemic, it remains above the Bank of England's long-term target and continues to exert additional pressures for local authorities through higher operating costs for the delivery of frontline services. At the same time, ongoing cost of living pressures continue to affect residents and businesses, contributing to sustained demand for housing, homelessness prevention, benefits administration and other support services.

While inflation moderated during 2025/26 compared with the peak levels experienced in 2022 and 2023, price increases remained above the Bank of England's long-term target and costs across many areas of local government expenditure continued to be materially higher than pre-pandemic levels. Demand for support services also remained elevated as some residents continued to experience financial hardship

In addition to wider economic uncertainty, the Council faces risks associated with local government funding reform, changes to business rates retention arrangements, increasing demand-led service pressures, and the need to deliver ambitious capital and environmental programmes. The Medium Term Financial Strategy therefore adopts prudent assumptions and maintains appropriate reserves to help ensure the Council remains financially resilient and able to respond to emerging risks while continuing to deliver its strategic priorities.

Demand for homelessness prevention and housing support services continues to place considerable pressure on Council resources. The Homelessness Reduction Act 2017 increased the duties owed to households at risk of homelessness, and ongoing affordability pressures within the housing market have contributed to higher levels of demand for advice, prevention activity and temporary accommodation

## Affordable Housing

Following the Housing Revenue Account self-financing debt settlement at the end of March 2012, the Council has established a new build development programme. In 2025/26 construction was completed on 129 new homes, with the new build programme continuing into 2026/27. In addition, seven homes were acquired under the Local Authority Fund Acquisition scheme to provide additional temporary accommodation and housing for Afghan refugees, with approximately 40% of the scheme funded by Central Government. The properties, in the longer term, will form part of the Councils general needs stock.

## Ermine Street Housing

In November 2012 approval was given by Council to set up a subsidiary housing company, registered as South Cambs Ltd and trading as Ermine Street Housing with a principal activity being the management of both purchased and leased properties for the purpose of residential lettings.

The link [Ermine Street Housing](#) opens the website for this company which provides information about its services.

Ermine Street Housing has a portfolio of both owned and leased market housing stock, with a portfolio, as at 31 March 2026 of 191 leased properties and 523 properties acquired for rental across Cambridgeshire, Suffolk, Northamptonshire, Leicestershire, Nottinghamshire and Leeds. During the year, the company acquired one property designated for single-occupancy accommodation and disposed of three properties. Ermine Street reports annually to the council through its business case updates.

As an independent but wholly owned subsidiary and in accordance with proper practices as set out in the Chartered Institute of Public Finance and Accountancy Code of Practice, the Council has prepared group accounts to show the overall financial position and results of the District Council.

## Greater Cambridge Partnership (formerly known as the Greater Cambridge City Deal)

The Greater Cambridge Partnership (GCP) is a partnership between local government, business and academia, comprising Cambridge City Council, South Cambridgeshire District Council, Cambridgeshire County Council, the University of Cambridge and business representatives. The Partnership was established through the Greater Cambridge City Deal agreed with Government and is responsible for delivering a long-term programme of investment in infrastructure, transport, housing, skills and innovation to support sustainable economic growth and quality of life across Greater Cambridge.

Greater Cambridge is a thriving and globally significant city region, recognised for its world-leading strengths in research, innovation and technology. The area hosts the UK's leading technology cluster and is an international centre for life sciences, advanced technologies and knowledge-intensive industries. Its success has been driven by close collaboration between businesses, entrepreneurs, the University of Cambridge and research institutions.

Continued economic growth and the area's attractiveness as a place to live and work have placed increasing pressure on housing, transport infrastructure and skills provision. Addressing these challenges remains critical to supporting sustainable growth, improving quality of life and maintaining Greater Cambridge's international competitiveness.

Through the Greater Cambridge Partnership (GCP), local and national partners have secured significant Government investment to deliver improvements in transport, support housing delivery, enhance skills provision and foster innovation. The Partnership continues to invest in infrastructure and services that support the long-term growth of Greater Cambridge, focusing on transport, housing, skills and the innovation economy.

## Cambridgeshire and Peterborough Combined Authority

The Cambridgeshire and Peterborough Combined Authority (CPCA) was formally established in March 2017 following a devolution deal with Government. The deal provided significant powers and funding to support economic growth across Cambridgeshire and Peterborough, including a £600m investment fund over 30 years (equivalent to £20m per year), alongside additional funding for housing, transport, skills and infrastructure.

The Combined Authority comprises the seven local councils across Cambridgeshire and Peterborough and is led by a directly elected Mayor. South Cambridgeshire District Council is represented on the Combined Authority Board by its Leader. During the 2025/26 financial year, Councillor Bridget Smith represented South Cambridgeshire District Council on the Combined Authority.

.....  
Farzana Ahmed  
Head of Finance, Section 151 Officer  
Date: 30/06/2026

# The Statement of Responsibilities

## The Authority's Responsibilities

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority, that officer is the Head of Finance (Section 151 Officer).
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the Statement of Accounts.

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## Councillor Vince Farrar

Chairman of the Audit and Corporate Governance Committee

## Head of Finance, Section 151 Officer's Responsibilities

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

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

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Section 151 Officer has also:

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

The Statement of Accounts presents a true and fair view of the financial position of the Authority at 31 March 2026 and its income and expenditure for the year then ended.

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Farzana Ahmed

Head of Finance, Section 151 Officer

# Comprehensive Income and Expenditure Statement

This statement shows the accounting cost in the year of providing service in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Councils raise taxation to cover expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2024/25				2025/26		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£000	£000	£000	Note	£000	£000	£000
			<b>Continuing Operations</b>			
4,902	(708)	4,194	Chief Executive	6,212	(613)	5,599
21,583	(11,826)	9,757	Head of Climate, Waste & Environment	22,278	(16,094)	6,184
23,198	(20,099)	3,099	Head of Finance	19,676	(16,525)	3,151
93	0	93	Monitoring Officer	94	0	94
7,135	(5,008)	2,127	Head of Housing	6,062	(4,320)	1,742
12,058	(9,065)	2,993	Director of Greater Cambridge Shared Planning	14,556	(10,944)	3,612
7,533	(1,840)	5,693	Head of Transformation, People & Corporate Services	3,434	(1,628)	1,806
30,649	(40,176)	(9,527)	Housing Revenue Account	40,037	(42,044)	(2,007)
<b>107,151</b>	<b>(88,722)</b>	<b>18,429</b>	<b>Net Cost of Services</b>	<b>112,349</b>	<b>(92,168)</b>	<b>20,181</b>
10,080	(4,638)	5,442	Other Operating Expenditure and Income	9,804	(2,711)	7,093
10,843	(9,534)	1,309	Financing and Investment Income and Expenditure	12,840	(9,316)	3,524
0	(54,121)	(54,121)	Taxation and Non-Specific Grant Income	0	(52,626)	(52,626)
<b>128,074</b>	<b>(157,015)</b>	<b>(28,941)</b>	<b>(Surplus) / Deficit on Provision of Services</b>	<b>134,993</b>	<b>(156,821)</b>	<b>(21,828)</b>
		(28,679)	(Surplus) / Deficit on Revaluation of Property Plant & Equipment			(6,533)
		25,464	Actuarial (Gains) / Losses on Pension Assets / Liabilities			(11,998)
		<b>(32,156)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(40,359)</b>

## Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and unusable reserves. The surplus or deficit on the provision of services line in the CIES shows the true economic cost of providing the authority's services. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Note	General Fund Balance	Earmarked Reserves (General Fund)	Housing Revenue Account	Earmarked Reserves (HRA)	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Unapplied	Total Usable Reserves	Total Unusable Reserves	Total Reserves
		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Movements in Reserves during 2024/25</b>											
Balance as at 01 April 2024		(19,979)	(31,363)	(2,988)	(9,500)	(3,279)	(21,103)	(907)	(89,122)	(494,577)	(583,699)
Adjustment for IFRS 16 at Transition										(424)	(424)
Total Comprehensive Income and Expenditure	CIES	(21,096)	0	(7,845)	0	0	0	0	(28,941)	(3,215)	(32,156)
Adjustment Between Accounting and Funding Basis Under Regulations	7	16,351	0	6,704	0	2,690	2,231	(8,669)	19,307	(19,307)	0
<b>(Increase) / Decrease in Year</b>		<b>(4,745)</b>	<b>0</b>	<b>(1,141)</b>	<b>0</b>	<b>2,690</b>	<b>2,231</b>	<b>(8,669)</b>	<b>(9,634)</b>	<b>(22,522)</b>	<b>(32,156)</b>
Transfer to Earmarked Reserves	8	4,793	(4,793)	0	0	0	0	0	0	0	0
<b>(Increase) / Decrease in Year</b>		<b>48</b>	<b>(4,793)</b>	<b>(1,141)</b>	<b>0</b>	<b>2,690</b>	<b>2,231</b>	<b>(8,669)</b>	<b>(9,634)</b>	<b>(22,522)</b>	<b>(32,156)</b>
<b>Balance as at 31 March 2025</b>	<b>B/S</b>	<b>(19,931)</b>	<b>(36,156)</b>	<b>(4,129)</b>	<b>(9,500)</b>	<b>(589)</b>	<b>(18,872)</b>	<b>(9,576)</b>	<b>(98,756)</b>	<b>(517,523)</b>	<b>(616,279)</b>
<b>Movement in reserves during 2025/26</b>											
Total Comprehensive Income and Expenditure	CIES	(21,261)	0	(567)	0	0	0	0	(21,828)	(18,531)	(40,359)
Adjustment Between Accounting and Funding Basis Under Regulations	7	12,781	0	3,152	0	63	234	(176)	16,054	(16,054)	0
<b>(Increase) / Decrease in Year</b>		<b>(8,480)</b>	<b>0</b>	<b>2,585</b>	<b>0</b>	<b>63</b>	<b>234</b>	<b>(176)</b>	<b>(5,774)</b>	<b>(34,585)</b>	<b>(40,359)</b>
Transfer from Earmarked Reserves	8	4,690	(4,690)	(2,000)	2,000	0	0	0	0	0	0
<b>(Increase) / Decrease in Year</b>		<b>(3,790)</b>	<b>(4,690)</b>	<b>585</b>	<b>2,000</b>	<b>63</b>	<b>234</b>	<b>(176)</b>	<b>(5,774)</b>	<b>(34,585)</b>	<b>(40,359)</b>
<b>Balance as at 31 March 2026</b>	<b>B/S</b>	<b>(23,721)</b>	<b>(40,846)</b>	<b>(3,544)</b>	<b>(7,500)</b>	<b>(526)</b>	<b>(18,638)</b>	<b>(9,752)</b>	<b>(104,530)</b>	<b>(552,108)</b>	<b>(656,638)</b>

# Balance Sheet

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

31 March 2025			31 March 2026
£000		Note	£000
753,549	Property, Plant & Equipment	12	815,364
54,510	Investment Properties	12a	53,717
582	Intangible Assets	36	522
137,354	Long Term Investments	13	138,240
747	Long Term Debtors	14	747
0	Pension Asset	32	0
<b>946,742</b>	<b>Total Long Term Assets</b>		<b>1,008,590</b>
4,160	Short Term Temporary Investments	13	0
282	Inventories	-	227
14,703	Debtors and Prepayments	16	16,448
17,605	Cash & Cash Equivalents	17	11,530
<b>36,750</b>	<b>Total Current Assets</b>		<b>28,205</b>
(40,516)	Short Term Creditors	18	(37,516)
(46,000)	Short Term Borrowing	15	(54,000)
(234)	Cash & Cash Equivalents	17	(1,494)
(5,499)	Provisions	19	(2,795)
(128)	Short term leases	31	(284)
<b>(92,377)</b>	<b>Total Current Liabilities</b>		<b>(96,089)</b>
(17,923)	Pensions Liability	32	(4,239)
(232,124)	Long Term Loans	13	(258,123)
(23,308)	Capital Grants Receipts in Advance	18a	(20,587)
(1,481)	Long term leases	31	(1,119)
<b>(274,836)</b>	<b>Total Long Term Liabilities</b>		<b>(284,068)</b>
<b>616,279</b>	<b>Net Assets</b>		<b>656,638</b>
(98,756)	Usable Reserves	MIRS	(104,530)
(517,523)	Unusable Reserves	MIRS/ 20	(552,108)
<b>(616,279)</b>	<b>Total Reserves</b>		<b>(656,638)</b>

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 Farzana Ahmed  
 Head of Finance, Section 151 Officer

## Cash Flow Statement

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

2024/25			2025/26
£000		Note	£000
<b>28,941</b>	<b>Net Surplus/(Deficit) on Provision of Services</b>	<b>CIES</b>	<b>21,828</b>
24,794	Adjustments to net surplus or deficit on the provision of services for non-cash movements	21	17,809
(12,577)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	21	(1,121)
<b>41,158</b>	<b>Net cash flows from Operating Activities</b>		<b>38,516</b>
(35,170)	Investing Activities	22	(36,262)
5,286	Financing Activities	23	(9,588)
<b>11,273</b>	<b>Net Increase or (Decrease) in cash and cash equivalents</b>		<b>(7,335)</b>
6,098	Cash and Cash Equivalents at the beginning of the reporting period	17	17,371
<b>17,371</b>	<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>17</b>	<b>10,036</b>

## 1 Accounting Policies

### 1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the relevant financial year and its position at the Balance Sheet date of 31 March. The Council is required to prepare an annual Statement of Accounts by the Accounts and Audit (England) Regulations 2015 (amended) in accordance with proper accounting practices. These practices comprise the Code of Practice on Local Authority Accounting in the United Kingdom (2025/26) and the Service Reporting Code of Practice (2025/26 Accounts) supported by International Financial Reporting Standards (IFRS).

The underlying concepts of the accounts include the:

- Council being a 'going concern' – all operations continuing
- Accrual of income and expenditure – placing items in the year in which the liability is incurred

The accounting statements are prepared with the objective of presenting a true and fair view of the financial position and transactions of the Council.

The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments. The accounting policies are reviewed on an annual basis to ensure that they are appropriate, compliant with accepted accounting practice and relevant to the Council's ongoing business activity.

### 1.2 Accruals of Income and Expenditure

The accounts of the Council are maintained on an accrual's basis, that is, sums due to the Council for goods/services provided or due from the Council for goods/services received during the year are included as income or expenditure whether or not the cash has actually been received or paid in the year. Any differences between the actual amounts and accrued amounts will be reflected in the accounts of the following year.

Exceptions to this principle relate, for example, to quarterly payments where payments are charged in the year rather than apportioning charges between financial years. This policy is consistently applied each year and, therefore, does not have a material effect on the year's accounts. Grants payable to other organisations are included in the accounts on a payment basis.

Where income and expenditure has been recognised in the accounts, but cash has not been received or paid, a debtor or creditor is recorded in the balance sheet. The Council adopted a policy of a £5,000 de-minimus level on all manual accruals (debtors and creditors) for 2025/26.

### 1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. They include deposits in constant Net Asset Value money market funds that are available for withdrawal with 24 hours' notice. Cash equivalents are highly liquid investments that mature in three months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

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

### 1.4 Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are charged with the following amounts to reflect the cost of holding non-current assets during the year:

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

Any depreciation, revaluation and impairment losses and amortisation charged to the relevant accounts is reversed out in the movement in reserves statement and transferred to the capital adjustment account so that these charges are not met by council tax or rents.

The provisions for charges to revenue for non-current assets in the HRA were amended on 1 April 2012 following the introduction of self-financing. There was an initial transitional period to 31 March 2018 where a notional charge in line with the major repairs allowance was used, but from 1<sup>st</sup> April 2018 a full depreciation charge equivalent to the whole capital adjustment transfer has to be made to the Housing Revenue Account.

The Authority is required to charge an annual provision to revenue as a contribution towards reducing its overall borrowing requirement. This provision, known as the Minimum Revenue Provision (MRP), is an amount calculated on a prudent basis determined by the Authority in accordance with statutory guidance. No minimum revenue provision is currently charged on the debt acquired in relation to Housing Revenue Account self-financing or borrowing used to finance capital expenditure on housing assets as these are outside the scope of the MRP regime.

### 1.5 Council Tax and Non-Domestic Rates

The Council as a billing authority acts as an agent, collecting council tax and non-domestic rates (NDR) on behalf of Cambridgeshire County Council and Cambridgeshire & Peterborough Police & Crime Commissioner (i.e. the major preceptors which also includes central government for NDR) and as principal, it collects council tax and NDR for itself. Billing authorities are required by statute to maintain a separate fund (known as the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

#### Accounting for Council Tax and NDR

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

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

## 1.6 Exceptional Items

Any material exceptional items are included within the cost of the relevant individual service or, if a degree of prominence is necessary in order to give a fair presentation of the accounts, separately identified on the face of the comprehensive income and expenditure account. Details of any such exceptional items are given in the explanatory notes.

## 1.7 Events After the Reporting Period

Events after the balance sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. There are two types of events:

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

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

## 1.8 Financial Instruments

### Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and carried at their amortised cost. Annual charges to the financing and investment section of the Income and Expenditure Account for interest are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective rate of interest is the rate that discounts estimated future cash payments over the life of the instrument to the fair value at which it was originally recognised.

The only financial liabilities for this Council are trade payables of short duration, measured at original or estimated invoice amount, and long-term borrowing which is shown in the balance sheet as the outstanding principal repayable with interest charged to the comprehensive income and expenditure account being the amount payable for the year in accordance with the loan agreement.

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund balance to be spread over future years. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to

the net charge required against the General Fund balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

### Financial Assets

Financial assets consist of:

- loans and receivables and
- available-for-sale assets – financial instruments

The financial assets applicable to this Council are loans and receivables which have the defining characteristics of fixed and determinable payments and are not quoted in an active market and, equity shares in the Local Capital Finance Company (Municipal Bond Agency) with no quoted market prices.

Loans and receivables are recognised on the balance sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently carried at amortised cost. Annual credits to the financing and investment section of the comprehensive income and expenditure account for interest are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the loans and receivables owed to the Council, the amount shown in the balance sheet is the outstanding principal or invoice amount receivable and interest credited to the comprehensive income and expenditure account is the amount receivable for the year in the loan agreement.

## 1.9 Government Grants and Contributions

Government grants and other contributions and donations are recognised as due to the Authority when there is a reasonable assurance that:

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

Amounts recognised as due to the Authority are not credited to the comprehensive income and expenditure statement until such conditions (as distinct from a restriction) attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor, i.e. if the grant or contribution is not used as intended, then it has to be repaid.

Restrictions are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential are required to be returned to the transferor if not deployed as specified. The key difference between a condition and a restriction is that a condition requires the grant funder or donor to have a right to the return of their monies or the donated asset (or similar equivalent compensation).

Monies advanced as grants and contributions for which conditions have not been satisfied are carried in the balance sheet as creditors (receipts in advance). When conditions are satisfied, the grant or contribution is credited to the relevant service (attributable revenue grants and contributions) or to the taxation and non-specific grant income section (non-ring-fenced revenue grants and all capital grants) in the comprehensive income and expenditure statement.

When the conditions of a grant have been met and it has been reflected as income in the comprehensive income and expenditure statement, the Council still has discretion to carry the grant income forward through an earmarked reserve if it deems this appropriate. This could arise in cases

# Notes to the Statement of Accounts

where there is no condition on the timescale in which the grant can be spent, but it has not been spent at the year-end.

In relation to capital grants or contributions recognised as income in the comprehensive income and expenditure statement, where the expenditure has not been incurred at the balance sheet date, the grant recognised as income is transferred to the Usable Reserve (Capital Grants Unapplied Account) representing capital resources not yet utilised.

Where capital grants are credited to the comprehensive income and expenditure statement, they are

- to the capital grants unapplied reserve if the grant has yet to be used to finance capital expenditure or
- to the capital adjustment account if the grant has been used to finance capital expenditure

Amounts in the capital grants unapplied reserve are transferred to the capital adjustment account when they are applied to fund capital expenditure.

## 1.10 Employee Benefits

Short-term employee benefits (those that fall due wholly within 12 months of the year-end), such as wages and salaries, paid annual leave and paid sick leave, flexi-leave and time off in lieu for current employees, are recognised as an expense in the year in which employees render service to the Council. An accrual is made against services in the Surplus or Deficit on the Provision of Services for the cost of holiday entitlements and other forms of leave earned by employees but not taken before the year-end and which employees can carry forward into the next financial year. The accrual is made at the remuneration rates applicable in the following financial year. Any accrual made is required, under statute, to be reversed out of the General Fund or HRA Balance by a credit to the Accumulating Compensated Absences Adjustment Account in the Movement in Reserves Statement.

### Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy.

Termination benefits are charged to the appropriate service line in the Comprehensive Income and Expenditure Account when the council can demonstrate that it is committed to either terminating the employment of an officer or has made an offer of voluntary redundancy even if the officer has not left the council by 31 March.

### Post-Employment Benefits (Pensions)

Post-employment benefits are employee benefits (other than termination and short-term benefits) that are payable after the completion of employment.

Employees of the Authority are eligible to be members of the Local Government Pension Scheme, administered by Cambridgeshire County Council, which is accounted for as a defined benefit Scheme whereby:

- the Authority's share of the liabilities of the pension fund are included in the balance sheet on an actuarial basis using the projected unit cost method, that is, an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees based on assumptions about mortality rates, employee turnover rates, etc. and projections of earnings for current employee.

- these liabilities are then discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bonds.
- the Authority's share of the assets of the pension fund are included in the balance sheet at their fair value being.

Quoted securities	-	current bid price
Unquoted securities	-	professional estimate
Unitised securities	-	current bid price
Property	-	market value

The change in the net pension asset is analysed into seven components:

- current service cost being the increase in liabilities as a result of years of service earned in the current year where the cost is allocated in the comprehensive income and expenditure statement to the services for which the employees worked.
- past service cost being the increase or decrease in liabilities arising from decisions in the current year affecting liabilities incurred in past years where the cost is charged or credited to non-distributed costs in the comprehensive income and expenditure account.
- net interest on the net defined benefit liability (asset), that is, the net interest expense for the authority being the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged where the cost is charged to financing and investment income and expenditure in the comprehensive income and expenditure statement.
- expected return on assets being expected annual investment return on the fund assets, excluding amounts included in net interest on the defined benefit liability (asset), based on the average of the expected long term returns where the return is credited to the financing and investment section of the comprehensive income and expenditure statement. – is it the same as – charged to the pensions reserve as other comprehensive income and expenditure statement.
- gains or losses on settlements, being the result of actions to relieve the Authority of liabilities, and curtailments, being events that reduce the expected future service or accrual of benefits of employees, where the gain or losses are credited or charged to non-distributed costs in the comprehensive income and expenditure statement.
- actuarial gains and losses being changes in the net pensions liability that arises because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions where the gains and losses are credited or charged to the pensions reserve; and
- contributions paid to the pension fund in the year being the payments made by the Authority as employer, that is, cash paid as employer's contribution to the pension fund in settlement of liabilities; not accounted for as an expense.

The charges and credits to the comprehensive income and expenditure account mentioned above are reversed out in the movement in reserves statement to the pensions reserve and replaced with the contributions paid.

As at 31 March 2026, the fair value of plan assets were measured at greater than the present value of the defined benefit obligation, resulting in a net pension asset. The accounting standard interpretation IFRIC 14 restricts the amount of the net pension asset that can be recognised on the

balance sheet to the estimated economic benefit of the net asset arising from a reduction in future contributions, amending for any additional liabilities arising from past service contributions. This asset ceiling calculation has resulted in a credit value of £12.308m to £46.883m the Balance Sheet in the Defined Pension Assets and Liabilities - Note 32 (£59.191m in 2024-25).

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

- The liabilities of the LGPS attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e., an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of protected earnings for current employees.
- Liabilities are discounted to their value at current prices, using an appropriate discount rate (based on the indicative rate of return on high quality corporate bonds as identified by the actuary).

## Discretionary Benefits

The Authority also has powers to make discretionary awards of retirement benefits in the event of early retirement. Any liabilities estimated to arise as a result of an award to any employee are accrued in the year of the decision to make the award.

## 1.11 Leases

### The Council as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use.

The Code expands the scope of IFRS 16 Leases to include arrangements with nil consideration, peppercorn or nominal payments.

### Initial measurement

Leases are recognised as right-of-use assets with a corresponding liability at the date from which the leased asset is available for use (or the IFRS 16 transition date, if later). The leases are typically for fixed periods in excess of one year but may have extension options.

The Council initially recognises lease liabilities measured at the present value of lease payments, discounting by applying PWLB rates as at 1<sup>st</sup> April 2024 the interest rate implicit in the lease cannot be determined.

Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the authority is reasonably certain to exercise
- lease payments in an optional renewal period if the authority is reasonably certain to exercise an extension option

- penalties for early termination of a lease, unless the authority is reasonably certain not to terminate early.

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

### Subsequent measurement

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

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

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

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

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

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

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

### Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

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

### Lease expenditure

Expenditure in the Comprehensive Income and Expenditure Statement includes interest, straight line depreciation, any asset impairments and changes in variable lease payments not included in the measurement of the liability during the period in which the triggering event occurred. Lease payments

are debited against the liability. Rentals for leases of low-value items or shorter than 12 months are expensed.

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

## The Council as Lessor

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

## Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal, whilst an appropriate debtor balance is created to reflect the amount owed.

## Operating Leases

Where the Council grants an operating lease over a property (including those classified as Investment Property), an item of plant or equipment, the underlying asset remains recognised within the appropriate category in the Balance Sheet. Rental income from operating leases (including minimum lease payments from Investment Properties) is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease term. Contingent rents are recognised as income in the periods in which they are earned.

## 1.12 Overheads and Support Services

The costs of overheads and support services are charges to those services which benefit from the provision of the overheads and support services in accordance with the costing principles in the Service Reporting Code of Practice. The full cost of overheads and support services are charged out to users in proportion to the benefits received, with the exception of:

- Corporate and Democratic Core - costs relating to the Authority's status as a multi-functional, democratic organisation, and
- Non-distributed costs include pension costs, relating to past service costs and gains and losses on settlements and curtailments, and any depreciation and impairment are reversed out in the movement in reserves statement.

These two categories were defined in the Service Reporting Code of Practice and accounted for as separate headings in the Comprehensive Income and Expenditure Statement; they are now reported in line with the management reporting structure of the Council in accordance with the Expenditure and Funding Analysis in the revised Code of Practice.

## 1.13 Intangible Assets

Expenditure, on an accrual's basis, for assets that do not have physical substance but are identifiable and controlled by the Council (e.g. software licences) are capitalised where they will bring benefit for more than one year. The balance is amortised (charged) to the relevant service revenue account over the economic life of the investment to reflect the pattern of consumption of benefits.

## 1.14 Property, Plant and Equipment

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

### Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accrual's basis, provided that it is probable that the future economic benefits or service potential associated with the asset will flow to the Authority and the cost of the asset can be measured reliably. Expenditure that maintains but does not add to the asset's potential to deliver future economic benefits or service potential, i.e. repairs and maintenance, is charged as an expense when it is incurred.

### Measurement

Assets are initially measured at cost, comprising the purchase price and any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Authority.

Assets are then carried in the balance sheet using the following measurement bases:

- Infrastructure, community assets- historical cost.
- Assets under construction- historical cost.
- Dwellings- fair value, determined using the basis of existing use value for social housing.
- Investment property- fair value.
- Assets held for sale- current value.
- Non-commercial assets held for sale- lower of carrying amount and fair value less costs to sell.
- Non-property assets that have short useful lives and/or low values- depreciated historical cost basis is used as a proxy for fair value, and
- All other assets- fair value, which for this purpose is interpreted as being met by provision of a market value figure which will reflect all potential uses.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Assets included in the balance sheet at fair value and market values are revalued sufficiently regularly (at least every five years) to ensure that their carrying amount is not materially different from their fair value at the year-end. Valuations are undertaken by a professionally qualified valuer and also carry out a material change review at year end to ensure revaluations are kept up to date. Revaluations also take place when there has been a significant change to the asset (e.g. major building works).

With effect from 1 April 2025 the council revalue their assets every five years, with annual indexation applied to assets during the four intervening years. Where the council cannot obtain appropriate indices without undue cost or effort, the council revalue those assets using a quinquennial revaluation, with a desktop revaluation in year three.

Increases in valuations are matched by credits to the revaluation reserve to recognise unrealised gains. Exceptionally, gains might be credited to the comprehensive income and expenditure statement where they arise from the reversal of a loss previously charged to a service.

Decreases in valuations are accounted for by writing down the balance (if any) of revaluation gains in the revaluation reserve for that asset and then charging any remaining decrease in value to the relevant service in the comprehensive income and expenditure statement.

The revaluation reserve only contains revaluation gains recognised since 1 April 2007, the date of its formal implementation. Gains arising before that date have been consolidated into the capital adjustment account.

## Impairment

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

Where an impairment loss is reversed subsequently, the reversal is credited to the relevant service in the comprehensive income and expenditure statement, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

## Depreciation

Depreciation is provided on all property, plant and equipment calculated on a straight-line allocation over their useful lives. An exception is made for assets without a determinable finite useful life, i.e. freehold land and certain community assets, if any, and assets that are not yet available for use, i.e. assets under construction, if any.

The residual value of an item of property, plant and equipment and its useful life are reviewed at the end of each financial year and, if expectations differ from previous reviews or there has been a significant change in the consumption of economic benefits or service potential, the change is accounted for as a change in accounting estimate.

Where property, plant and equipment assets have major components whose cost is significant in relation to the total cost of the asset, depreciation on the components has been calculated and is not materially different from depreciation on the depreciable part of the whole asset. Components have not, therefore, been depreciated separately.

Revaluation gains are also depreciated by an amount equal to the difference between the current value depreciation charges on the assets and the historic cost depreciation charges on the assets, with this difference being transferred each year from the revaluation reserve to the capital adjustment account.

## Componentisation

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. Where there is more than one significant part of the same asset which has the same useful life and depreciation method, such parts are grouped together in determining the depreciation charge.

The Council has determined that dwellings and other property are subject to componentisation and are assessed against two components determined by the Council's valuer, namely land and buildings, components within buildings being assessed annually for materiality.

## Disposal and Non-Current Assets Held for Sale

An asset is reclassified as an asset held for sale when it becomes probable that the carrying amount of the asset will be recovered principally through a sale transaction. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Any subsequent decrease to fair value less costs to sell is posted to the other Operating Expenditure Section in the Comprehensive Income and Expenditure Account but any gains in fair value are only recognised up to the amount of any previously recognised losses. Depreciation is not charged on assets held for sale.

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

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

When an asset is disposed of, the carrying amount of the asset in the balance sheet is written off and any receipts on disposal are credited to the other operating expenditure section in the comprehensive income and expenditure account so that this section shows the net gain or loss on the disposal of non-current assets. The net gain or loss is then reversed out in the movement in reserves statement with the carrying amount transferred to the capital adjustment account and the receipts on disposal credited to the capital receipts reserve so that the net gain or loss is not met by council tax or rents.

Any revaluation gains in the revaluation reserve in respect of the asset are transferred to the capital adjustment account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts.

A proportion of capital receipts relating to housing disposals (net of statutory deductions and allowances) is payable to Central Government and shown in the other operating expenditure section in the comprehensive income and expenditure.

## 1.15 Investment Property

Following the PWLB consultation response in November 2020, the Council took the decision not to purchase investment property for yield and hence there were no further such purchases in 2025/26.

Rental income and changes in valuation fall within the heading financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement and the year-end valuations in the Balance Sheet and note 12a.

## 1.16 Provisions, Contingent Liabilities and Contingent Assets

### Provisions

Provisions are made where an event has taken place that gives the Authority a legal or constructive obligation in the future that probably requires settlement by transfer of economic benefits or service

potential, and a reliable estimate can be made of the amount of the obligation. Provisions are charged as an expense to the appropriate service in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account the relevant risks and uncertainties. Any payments eventually made are charged against the provision, provisions are reviewed at the end of each financial year and any reduction in the need for the provision is credited back to the relevant service.

## Contingent Liabilities

Contingent liabilities arise where events have taken place which give the Authority possible obligations whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise where a provision would otherwise be made but either it is not probable that a settlement will be required, or the amount of the obligation cannot be measured reliably. Contingent liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

## Contingent Assets

Contingent assets arise where events have taken place which gives the Authority possible assets whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent assets are not recognised in the balance sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

## Developers' Contributions

Developers' contributions are monies received from developers under Section 106 of the Town Country Planning Act 1990 for future expenditure on affordable housing, drainage, community costs and development etc. Any unused balances of these contributions at the Balance Sheet date are shown as capital grants receipts in advance under Long-term liabilities until such time as the terms and conditions of receipt have been fully satisfied.

## 1.17 Reserves

The Council has set aside certain revenue and capital amounts as earmarked reserves for future policy purposes or to cover contingencies. All other fund balances represent working balances for the purpose of the specific fund and are made up of accumulated surpluses and deficits derived over a period of time. All earmarked fund balances and reserves are reviewed periodically as to their size and appropriateness.

Reserves are created by transferring amounts out of the General Fund Balance in the Movement in Reserves Statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service in that year to score against the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement. The reserve is then appropriated back into the General Fund Balance in the Movement in Reserves Statement so that there is no net charge against council tax for the expenditure.

Certain reserves are unusable reserves and are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits are explained in the relevant policies.

## 1.18 Revenue Expenditure Funded from Capital under Statute (REFCUS)

Expenditure which is incurred during the year and may be capitalised under statutory provisions but does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the comprehensive income and expenditure statement. Such expenditure which is met from capital resources or from borrowing is then transferred out in the movement in reserves statement from the General Fund balance to the Capital adjustment account, and then reverses out the charge so that there is no impact on the council tax.

## 1.19 Value Added Tax (VAT)

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

## 1.20 Group Accounts

The boundary for Group Accounts is determined by the extent of the Council's control or influence over an entity, and the materiality of the relationship to users of the Council's accounts.

A subsidiary is an entity which the Council controls through the power to govern its financial and operational activities, so as to obtain benefits from the entity. Control is deemed to exist where the Council owns more than half of the entity.

An associate is an entity where the Council has significant influence over decision making, but stopping short of control. It is normally presumed that significant influence exists where the Council owns 20% or more of the entity.

A joint venture is where two organisations work together in a formal partnership sharing 50% each of the risk and rewards. The Council is in a partnership with Hill Partnerships Ltd called the South Cambridgeshire Investment Partnership (SCIP) and with Balfour Beattie called South Cambridgeshire Projects (SCP). The Council has lent money to SCIP for the purchase of land opposite the Council Offices for a Housing Development scheme.

A jointly controlled entity exists where the Council is party to the contractually and binding agreed shared control of an organisation, where strategic financial and operating decisions require unanimous consent of the parties sharing control.

Group accounts have been prepared for South Cambs Ltd (trading as Ermine Street Housing), Cambourne Business Park Limited and Shire Homes Lettings Limited, all are wholly owned subsidiaries of South Cambridgeshire District Council. Investments in the subsidiary companies are recognised in the Balance Sheet as unquoted equity investments at cost.

## 1.21 Going Concern

The Council's accounts are prepared on a going concern basis. Management's assessment of the Council's ability to continue as a going concern covers the period to 31 March 2028, which is more than 12 months from the expected date of audit approval of these accounts. This assessment is based on approved budget plans and medium-term financial strategies.

Date	General Fund	Housing	Earmarked Reserves
31/03/2025	19.9m	4.1m	45.6m
31/03/2026	23.5m	3.5m	48.3m
31/03/2027* est	26.0m	3.5m	49.6m

The table above shows the actual balances held as at 31 March 2025 and 31 March 2026, and the forecast balances as at 31 March 2027. The forecast figures for 31 March 2027 are estimates based on current assumptions regarding government funding settlements, Council Tax/Business Rates levels, demand pressures, inflation, and delivery of savings plans. These forecasts were approved by the Section 151 Officer as part of the going concern assessment. Actual results may differ materially from these forecasts due to changes in these assumptions or other unforeseen events.

Based on these current forecasts, the Council expects that its General Fund balance and earmarked reserves will remain above the minimum prudent levels set by the Council throughout the assessment period of £2m threshold. No material uncertainties have been identified that would cast significant doubt on the Council's ability to continue as a going concern.

The UK economy continues to face uncertainty due to the ongoing financial challenges associated with high inflation levels, conflict in the Middle East and domestic political leadership changes. The Bank of England has decreased the base rate three times in 2025/26, which affects interest rates for mortgages and loans. Inflation is used to drive expenditure and income assumptions in revenue budget planning. The Council lends its cash balances externally to generate a return for delivering council services while managing security and liquidity. Short term loans were used in 2025/26 to part fund the capital programme. Short term borrowing at the start of the financial year stood at £56m decreasing to £50m at year end. It peaked to £78m in December 2025 before declining to the level reported at 31<sup>st</sup> March 2026. Cost pressures from inflation, energy prices, and national living wage pressures and interest rates have all been taken into account for the 2025/26 budget.

## Subsidiary companies

The Council's subsidiary companies' ability to continue as a going concern is dependent on their ability to generate profit in the medium term, where applicable, and/or the continued support of the Council.

The Council has provided cash in the form of loans to its subsidiary Ermine Street Housing for the purchase of property and with regard to Shire Homes Ltd to meet the operating deficit. During the twelve months from the date of approval of the accounts this is expected to continue and there is a parent guarantee in place to that effect.

Due to the parent guarantee from the Council for the subsidiary companies, the subsidiary accounts have been prepared on a going concern basis.

If there is any short-term liquidity requirements over the next twelve months from approval date these will be met on the basis of the guarantee in place.

The Council concludes that it is appropriate to prepare the financial statements on a going concern basis, and that the Council will continue as a going concern, based on the review of the forecasted reserve and cash position 12 months from the signing of the accounts.

## 2 Accounting Standards That Have Been Issued but Have Not Yet Been Adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the code) requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard that has been issued but not yet adopted. This applies to the adoption of the new or amended standards within the 2026 to 2027 code.

At the Balance Sheet date, the following new standards and amendments to existing standards have been published but not yet adopted by the code:

- Amendments to FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (Amendments to Heritage assets) issued in March 2024.
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS9 and IFRS 7) issued in May 2024.
- Annual improvements to IFRS accounting standards – Volume 11 issued in July 2024
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7) issued in December 2024.

These amendments are not expected to have a material impact on the financial statements or balances of the Council.

## 3 Critical Judgements in Applying Accounting Policies

In applying the accounting policies set out in note 1 (accounting policies), the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events, this includes a degree of uncertainty about the levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to reduce levels of service provision or through changes to arrangements for service provision.

In accordance with IAS 36 'Impairment of Assets', the Council has made a critical judgement that there are currently no indicators of impairment requiring formal impairment testing of its Property, Plant & Equipment (PPE) and Intangible Assets arising specifically from the prevailing uncertainty regarding future levels of local government funding, as at 31 March 2026.

## 4 Assumptions Made About the Future and Other Major Sources of Estimation/Uncertainty

The preparation of financial statements 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.

The key judgements and estimation uncertainty that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

## Pensions Liability

The main item in the Council's balance sheet as at 31 March for which there is a significant risk of material adjustment is the estimation of the pension net assets by a consulting Actuary engaged by the pension fund administrator, Cambridgeshire County Council. When a net pension asset is calculated, there is a restriction on the recognition of that asset to the estimated future benefit from that asset in reduced pension contributions. The calculation of this net pension asset ceiling is also subject to actuarial assumptions.

The estimation is over several decades where a small change in one of the assumptions can have a large effect on the liability and the Actuary has provided the following sensitivity analysis. The effects on the net pension asset prior to the impact of the net pension asset ceiling of changes in individual assumptions can be measured as follows

<b><i>Change in assumption</i></b>	<b>2024-25 Inc. in Liability (£m)</b>	<b>2025-26 Inc. in Liability (£m)</b>
<i>0.1% decrease in real discount rate</i>	2.58	2.54
<i>0.1% increase in salary increase rate</i>	0.09	0.11
<i>0.1% increase in pension increase rate</i>	2.55	2.42

## Fair Value Measurement

When the fair value of assets and liabilities cannot be measured based on quoted prices in an active market (Level 1 inputs), their fair value is measured using valuation techniques. Where possible, the inputs to these valuation techniques are based on observation data, but where this is not possible judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Authority's assets and liabilities.

Where Level 1 input is not available, the Authority employs relevant experts to identify the most appropriate valuation techniques to determine fair value.

The most significant assets that the Authority has measured at fair value in the Balance Sheet where Level 1 inputs are not available are Investment Properties (Group Accounts) and Surplus Property, Plant and Equipment. Significant changes in any of the unobservable inputs in these valuations would result in significantly higher/lower fair value measurements.

Information about the valuation techniques and inputs used in determining the fair value of the Authority's assets and liabilities can be found in Notes 12, 15 and 20.

## Property, Plant and Equipment

Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. If the Council did not sustain its current spending on repairs and maintenance the useful lives currently assigned to assets may be reduced.

If the useful life of assets is reduced, depreciation increased and the carrying value of the asset will decrease. The largest category of assets is Council dwellings and it is estimated that the annual depreciation charge for these would increase by approximately £2,500+ for every year that useful lives had to be reduced.

## Investment Properties

No properties were purchased during 2025/26 but one property is in the process of being enhanced. Rental income and changes in valuation fall within the heading financing and investment income and expenditure in the Comprehensive Income and Expenditure Statement and the year end valuations in the Balance Sheet and note 12(a).

## 5 Events After Balance Sheet Date

The Statement of Accounts were authorised for issue by the S151 Officer (Farzana Ahmed) on 30/06/2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provided information about conditions existing at 31 March 2026, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

### Adjusting Events

There were no events after the reporting period that provided evidence of conditions existing at 31 March 2026 requiring adjustment to the financial statements.

### Non-Adjusting Events

The following significant events occurred after 31 March 2026 which, while not requiring adjustment to the financial statements, are considered relevant to the understanding of the Council's financial position:

#### Local Government Reorganisation

On 2 June 2026, the UK Government announced the creation of the Greater Cambridge Development Corporation (GCDC). A centrally led urban development corporation covering the Greater Cambridge area, to enable a transformational long-term approach to delivering high-quality housing and sustainable infrastructure growth.

Although details remain unclear it is expected to remove strategic planning and development control powers from local councils for large schemes, creating the largest corporation of its type. The centrally led body, following MHCLG consultation earlier this year, would be governed mainly by government-appointed board members rather than local representatives.

This is a non-adjusting post-balance-sheet event: the government's decision was made after the balance sheet date of 31 March 2026 and therefore does not affect the amounts recorded in these accounts. However, given its material significance for the future of the Council, it is disclosed here in accordance with IAS 10 Events after the Reporting Period as adopted by the CIPFA/LASAAC Code of Practice.

## 6 Expenditure and Funding Analysis

### (a) Adjustments between Funding & Accounting Basis

The Expenditure and Funding Analysis is complementary to the Movement in Reserves Statement and Comprehensive Income & Expenditure Account. The overall purpose of the Expenditure and Funding Analysis is to analyse the amounts reported in the Comprehensive Income and Expenditure Account as operating reporting segment outturn totals across specific types of Reserves.

2024/25					2025/26			
Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis Capital	Adjustments between Funding and Accounting Basis Other	Net Expenditure in the CIES		Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustments between Funding and Accounting Basis Capital	Adjustments between Funding and Accounting Basis Other	Net Expenditure in the CIES
£000	£000	£000	£000		£000	£000	£000	£000
4,253	0	(59)	4,194	Chief Executive	3,952	1,774	(127)	5,599
8,872	1,293	(408)	9,757	Head of Climate, Waste & Environment	9,160	(2,370)	(606)	6,184
3,224	(1)	(124)	3,099	Head of Finance	3,511	0	(360)	3,151
93	0	0	93	Monitoring Officer	94	0	0	94
1,269	982	(124)	2,127	Head of Housing	2,960	(973)	(245)	1,742
3,263	44	(314)	2,993	Director of Greater Cambridge Shared Planning	4,402	0	(790)	3,612
5,466	420	(193)	5,693	Head of Transformation, People & Corporate Services	5,079	(3,067)	(206)	1,806
(13,421)	4,057	(163)	(9,527)	Housing Revenue Account	(15,245)	13,548	(310)	(2,007)
<b>13,019</b>	<b>6,795</b>	<b>(1,385)</b>	<b>18,429</b>	<b>Net Cost of Service</b>	<b>13,913</b>	<b>8,912</b>	<b>(2,644)</b>	<b>20,181</b>
(18,905)	(25,182)	(3,283)	(47,370)	Other Income and Expenditure	(19,808)	(23,941)	1,740	(42,009)
<b>(5,886)</b>	<b>(18,387)</b>	<b>(4,668)</b>	<b>(28,941)</b>	<b>(Surplus) / Deficit on provision of services</b>	<b>(5,895)</b>	<b>(15,029)</b>	<b>(904)</b>	<b>(21,828)</b>
<b>(22,967)</b>				Opening General Fund and HRA Balance	<b>(24,060)</b>			
(5,886)				(Surplus)/Deficit on General Fund and HRA	(5,895)			
4,793				Transfer to/from Earmarked Reserves	2,690			
<b>(24,060)</b>				Closing General Fund and HRA Balance	<b>(27,265)</b>			

# Notes to the Statement of Accounts

## (b) Expenditure and Funding by Nature

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

2024/25	Subjective Analysis	2025/26
£000		£000
	<b>Expenditure</b>	
37,223	Employee Expenses (including Benefits)	39,917
55,584	Other Service Expenses	51,951
(1,039)	Support Service Recharges	(1,141)
15,811	Depreciation, Amortisation and Impairment	22,124
10,712	Interest Payments	10,575
8,409	Precepts and Levies	9,101
(318)	Pension Interest costs & expected return on assets	962
1,692	Contributions towards pension deficits	1,504
<b>128,074</b>	<b>Total Expenditure</b>	<b>134,993</b>
	<b>Income</b>	
(63,449)	Fees, Charges and Other Service Income	(69,167)
(25,246)	Government Grants/Contributions (Services)	(23,025)
(4,664)	Gain on the disposal of assets	(3,516)
(22,921)	Government Grants/Contributions (Central)	(20,648)
(6,947)	Interest and Investment Income	(6,143)
(2,588)	Net income in relation to inv. prop. and changes in fair value	(2,345)
(19,159)	Income From Council Tax	(20,302)
(12,041)	Business Rates Income and Expenditure	(11,675)
<b>(157,015)</b>	<b>Total Income</b>	<b>(156,821)</b>
<b>(28,941)</b>	<b>(Surplus)/Deficit on Provision of Services</b>	<b>(21,828)</b>

# Notes to the Statement of Accounts

## 7 Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total Comprehensive Income and Expenditure recognised by the Council in the year in accordance with proper accounting practice to the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure.

	Gen. Fund	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Un-applied	Movement in Unusable Reserves
2025/26	£000	£000	£000	£000	£000	£000
<b>Adjustments Involving the Capital Receipts Reserve</b>						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	0	7,782		(7,782)		
Transfer from Deferred Capital receipts on receipt of cash						
Used to finance new Capital Expenditure				8,016		(8,016)
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	5,146	0			(176)	(4,970)
<b>Adjustments Involving the Capital Adjustment Account</b>						
Charges for depreciation and impairment of non-current assets	(1,669)	(8,129)				9,798
Upward/(Downward) revaluation of non-current assets	6,889	(17,297)				10,408
Amortisation of intangible assets	(143)					143
Capital Grants and contributions applied	2,642	3,757				(6,399)
Revenue expenditure funded from Capital under statute	(1,429)	0				1,429
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	(178)	(4,586)				4,764
Statutory provision for repayment of debt (MRP)	792					(792)
Movement in Fair Value of Investment Properties	(1,774)					1,774
Capital expenditure charged against the General Fund and HRA balances	1,851	13,186				(15,037)
<b>Adjustments relating to the Major Repairs Reserve (MRR)</b>						
Depreciation transferred from HRA		8,129	(8,129)			
Use of the MRR to finance new capital exp			8,192			(8,192)
<b>Adjustments involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits debited\credited to the CIES	1,427	259				(1,686)
<b>Adjustments involving the Collection Fund Adjustment Account</b>						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements	(889)					889
<b>Adjustments Involving the Accumulated Absences Account</b>						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	116	51				(167)
<b>Total Adjustments</b>	<b>12,781</b>	<b>3,152</b>	<b>63</b>	<b>234</b>	<b>(176)</b>	<b>(16,054)</b>

# Notes to the Statement of Accounts

	Gen. Fund	Housing Revenue Account	Major Repairs Reserve	Capital Receipts Reserve	Capital Grant Un-applied	Movement in Unusable Reserves
2024/25	£000	£000	£000	£000	£000	£000
<b>Adjustments Involving the Capital Receipts Reserve</b>						
Transfer of cash sale proceeds credited as part of the gain\loss on disposal to the CIES	552	7,880		(8,432)		
Transfer from Deferred Capital receipts on receipt of cash						
Used to finance new Capital Expenditure				10,663		(10,663)
<b>Adjustments Primarily Involving the Capital Grants Unapplied Account</b>						
Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Account	10,721	0			(8,514)	(2,207)
<b>Adjustments Involving the Capital Adjustment Account</b>						
Charges for depreciation and impairment of non-current assets	(1,590)	(7,646)				9,236
Upward/(Downward) revaluation of non-current assets	69	(6,498)				6,429
Amortisation of intangible assets	(145)					145
Capital Grants and contributions applied	991	2,442			(155)	(3,278)
Revenue expenditure funded from Capital under statute	(2,032)					2,032
Amounts of non-current assets written off on disposal or sale as part of the gain\loss on disposal to the CIES	506	(4,364)				3,858
Statutory provision for repayment of debt (MRP)	1,227					(1,227)
Movement in Fair Value of Investment Properties	0					0
Capital expenditure charged against the General Fund and HRA balances	1,675	7,038				(8,713)
<b>Adjustments relating to the Major Repairs Reserve (MRR)</b>						
Depreciation transferred from HRA		7,646	(7,646)			
Use of the MRR to finance new capital exp			10,336			(10,336)
<b>Adjustments involving the Pensions Reserve</b>						
Reversal of items relating to retirement benefits debited\credited to the CIES	1,379	198				(1,577)
<b>Adjustments involving the Collection Fund Adjustment Account</b>						
Amount by which council tax and business rate income credited to the CIES is different from that calculated in accordance with statutory requirements	2,972					(2,972)
<b>Adjustments Involving the Accumulated Absences Account</b>						
Amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	26	8				(34)
<b>Total Adjustments</b>	<b>16,351</b>	<b>6,704</b>	<b>2,690</b>	<b>2,231</b>	<b>(8,669)</b>	<b>(19,307)</b>

# Notes to the Statement of Accounts

## 8 Movements in Earmarked Reserves

	Balance 01 April 2024	Transfers In	Transfers Out	Balance 31 March 2025	Transfers In	Transfers Out	Balance 31 March 2026
	£000	£000	£000	£000	£000	£000	£000
Business Rates Growth	(1,874)	(3,470)	0	(5,344)	(2,814)	0	(8,158)
Infrastructure	0	0	0	0	0	0	0
Greater Cambridge City Deal	1	0	0	1	0	0	1
Renewables	(9,486)	(1,973)	0	(11,457)	(2,573)	0	(14,030)
Vehicle Renewables	(4,029)	(46)	0	(4,075)	(318)	0	(4,393)
Accommodation	(444)	(201)	0	(645)	(1)	0	(646)
Transformation Reserves	(742)	0	503	(239)	0	239	0
Electoral Registration	(164)	(82)	0	(246)	(92)	0	(338)
Land Charges	(103)	0	0	(103)	0	0	(103)
Environmental	(609)	(690)	0	(1,299)	(148)	0	(1,447)
Planning	(5,230)	(51)	0	(5,281)	0	0	(5,281)
Other	(5)	0	6	1	0	0	1
Home for Ukraine	(2,667)	0	570	(2,097)	0	249	(1,848)
Homelessness	(823)	0	187	(636)	(175)	0	(811)
Community Development	(48)	(43)	0	(91)	0	7	(84)
Housing	(183)	0	65	(118)	0	0	(118)
Property Investment	(3,420)	0	5	(3,415)	0	586	(2,829)
Covid-19	(1,108)	0	226	(882)	0	285	(597)
HomeLink	(144)	0	32	(112)	0	31	(81)
Software Fund	(185)	0	67	(118)	0	34	(84)
Revenues and Benefits	(100)	0	100	0	0	0	0
<b>General Fund</b>	<b>(31,363)</b>	<b>(6,556)</b>	<b>1,761</b>	<b>(36,156)</b>	<b>(6,121)</b>	<b>1,431</b>	<b>(40,846)</b>
Self Insurance	(1,000)	0	0	(1,000)	0	0	(1,000)
Investment Repayment	(8,500)	0	0	(8,500)	0	2,000	(6,500)
<b>Housing Revenue Account</b>	<b>(9,500)</b>	<b>0</b>	<b>0</b>	<b>(9,500)</b>	<b>0</b>	<b>2,000</b>	<b>(7,500)</b>
<b>Total Earmarked Reserves</b>	<b>(40,863)</b>	<b>(6,556)</b>	<b>1,761</b>	<b>(45,656)</b>	<b>(6,121)</b>	<b>3,431</b>	<b>(48,346)</b>

## 9 Other Operating Income and Expenditure

31 March 2025		31 March 2026
£000		£000
7,555	Parish Council precepts	8,094
254	Internal Drainage Boards	260
600	Enterprise Zones	747
1,692	Contributions towards pension deficits	1,504
(4,664)	(Gains) / losses on the disposal of non-current assets	(3,516)
5	Other operating Expenditure (rounding)	4
<b>5,442</b>	<b>Total</b>	<b>7,093</b>

## 10 Financing and Investment Income and Expenditure

31 March 2025		31 March 2026
£000		£000
10,712	Interest payable and similar charges	10,575
(318)	Pensions interest cost	962
(6,947)	Interest receivable and similar income	(6,143)
(2,138)	Income and expenditure in relation to investment properties and changes in their fair value	(1,870)
<b>1,309</b>	<b>Total</b>	<b>3,524</b>

## 11 Taxation and Non Specific Grant Income and Expenditure

31 March 2025		31 March 2026
£000		£000
(19,159)	Council Tax Income	(20,302)
(12,041)	Non Domestic Rate Income	(11,675)
(9,802)	Non-ring fenced Government Grants (see note 28 for breakdown)	(9,229)
(13,119)	Capital Grants and Other Contributions (see note 28 for breakdown)	(11,420)
<b>(54,121)</b>	<b>Total</b>	<b>(52,626)</b>

## 12 Property, Plant and Equipment

Depreciation starting in the year after acquisition is provided for on non-current assets by writing down the cost (or re-valued amount) less estimated residual value, on a straight-line basis to the appropriate revenue account over the following periods:

- \* Council dwellings – 42 to 56 years,
- \* Buildings other than dwellings – 8 to 54 years,
- \* Vehicles, plant and equipment – 3 to 14 years.

No depreciation is charged on surplus assets, assets held for sale or freehold land in accordance with standard accounting policies. The depreciation charged on dwelling stock is reversed out at 31 March each year when the housing stock is revalued so this charge has no impact on the fair value of the housing stock as recorded in the Balance Sheet.

	Council Dwellings	Other Land & Buildings	Right of Use Assets	Vehicles, Plant & Equipment	Infra-structure Assets	Assets Under Construction	Surplus Assets	Total
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Gross Book Value 01 April 2025</b>	<b>667,667</b>	<b>41,322</b>	<b>2,162</b>	<b>14,051</b>	<b>2,400</b>	<b>26,637</b>	<b>9,820</b>	<b>764,059</b>
Adjustments	1	(2)	(4,065)	2				(4,064)
Additions	15,347	324	6,029	1,135	203	61,074	0	84,112
Revaluation Cr.ed to Revaluation Reserve	1,437	6,316	0	0	0	0	0	7,753
Revaluation Applied to the CIES	(17,044)	(2,751)	0	0	0	0	0	(19,795)
Derecognition- Disposals	(4,788)	0	0	(4,760)	0	0	0	(9,548)
Transfers	31,937	8,963	0	0	0	(40,900)	0	0
<b>Gross Book Value 31 March 2026</b>	<b>694,557</b>	<b>54,172</b>	<b>4,126</b>	<b>10,428</b>	<b>2,603</b>	<b>46,811</b>	<b>9,820</b>	<b>822,517</b>
<b>Depreciation 01 April 2025</b>	<b>(45)</b>	<b>(245)</b>	<b>(196)</b>	<b>(9,467)</b>	<b>(557)</b>	<b>0</b>	<b>0</b>	<b>(10,510)</b>
Depreciation in Year	(7,987)	(411)	(364)	(906)	(130)	0	0	(9,798)
Adjustments								0
Depreciation written off to Revaluation Reserve	8,008	363	0	0	0	0	0	8,371
Depreciation written out to CIES	0	0	0	0	0	0	0	0
Derecognition- Disposals	24	0	0	4,760	0	0	0	4,784
<b>Depreciation 31 March 2026</b>	<b>0</b>	<b>(293)</b>	<b>(560)</b>	<b>(5,613)</b>	<b>(687)</b>	<b>0</b>	<b>0</b>	<b>(7,153)</b>
<b>Net Book Value 31 March 2025</b>	<b>667,622</b>	<b>41,077</b>	<b>1,966</b>	<b>4,584</b>	<b>1,843</b>	<b>26,637</b>	<b>9,820</b>	<b>753,549</b>
<b>Net Book Value 31 March 2026</b>	<b>694,557</b>	<b>53,879</b>	<b>3,566</b>	<b>4,815</b>	<b>1,916</b>	<b>46,811</b>	<b>9,820</b>	<b>815,364</b>

# Notes to the Statement of Accounts

	Council Dwellings £000	Other Land & Buildings £000	Right of Use Assets £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Assets Under Construction £000	Surplus Assets £000	Total £000
<b>Gross Book Value 01 April 2024 adjusted</b>	<b>624,258</b>	<b>36,829</b>	<b>2,162</b>	<b>14,831</b>	<b>2,054</b>	<b>22,163</b>	<b>14,887</b>	<b>717,184</b>
Adjustments	5,339	1,040	0	(209)	120	(1,232)	(5,059)	(1)
Additions	15,448	426	0	1,485	226	20,493	0	38,118
Revaluation credited to Revaluation Reserve	20,631	351	0	0	0	0	0	20,982
Revaluation Applied to the CIES	(6,561)	132	0	0	0	0	0	(6,429)
Derecognition- Disposals	(3,731)	0	0	(2,056)	0	0	(8)	(5,795)
Transfers	12,243	2,544	0	0	0	(14,787)	0	0
<b>Gross Book Value 31 March 2025</b>	<b>667,667</b>	<b>41,322</b>	<b>2,162</b>	<b>14,051</b>	<b>2,400</b>	<b>26,637</b>	<b>9,820</b>	<b>764,059</b>
<b>Depreciation 01 April 2024</b>	<b>(14)</b>	<b>(187)</b>	<b>0</b>	<b>(10,185)</b>	<b>(420)</b>	<b>0</b>	<b>0</b>	<b>(10,806)</b>
Depreciation in Year	(7,494)	(320)	(196)	1,091	(136)	0	0	(9,237)
Adjustments	3	2	0	(2)	(1)	0	0	2
Depreciation written off to Revaluation Reserve	7,437	260	0	0	0	0	0	7,697
Depreciation written out to CIES	0	0	0	0	0	0	0	0
Derecognition- Disposals	23	0	0	1,811	0	0	0	1,834
<b>Depreciation 31 March 2025</b>	<b>(45)</b>	<b>(245)</b>	<b>(196)</b>	<b>(9,467)</b>	<b>(557)</b>	<b>0</b>	<b>0</b>	<b>(10,510)</b>
<b>Net Book Value 31 March 2024</b>	<b>624,244</b>	<b>36,642</b>	<b>2,162</b>	<b>4,646</b>	<b>1,634</b>	<b>22,163</b>	<b>14,887</b>	<b>706,378</b>
<b>Net Book Value 31 March 2025</b>	<b>667,622</b>	<b>41,077</b>	<b>1,966</b>	<b>4,584</b>	<b>1,843</b>	<b>26,637</b>	<b>9,820</b>	<b>753,549</b>

## Revaluations

It is a requirement that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. The Council carries out a programme that will ensure the valuer undertakes an annual desk top revaluation review with an in depth valuation at least every five years.

Valuations, with an effective date of 31 March 2026, on the bases set out in the statement of accounting policies have been carried out by Wilks, Head & Eve LLP for all land and buildings.

The Council is not aware of any events or circumstances which indicate that the amounts stated in the balance sheet for non-current assets may not be realisable, as at the balance sheet date. Council dwellings are valued on the prescribed basis set out in note 1.14.

The valuation of operational property was on the basis of existing use value. Further detail on the basis for valuation is set out in the statement of accounting policies 1.14.

Surplus assets are valued at fair value (at level 2 of the fair value hierarchy) as at 31 March 2026. This value represents the development potential based on a value per net developable acre taking into account planning risk.

Details on investment property valuation can be found in Note 12a.

# Notes to the Statement of Accounts

Vehicles, Plant and Equipment as short life operational assets, are held at historical cost less depreciation.

Valuation	Council Dwellings £000	Other Land & Buildings £000	Right of Use Assets £000	Vehicles, Plant & Equipment £000	Infra-structure Assets £000	Assets Under Construction £000	Surplus Assets £000	Total £000
<b>Carried Historical Cost</b>	0	0	4,126	10,428	2,603	46,811	0	<b>63,968</b>
<b>Valued at Current Value as from:</b>								
31 March 2026	694,557	54,172	0	0	0	0	9,820	<b>758,549</b>
<b>Total Cost or Valuation</b>	<b>694,557</b>	<b>54,172</b>	<b>4,126</b>	<b>10,428</b>	<b>2,603</b>	<b>46,811</b>	<b>9,820</b>	<b>822,517</b>

## 12a Investment Properties

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

31 March 2025 £000		31 March 2026 £000
(2,588)	Rental income from investment property	(2,345)
450	Direct operating expenses arising from investment property	475
<b>(2,138)</b>	<b>Net (gain)/loss</b>	<b>(1,870)</b>

There are no restrictions on the authority's ability to realise the value inherent in its investment property or on the authority's right to the remittance of income and the proceeds of disposal. The authority has no contractual obligations to purchase, construct or develop investment property or repairs, maintenance or enhancement. The authority has however agreed a one off arrangement to repair the roof on one investment property which is due to be completed by August 2026, at which point all contractual obligations will revert back to the tenant.

The following table summarises the movement in the fair value of investment properties over the year:

31 March 2025 £000		31 March 2026 £000
<b>54,510</b>	Balance at the start of the year	<b>54,510</b>
	Additions:	
0	Purchases	600
0	Subsequent expenditure	586
0	Adjustment	0
0	Net gains/(losses) from fair value adjustments	(1,979)
<b>54,510</b>	<b>Balance at the end of the year</b>	<b>53,717</b>

All investment properties have been valued based on level 2 (office/commercial units) observable inputs for the asset either directly or indirectly using a market approach and that their current use is their highest and best use. The updated valuations were carried out as at 31 March 2026 by Wilks, Head & Eve LLP.

The office and commercial units located in the local authority area are measured using the market approach, it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The authority's office and commercial units are therefore categorised as Level 2 in the fair value hierarchy as the measurement technique uses observable inputs to determine the fair value measurements. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

In estimating the fair value of the authority's investment properties, the highest and best use has been determined to be their existing use, with a portion attributable to properties held under operating leases.

## 13 Investments and Borrowing

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

The following shows the original principal sum invested at 31 March analysed by the nature of the financial institution and by maturity. These investments (other than South Cambs Ltd, South Cambridgeshire Investment Partnership (SCIP) and Cambourne Business Park Limited (CBPL), are fixed time and callable deposits where the deposits are redeemed for the same value as the amount invested. The deposits are with other local authorities, United Kingdom banks and money market funds and, therefore, no provision is made for possible loss of principal.

31 March 2025	Investments	31 March 2026
£000		£000
17,750	Local Authorities	10,095
119,617	South Cambs Limited	119,041
1,087	Clearing Banks	0
0	Banks (other)	0
3,439	Money Market Funds	1,434
50	Cambourne Business Park Limited (CBPL)	50
14,733	South Cambridgeshire Investment Partnership (SCIP)	16,809
2,443	Other	2,341
<b>159,119</b>		<b>149,770</b>
(17,605)	Less: cash and cash equivalents	(11,530)
<b>141,514</b>	<b>Total</b>	<b>138,240</b>

31 March 2025		31 March 2026	31 March 2026	31 March 2026
£000	Principal Investment analysed by maturity	Short Term	Long Term	Total
£000		£000	£000	£000
4,000	2025/26	0	0	0
136,313	2026/27 and beyond	0	136,920	136,920
1,201	Accrued Interest	0	1,320	1,320
<b>141,514</b>		<b>0</b>	<b>138,240</b>	<b>138,240</b>

## Long Term PWLB Borrowing for HRA and General Fund Financing

There were 41 loans obtained in 2012 to buy the Council out of the negative subsidy (Housing Self Financing) with maturity dates between 27 March 2037 and 28 March 2057. From March 2024 other loans were taken out to finance the HRA's House Building Programme making a total of 48 loans for the HRA. The loans have been included in the Balance Sheet at amortised cost. Administration charges, where incurred, are charged directly to the Housing Revenue Income and Expenditure Account. An analysis of all current PWLB long term liabilities is provided below:

31 March 2025		31 March 2026
£000		£000
(27,001)	Repayable within 5 years	(53,000)
(40,000)	Repayable within 15 years	(50,000)
(50,000)	Repayable within 20 years	(50,000)
(50,000)	Repayable within 25 years	(50,000)
(50,000)	Repayable within 30 years	(50,000)
(15,123)	Repayable within 35 years	(5,123)
	Repayable within 40 years	
<b>(232,124)</b>	<b>Net Carrying Amount at end of the year</b>	<b>(258,123)</b>

## 14 Long Term Debtors

31 March 2025		31 March 2026
£000		£000
418	Webbs Hole Sluice	418
329	Long Term Loans	329
<b>747</b>	<b>Net Carrying Amount at end of the year</b>	<b>747</b>

## 15 Financial Instruments

### Categories of Financial Instruments

Long Term	Current		Long Term	Current
31 March 2025	31 March 2025	Categories of Financial Assets	31 March 2026	31 March 2026
£000	£000		£000	£000
		<b>Financial assets held at amortised costs</b>		
136,313	4,000	Investments (Principal amount)	136,920	0
1,041	160	Investments Accrued Interest	1,320	0
0	17,605	Cash & Cash Equivalents	0	11,530
747	1,609	Debtors	747	12,686
<b>138,101</b>	<b>23,374</b>	<b>Total Financial Assets</b>	<b>138,987</b>	<b>24,216</b>

Long Term	Current		Long Term	Current
31 March 2025	31 March 2025	Categories of Financial Liabilities	31 March 2026	31 March 2026
		Financial liabilities held at amortised costs		
(233,605)	(46,128)	Loans (principal amount)	(258,123)	(54,284)
		Interest Accrued		
0	(234)	Cash & Cash Equivalents	0	(1,494)
0	(14,322)	Current Creditors	0	(11,177)
<b>(233,605)</b>	<b>(60,684)</b>	<b>Total Financial Liabilities</b>	<b>(258,123)</b>	<b>(66,955)</b>

Long Term	Current		Long Term	Current
31 March 2025	31 March 2025	Debtors Reconciliation to Balance Sheet	31 March 2026	31 March 2026
£000	£000		£000	£000
747	1,609	Included in Financial Assets	747	12,686
		Debtors that do not meet the definition of a financial assets:		
0	15,772	Statutory Debtors	0	5,536
0	16	Prepayments	0	754
	(2,694)	Provision for Bad Debts / Impairment		(2,528)
<b>747</b>	<b>14,703</b>	<b>Total Debtors</b>	<b>747</b>	<b>16,448</b>

Long Term	Current		Long Term	Current
31 March 2025	31 March 2025	Creditors Reconciliation to Balance Sheet	31 March 2026	31 March 2026
£000	£000		£000	£000
0	(14,322)	Included in Financial Liabilities	0	(11,177)
		Creditors that do not meet the definition of a financial liability:		
0	(22,589)	Statutory Creditors	0	(20,893)
0	(3,605)	Receipts in Advance	0	(5,446)
<b>0</b>	<b>(40,516)</b>	<b>Total Creditors</b>	<b>0</b>	<b>(37,516)</b>

# Notes to the Statement of Accounts

## Income and Expense Gains and Losses

Items of Income, Expense, Gains and Losses Recognised in the Comprehensive Income and Expenditure Statement

The following table provides a breakdown of the financial instrument items of income, expenditure and gains/ losses recognised in the CIES.

2024/25				2025/26		
Financial Liabilities: Amortised Cost	Financial Assets: Amortised Cost	Total	Financial instrument items of income, expenditure and gains/losses recognised in the CIES	Financial Liabilities: Amortised Cost	Financial Assets: Amortised Cost	Total
£000	£000	£000		£000	£000	£000
10,712	0	10,712	Interest Expense	10,575	0	10,575
0	0	0	Impairment losses	0	0	0
10,712	0	10,712	<b>Total expense in (surplus) or deficit on the provision of services</b>	10,575	0	10,575
0	(6,947)	(6,947)	Interest Income	0	(6,143)	(6,143)
0	0	0	Dividend Income	0	0	0
0	(6,947)	(6,947)	<b>Total income in (surplus) or deficit on the provision of services</b>	0	(6,143)	(6,143)
10,712	(6,947)	3,765	<b>Net (Gain)/Loss for the year</b>	10,575	(6,143)	4,432

## Fair Values of Assets and Liabilities

Financial liabilities and assets are carried in the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of cash flows that will take place over the remaining term of the instruments, using the following assumptions.

For trade payables, bank deposits and trade receivables, being of short duration, and for long term mortgages, being at variable rates, the carrying value in the balance sheet is considered approximate to their fair value.

For investments, which are mainly at fixed rates, fair value has not been calculated as this is the same as its carrying value.

Estimated ranges of interest rates at 31 March 2026 of 4.09% to 5.33% (4.61% to 5.07% at 31 March 2025) for SCDC loans from the Public Works Loans Board based on premature repayment rates at that date.

Fair value is the amount determined by knowledgeable, willing parties in an arm's length transaction. Local authorities are required to follow the fair value hierarchy prescribed by paragraphs 76-90 of IFRS13. This hierarchy categorises into three levels the inputs to valuation techniques used to measure fair value, these include:

- Level 1 inputs- quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date
- Level 2 inputs- inputs other than quoted prices included within level1 that are observable for the asset or liability, either directly or indirectly
- Level 3 inputs- unobservable inputs for the asset or liability

The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1 inputs) and the lowest priority to unobservable inputs (Level 3 inputs).

The fair values and carrying values are considered to be the same with the exception of the following;

31 March 2025			31 March 2026	
Carrying Amount	Fair Value		Carrying Amount	Fair Value
£000	£000		£000	£000
		<b>Financial liabilities</b>		
(232,124)	(173,540)	Long term borrowing	(258,123)	(195,356)
<b>(232,124)</b>	<b>(173,540)</b>	<b>Total Financial Liabilities</b>	<b>(258,123)</b>	<b>(195,356)</b>

The fair value of the long term PWLB loans measures the economic effect of the terms agreed with the PWLB compared with estimates of the terms that would be offered for a market transaction undertaken at the balance sheet date. The difference between the carrying amount and the fair value

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

The fair value of the loans from the PWLB has been assessed using the new loans rate. IFRS13 and the Code require that in the absence of a quoted price for a liability, fair value should be measured from the perspective of a market participant. For PWLB loans, measurement is therefore required from the perspective of the PWLB, assessing the price that they would be able to secure if they were to sell the loans in an orderly market transaction. However, it is sometimes not possible to find observable active markets.

If the Council were to seek to repay current PWLB loans, the PWLB would charge a penalty and the Council would have to pay an early redemption rate. The exit price for PWLB loans including this penalty would be over £250m.

## 16 Short Term Debtors and Payments in Advance

An analysis of debtors falling due within one year is shown below:

31 March 2025		31 March 2026
£000		£000
3,023	Central Government Bodies	3,355
8,062	Local Authorities	9,520
53	NHS	539
5,738	Other Entities and Individuals	4,806
521	Payments in Advance	756
<b>17,397</b>	<b>Total debtors and payments in advance</b>	<b>18,976</b>
	<b>Less: Provision for Bad Debts / Impairment</b>	
(146)	Council Tax Arrears- Council share	(157)
(501)	NDR Arrears- Council share	(554)
(790)	Housing (HRA)	(728)
(1,257)	Sundry Debtors (customer debt)	(1,089)
<b>(2,694)</b>	<b>Total provisions for bad debts / impairments</b>	<b>(2,528)</b>
<b>14,703</b>	<b>Total net figure</b>	<b>16,448</b>

# Notes to the Statement of Accounts

The credit risk associated with accounts payable to the Council is reflected in the provisions made in the accounts for doubtful debts.

## 17 Cash and Cash Equivalents

The balance of cash and cash equivalents is made up of the following elements:

31 March 2025		31 March 2026
£000		£000
17,605	Short-term Deposits and Money Market Funds	11,530
(234)	Bank Overdrafts	(1,494)
<b>17,371</b>	<b>Total Cash and Cash Equivalents</b>	<b>10,036</b>

## 18 Short Term Creditors and Revenue Grants Receipts in Advance

An analysis of creditors falling due within one year is shown below:

31 March 2025		31 March 2026
£000		£000
(15,352)	Central Government Bodies	(13,147)
(12,376)	Local Authorities	(12,191)
(6,512)	Other Entities and Individuals -Other	(6,593)
(6,276)	Receipts in Advance	(5,585)
<b>(40,516)</b>	<b>Total creditors and receipts in advance</b>	<b>(37,516)</b>

### 18(a) Capital Grants and Contributions

#### Developer (S106) Contributions:

Developers' contributions are monies received from developers under section 106 of the Town and Country Planning Act 1990 which contribute to the infrastructure costs for drainage and to community arts and development and are detailed below:

# Notes to the Statement of Accounts

31 March 2025		31 March 2026
£000	Developer (S106) Contributions:	£000
(21,151)	Commuted sums	(19,366)
(661)	Community Transport Initiative	(525)
(611)	Affordable Housing s106	0
(54)	Sustainability s106 Orchard Park	(54)
(10)	Public art s106 Orchard Park	(10)
(282)	Community development s106	(247)
(16)	Electoral arrangements	(16)
(524)	Waste Management	(369)
<b>(23,308)</b>		<b>(20,587)</b>

## 19 Provisions

Provisions included in the balance sheet consist of provisions for bad and doubtful debts, which have been netted off against debtors as shown in the Balance Sheet and Note 16.

New arrangements for the retention of Business Rates came into effect on 1 April 2013, at which time the Council assumed liability for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list, which will include amounts that were paid over to central Government in respect of 2012/13 and prior years. A provision for the appeals liabilities of £2.795m has been recognised in the 2025/26 accounts (£5.499m in 2024/25), and the in-year movement is shown in Note 19.

Short Term (Business Rates)		Short Term (Business Rates)
£000		£000
<b>(5,762)</b>	<b>Balance at 01 April 2025</b>	<b>(5,499)</b>
263	Additional provisions made in 2025/26	2,703
0	Amounts used in 2025/26	0
<b>(5,499)</b>	<b>Balance as at 31 March 2026</b>	<b>(2,795)</b>

## 20 Unusable Reserves

Movements in Usable Reserves are shown in detail on the Movement in Reserves Statement.

31 March 2025			31 March 2026
£000			£000
(263,758)	Revaluation Reserve	(a)	(268,914)
(268,439)	Capital Adjustment Account	(b)	(284,928)
17,923	Pension Reserve	(c)	4,239
(106)	Deferred Capital Receipts Reserve	(d)	(84)
(3,616)	Collection Fund Adjustment Account	(e)	(2,727)
473	Accumulated Absences Account	(f)	306
<b>(517,523)</b>			<b>(552,108)</b>

### (a) Revaluation Reserve

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

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

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

31 March 2025		31 March 2026
£000		£000
<b>(235,959)</b>	<b>Balance at 1 April</b>	<b>(263,758)</b>
(28,679)	Upward revaluation of assets	(6,533)
	Downward revaluation of assets and impairment losses not charged to the (Surplus)/Deficit on Provision of Services	
<b>(28,679)</b>	<b>(Surplus) or Deficit on revaluation of non current assets not posted to the (Surplus)/Deficit on the Provision of Services</b>	<b>(6,533)</b>
880	Difference between fair value depreciation and historical cost depreciation	1,377
0	Accumulated gains on assets sold or scrapped	0
<b>880</b>	<b>Net amount transferred to the Capital Adjustment Account</b>	<b>1,377</b>

# Notes to the Statement of Accounts

31 March 2025		31 March 2026
£000		£000
(263,758)	Balance at 31 March	(268,914)

## (b) Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provision. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with reconciling postings from the Revaluation Reserve to convert fair value figures to historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

31 March 2025		31 March 2026
£000		£000
(252,413)	<b>Balance at 1 April</b>	<b>(268,439)</b>
(423)	Adjustment for IFRS 16 transition	0
0	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:	0
9,237	Charges for depreciation and impairment of non-current assets	9,798
6,429	Revaluation impairment through CIES	10,408
0	Reversal of impairment on revaluation	0
145	Amortisation of intangible assets	143
2,032	Revenue expenditure funded from capital under statute	1,429
3,858	Amounts of non-current assets written off on disposal as part of the gain / loss on disposal posted to the CIES	4,764
0	Write out of revaluation gain on disposal from Revaluation Reserve	0
(880)	Depreciation, amortisation and impairment w/o from Reval. Res.	(1,377)
<b>20,821</b>	<b>Net written out amount of the cost of non-current assets consumed in the year</b>	<b>25,165</b>
	<b>Capital financing applied in the year:</b>	
(10,663)	Use of the Capital Receipts Reserve to finance new capital expenditure	(8,038)
(10,336)	Use of the Major Repairs Reserve to finance new capital expenditure	(8,192)
(3,278)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(6,399)
(2,207)	Application of grants to capital financing from the Capital Grants Unapplied Account	(4,970)
(1,227)	Statutory provision for the financing of capital investment charged against the General Fund balance	(792)
0	Use of General Earmarked Reserve to finance new capital expenditure	0
(8,713)	Capital expenditure charged against the General Fund and HRA balances	(15,037)
<b>(36,424)</b>		<b>(43,428)</b>
0	Movements in the market value of Investment Properties credited to the CIES	1,774
0	Other adjustment	0
<b>(268,439)</b>	<b>Balance at 31 March</b>	<b>(284,928)</b>

# Notes to the Statement of Accounts

## c) 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 CIES as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to the pension fund or eventually pays any pensions for which it is directly responsible. The credit balance of the Pension Reserve therefore shows a substantial excess in the benefits earned by the past and current employees and the resources the Council have set aside to meet them.

See Note 32 for further details of the Reserve Balance which equates to the Liability.

31 March 2025		31 March 2026
£000		£000
(5,964)	<b>Balance at 1 April</b>	<b>17,923</b>
25,464	Remeasurements of the net defined benefit liabilities	(11,998)
4,676	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	4,870
(6,253)	Employer's pensions contributions and direct payments to pensioners payable in the year	(6,556)
<b>17,923</b>	<b>Balance at 31 March</b>	<b>4,239</b>

## (d) Deferred Capital Receipts

The Deferred Capital Receipts Reserve holds the gains recognised on the disposal of non-current assets but for which cash settlement has yet to take place. Under statutory arrangements, the Council does not treat these gains as useable for financing new capital expenditure until they are backed by cash receipts. When the cash is eventually received, amounts are transferred to the Capital Receipts Reserve.

31 March 2025		31 March 2026
£000		£000
(106)	<b>Balance at 1 April</b>	<b>(106)</b>
0	Movement in year	22
<b>(106)</b>	<b>Balance at 31 March</b>	<b>(84)</b>

## (e) Collection Fund Adjustment Account

The Collection Fund Adjustment Account represents the amount that the Council owes itself, as at the year end, arising from the declared Collection Fund Surplus for the year. This amount is not permitted to be allocated to the General Fund under Statute, hence its inclusion within this Reserve.

31 March 2025		31 March 2026
£000		£000
(644)	<b>Balance at 1 April</b>	<b>(3,616)</b>
(2,968)	Amount by which the non-domestic rates income credited to the Comprehensive Income & Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	877
(4)	Amount by which the council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	12
<b>(3,616)</b>	<b>Balance at 31 March</b>	<b>(2,727)</b>

# Notes to the Statement of Accounts

## (f) Accumulated Absence Reserve

The Accumulating Compensated Absence Reserve reflects the input of excess staff time utilised at the Balance Sheet Date which will be paid in kind beyond the Balance Sheet Date in the form of excess leave.

31 March 2025		31 March 2026
£000		£000
509	Balance at 1 April	473
(509)	Settlement or cancellation of accrual made at the end of previous year	(473)
473	Amounts accrued at the end of current year	306
473	<b>Balance at 31 March</b>	<b>306</b>

## 21 Cash Flow Statement- Operating Activities

Adjusted net surplus or (deficit) on the provision of services for non cash movements

31 March 2025		31 March 2026
£000		£000
9,382	Depreciation	9,941
6,429	Impairment and upward revaluations	24,181
7,703	Increase / (decrease) in creditors	(3,000)
(263)	Increase / (decrease) in provisions	(2,704)
(758)	(Increase) / decrease in debtors	(1,745)
(83)	(Increase) / decrease in inventories	55
(1,577)	Pension Liability	(13,684)
3,960	Carrying amount of Non-Current Assets sold	4,763
1	Other Non-Cash Items Charged to the Net Surplus or deficit on the Provision of Services	2
24,794	<b>Total</b>	<b>17,809</b>

Adjusted for items included in the net surplus or (deficit) on the provision of services that are investing or financing activities

31 March 2025		31 March 2026
£000		£000
(4,790)	Creditors relating to Collection Fund Agencies	5,231
645	Debtors relating to Collection Fund Agencies	1,431
(8,432)	Proceeds from the sale of property and equipment, investment property and intangible assets	(7,782)
(12,577)	<b>Total</b>	<b>(1,121)</b>

# Notes to the Statement of Accounts

Operating activities within the cashflow statement include the following cash flows relating to interest and other operating activities

31 March 2025		31 March 2026
£000		£000
6,947	Interest Received	6,143
(10,712)	Interest Charge for the Year	(10,575)
<b>(3,765)</b>	<b>Total</b>	<b>(4,432)</b>

## 22 Cash Flow Statement- Investing Activities

31 March 2025		31 March 2026
£000		£000
(38,164)	Purchase of Property, Plant & Equipment, Investing Property	(81,317)
(18,710)	Purchase of Short-term and Long-term Investments	3,274
13,272	Purchase of Short-term and Long-term Borrowing	33,999
8,432	Proceeds from Sale of Property, Plant & Equipment, Investment	7,782
<b>(35,170)</b>	<b>Total</b>	<b>(36,262)</b>

## 23 Cash Flow Statement- Financing Activities

31 March 2025		31 March 2026
£000		£000
1,141	Creditors relating to Section 106 etc.	(2,721)
4,790	Creditors relating to Collection Fund Agencies	(5,231)
(645)	Debtors relating to Collection Fund Agencies	(1,431)
0	Leases	(206)
<b>5,286</b>	<b>Total</b>	<b>(9,588)</b>

## 24 Trading Operations

There were no trading operations at the Council in 2025/26 or prior.

## 25 Members Allowance

South Cambridgeshire District Council was represented by a total of 45 Councillors during the year. Further information is available upon request from the Democratic Services Manager, South Cambridgeshire District Council, South Cambridgeshire Hall, Cambourne Business Park, Cambourne, Cambridge, CB23 6EA.

31 March 2025		31 March 2026
£		£
418,426	Allowances	433,225
10,727	Expenses	9,269
<b>429,153</b>	<b>Total</b>	<b>442,494</b>

# Notes to the Statement of Accounts

## 26 Officer Remuneration

Senior officers' remuneration.

			2025/26		
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Compensa- tion for Loss of Office	Total Remuneration including Pension Contributions
Chief Executive	151,875	0	26,122	0	177,997
Chief Operating Officer	127,337	0	21,902	0	149,239
Head of Housing	88,042	0	15,143	0	103,185
Joint Director for Planning and Economic Development <sup>1</sup>	127,337	0	21,902	0	149,239
Head of Finance & Section151 Officer	80,494	0	13,845	0	94,339
Head of Transformation HR & Corporate Services	100,981	0	17,369	0	118,350
Head of Climate, Environment & Waste	104,219	0	15,360	0	119,579
Monitoring Officer	32,198	0	5,538	0	37,736
<b>Total</b>	<b>812,483</b>	<b>0</b>	<b>137,181</b>	<b>0</b>	<b>949,664</b>

<sup>1</sup> Shared Director with Cambridge City Council. 100% of Remuneration costs shown above. Costs shared 50:50.

			2024/25		
	Salary (including fees and allowances)	Benefits in Kind	Pension Contributions	Compensa- tion for Loss of Office	Total Remuneration including Pension Contributions
Chief Executive	147,166	0	25,313	0	172,479
Chief Operating Officer	123,389	0	21,223	0	144,612
Head of Housing	85,312	0	14,674	0	99,986
Joint Director for Planning and Economic Development 1	123,389	0	21,223	0	144,612
Head of Finance & Section151 Officer	85,312	0	14,674	0	99,986
Head of Transformation HR & Corporate Services	94,717	0	16,291	0	111,008
Head of Climate, Environment & Waste	100,987	0	14,793	0	115,780
<b>Total</b>	<b>760,272</b>	<b>0</b>	<b>128,191</b>	<b>0</b>	<b>888,463</b>

# Notes to the Statement of Accounts

The number of employees, excluding Senior Officers shown below, whose remuneration was £50,000 or more were:

31 March 2025		31 March 2026
No of Employees	Remuneration Band	No of Employees
22	£50,000 - £54,999	56
28	£55,000 - £59,999	15
12	£60,000 - £64,999	15
10	£65,000 - £69,999	9
3	£70,000 - £74,999	10
0	£75,000 - £79,999	2
1	£80,000 - £85,000	0
0	£85,000 - £89,999	1
0	£90,000 - £94,999	0
1	£95,000 - £99,999	0
0	£100,000 - £104,999	1
0	£105,000 - £109,999	0
<b>77</b>	<b>Total</b>	<b>109</b>

Remuneration for these purposes includes all sums paid to or receivable by an employee and sums due by way of expenses allowances (as far as these sums are chargeable to UK income tax) and the money value of any other benefits other than in cash. As remuneration includes redundancy and compensation for loss of office, the number of employees in each salary band can vary from year to year. Pension contributions payable by either the employee or employer are excluded.

## Termination Benefits

Exit packages are those that have been agreed by the Authority, i.e. those packages for which the Authority is demonstrably committed and, have been paid in 2025/26 or are committed to be paid within 12 months. The costs included are those termination benefits defined and measured in accordance with the Code of Practice and include all relevant redundancy costs, pension contributions in respect of early retirement, ex gratia payments and other departure costs.

	2025/26			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exit Packages	Total Cost of Exit Packages in Each Band £000
<b>Exit Package Cost Band (inc. special payments)</b>				
£0 - £20,000	0	8	8	43
£20,001 - £40,000	0	2	2	54
£40,001 - £60,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £120,000	0	0	0	0
£120,001 - £140,000	0	0	0	0
£141,000 - £160,000	0	1	1	152
<b>Total Cost Included in Bandings and in the CIES</b>	<b>0</b>	<b>11</b>	<b>11</b>	<b>249</b>

	2024/25			
	No of Compulsory Redundancies	No of Other Departures	Total No of Exit Packages	Total Cost of Exit Packages in Each Band £000
<b>Exit Package Cost Band (inc. special payments)</b>				
£0 - £20,000	0	7	7	41
£20,001 - £40,000	0	2	2	54
£40,001 - £60,000	0	0	0	0
£80,001 - £100,000	0	0	0	0
£100,001 - £120,000	0	0	0	0
<b>Total Cost Included in Bandings and in the CIES</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>95</b>

## 27 External Audit Fees

The Council has incurred the following costs in relation to the audit of the Statement of Accounts and certification of grant claims and returns:

31 March 2025		31 March 2026
£000		£000
180	External audit fees	261
45	Certification of Grant Claims & Returns - Housing Benefits	0
4	Certification of Grant Claims & Returns - Housing pooling capital receipts	4
<b>229</b>	<b>Total</b>	<b>265</b>

## 28 Grants and Contributions

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement

31 March 2025		31 March 2026
£000		£000
	<b>Credited to Taxation and Non-Specific Grant Income</b>	
(1,758)	New Homes bonus	(1,879)
(1,497)	Other non-ringfenced government grants	(1,095)
(6,548)	Business Rates	(6,255)
(13,118)	Capital grants and other Contributions	(11,419)
<b>(22,921)</b>	<b>Total Grants and Contributions</b>	<b>(20,648)</b>
	<b>Credited to Services</b>	
(19,044)	Department for Work and Pensions (DWP)- Housing benefit	(15,571)
(68)	Cabinet Office (CO)- Electoral registration	(12)
0	Department for Levelling Up, Housing and Communities (DLUC)	0
(3,725)	Other government grants	(4,677)
0	Covid support grants	0
(2,409)	Contributions from local authorities	(2,765)
<b>(25,246)</b>	<b>Total Grants and Contributions</b>	<b>(23,025)</b>
<b>(48,167)</b>	<b>Total</b>	<b>(43,673)</b>

## 29 Related Party Declarations

The Council is required to disclose material transactions with related parties – bodies or individuals that have the potential to control or influence the Council or to be controlled or influenced by the Council. The Council holds a Register of Interests in which all members are required to declare any interests in accordance with the code of conduct which is open to the public.

The Council has three subsidiary companies wholly owned by the Council, South Cambs Limited (trading as Ermine Street Housing), Cambourne Business Park Limited and Shire Homes Lettings Limited. The council is also a Relevant Legal Entity (RLE) in respect of South Cambridgeshire Investment Partnership LLP (LLP) and holds or is treated as holding, directly or indirectly, the right to share 50% of voting rights and any surplus assets of the LLP on a winding up. Transactions between these companies and the Council are accounted within the Council's group accounts (see Note G5).

A number of District Council members are also members of Town and Parish Councils that receive funding from this Council. Precept payments are disclosed in the Comprehensive Income and Expenditure Statement. Any grants made to these bodies were made with proper consideration of declarations of interest.

### Ermine Street Housing

Two senior officers P Campbell and J Membery and two members Councillor P Sandford and Councillor J Hobro held a position of director at South Cambs Limited T/A Ermine Street Housing. During 2025/26, the Council charged £5,835,916 (£6,066,822 2024/25) for its services to Ermine Street Housing. Amounts owed at the end of the year by Ermine Street Housing to the Council totalling £119,526,231 (£120,292,852 2024/25) which related to recharges for contracted services and short term loans taken out to purchase investment properties.

### Shire Homes Lettings Limited

One senior officer H Wood and one member Councillor P Fane held a position of director at Shire Homes Lettings Limited. During 2025/26 expenditure of £418,171 (£409,883 2024/25) was paid to Shire Homes Lettings Limited for contracted services to manage the Council's private sector scheme and the Council charged £371,432 (£352,341 2024/25) for its services. At the end of 2025/26 the net amount of £269,764 (£134,090 2024/25) was outstanding to the Council by Shire Homes Lettings Limited.

### Cambourne Business Park Limited

Two senior officers A Ainsworth and J Membery held the position of director at Cambourne Business Park Limited. At the end of 2025/26 the net amount of £75,319 (£74,193 2024/25) was outstanding to the Council by Cambourne Business Park Limited.

### Care Network Cambridgeshire

A Member Councillor Sue Ellington of the Council held a position of director at Care Network Cambridgeshire. The Council paid this company a grant of £8,000 during 2025/26 (£8,000 2024/25).

### South Cambridgeshire Investment Partnership LLP

# Notes to the Statement of Accounts

South Cambridgeshire District Council is the LLP Designated Member, one member Councillor Richard Stobart approved the report on 03 December 2025 for the year ended 31 March 2025 on behalf of the council.

## Central Government

Central Government is responsible for providing the statutory framework within which the Council operates and provides a significant amount of its funding in the form of grants and prescribes the terms of many transactions that the Council has with other parties, for example Council Tax bills, housing benefits.

In 2025/26, there were no reported material related party transactions that are not disclosed elsewhere in the accounts.

## 30 Capital Expenditure and Financing

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

31 March 2025		31 March 2026		
		HRA	GF	Total
£000		£000	£000	£000
<b>384,844</b>	<b>Opening Capital Financing Requirement</b>	<b>221,407</b>	<b>187,774</b>	<b>409,181</b>
0	Adjustment to Opening CFR	0	0	0
	<b>Capital Investment</b>			
19,603	Loan to South Cambs Ltd	0	0	0
46	Intangible Assets		83	83
38,118	Property, Plant and Equipment	66,128	17,984	84,112
0	Investment Properties	600	(14)	586
20	Loan to Cambourne Business Park Ltd	0	0	0
942	South Cambridgeshire Investment Partnership (SCIP)		2,076	2,076
2,032	Rev. Expenditure Funded from Capital Under Statute		1,429	1,429
<b>60,761</b>	<b>Total Capital Investment</b>	<b>66,728</b>	<b>21,558</b>	<b>88,286</b>
	<b>Sources of Finance</b>			
(10,663)	Capital receipts	(1,607)	(6,431)	(8,038)
(8,713)	Revenue	(13,182)	(1,855)	(15,037)
(5,485)	Capital Grants	(3,756)	(7,613)	(11,369)
(10,336)	Major repairs reserve	(8,192)	0	(8,192)
(1,227)	MRP from Capital Adjustment Account	0	(792)	(792)
<b>(36,424)</b>	<b>Total Capital Financing</b>	<b>(26,737)</b>	<b>(16,691)</b>	<b>(43,428)</b>
<b>409,181</b>	<b>Total</b>	<b>261,398</b>	<b>192,641</b>	<b>454,039</b>
	<b>Explanation of movements in year</b>			
<b>24,337</b>	Increase in underlying need to borrow (unsupported by Government financial assistance)	<b>39,991</b>	<b>4,867</b>	<b>44,858</b>

The loans made to South Cambs Limited and SCIP, from cash balances, are recognised as capital in year, increasing the Council's underlying need to borrow.

## 31 Leases

### Council as Lessee

The Council recognises Right-of-Use (ROU) assets and corresponding lease liabilities for leases that convey the right to control the use of an identified asset for a period of time in exchange for consideration, except for short-term leases (12 months or less) and leases of low-value assets.

At the commencement date of the lease, the Council measures the lease liability at the present value of future lease payments, discounted using the interest rate implicit in the lease where this can be readily determined or, where this is not available, the Council's incremental borrowing rate.

The Right-of-Use asset is initially measured at cost comprising the initial measurement of the lease liability, lease payments made at or before the commencement date, any initial direct costs incurred, less any lease incentives received.

Right-of-Use assets are subsequently measured at cost less accumulated depreciation and impairment losses and are depreciated on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

During the preparation of the 2025/26 Statement of Accounts, the Council identified errors in the accounting treatment of certain lease transactions within the 2024/25 financial statements. The errors resulted in the carrying values of the related Right-of-Use assets and lease liabilities being misstated. The correction has no impact on the Council's cash flows but has amended the carrying amounts of the affected assets, liabilities and reserves. Details of the adjustments are set out in the table below.

### Right of Use of Assets

Movements in the value of right of use assets during the year as follows:

Right of use assets	Land and buildings	Vehicles, plant and equipment	Total
	£000s	£000s	£000s
<b>Balance at 1 April 2025</b>	<b>1,583</b>	<b>384</b>	<b>1,967</b>
Adjustment to the Opening Balance	(3,664)	(401)	(4,065)
Remeasurement	0	0	0
Additions	5,827	202	6,029
Revaluations or impairment	0	0	0
Depreciation charge	(381)	17	(364)
Disposals and other movements	0	0	0
<b>Balance at 31 March 2026</b>	<b>3,365</b>	<b>202</b>	<b>3,567</b>

Right of use assets	Land and buildings	Vehicles, plant and equipment	Total
	£000s	£000s	£000s
<b>Balance at 1 April 2024</b>	<b>1,686</b>	<b>476</b>	<b>2,162</b>
Remeasurement	0	0	0
Additions	0	0	0
Revaluations or impairment	0	0	0
Depreciation charge	(103)	(92)	(195)
Disposals and other movements	0	0	0
<b>Balance at 31 March 2025</b>	<b>1,583</b>	<b>384</b>	<b>1,967</b>

### Transactions under leases

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

2024/25		2025/26
£'000	Comprehensive income and expenditure statement	£'000
66	Interest expense on lease liabilities	179
0	Expenses relating to short-term leases	0
0	Expense relating to exempt leases of low value items	0
0	Variable lease payments not included in the measure of lease liabilities	0
0	Income from subletting right of use assets	0
0	Gains or losses arising from sale and leaseback transactions	0
	<b>Cash flow statement</b>	
129	Minimum lease payments	206

### Maturity analysis of lease liabilities

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

# Notes to the Statement of Accounts

2024/25		2025/26
£'000		£'000
(129)	Less than one year	(284)
(1,481)	One to five years	(1,119)
0	More than five years	0
<b>(1,610)</b>	<b>Total undiscounted liabilities</b>	<b>(1,403)</b>

## Operating Leases

### The Council as a lessor:

The Council has no finance lease as a lessor.

### Operating Leases

Where the Council grants an operating lease over a property (including those classified as Investment Property) or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income from operating leases (including minimum lease payments from Investment Properties) is recognised in the Comprehensive Income and Expenditure Statement on a straight-line basis over the lease term.

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

	2025/26	2024/25
	£000s	£000s
Not later than one year	2,897	2,624
Later than one year and not later than five years	10,702	10,299
Later than five years	5,223	4,264
<b>Total</b>	<b>18,821</b>	<b>17,187</b>

## 32 Pensions

The Council participates in the national Local Government Pension Scheme which is a funded defined benefit (average career) scheme and which also provide historic unfunded discretionary benefits, both of which are administered by Cambridgeshire County Council. With the funded scheme, the Council (the employer) and employees both pay contributions into the pension fund with the employer's contribution calculated every three years at a level intended to balance the scheme assets and liabilities over a twenty year period.

The transactions below have been made in the CIES during the year.

31 March 2025		31 March 2026
£000	Comprehensive Income and Expenditure Statement	£000
4,994	Service Cost	3,908
(318)	Net Interest Charged (Including on assets, liabilities and asset ceiling)	962
<b>4,676</b>	<b>Net Charge made to the CIES</b>	<b>4,870</b>
	<b>Re-Measurements in Other Comprehensive Income</b>	
5,220	Return on Fund Assets in Excess of Interest	605
(26,569)	Changes in Financial Assumptions	(3,656)
(1,611)	Other	9,301
(286)	Change in Demographic Assumptions	(2,509)
<b>(23,246)</b>	<b>Subtotal</b>	<b>3,741</b>
48,710	Impact of Asset Ceiling	(15,739)
<b>25,464</b>	<b>Re-Measurement of the Net Assets / (Defined Liability)</b>	<b>(11,998)</b>
	The Balances below are recognised at the Year End	
	<b>Pension Assets and Liabilities Recognised in the Balance Sheet</b>	
(141,668)	Present Value of the Funded Obligation	(157,185)
184,179	Fair Value of Plan Assets	200,930
<b>42,491</b>	<b>Subtotal</b>	<b>43,745</b>
(59,191)	Closing asset ceiling	(46,883)
<b>(16,700)</b>	<b>Net Surplus/(liability) recognised in the Balance Sheet</b>	<b>(3,138)</b>
<b>(1,223)</b>	<b>Present value of Unfunded Obligations recognised on Balance sheet</b>	<b>(1,101)</b>

# Notes to the Statement of Accounts

## Reconciliation of the present value of the Scheme Liabilities

RESTATED

Total Liabilities		Total Liabilities
31 March 2025		31 March 2026
£000		£000
<b>(162,860)</b>	<b>Pensions liability at 1 April</b>	<b>(142,911)</b>
(7,908)	Interest Cost (Interest on gross liabilities only)	(8,285)
286	Change in Demographic Assumptions	2,509
26,569	Change in Financial Assumptions	3,656
1,611	Change in Other Assumptions	(13,401)
(4,904)	Current Service Cost	(3,908)
(90)	Past Service Cost Including Curtailments	0
(1,723)	Contributions by Scheme Participants	(1,900)
5,991	Benefits Paid	5,845
117	Unfunded Benefits Paid	109
<b>(142,911)</b>	<b>Pension Liability at 31 March</b>	<b>(158,286)</b>

In the prior year, the Council originally reported an opening pension liability of £172,255 and a closing pension liability of £152,018, due to adding of the asset ceiling to the gross present value of defined benefits obligations. The Council has corrected this in the current year and now show a separate reconciliation of asset ceiling table, in line with requirements of the standards. The Council has updated the prior year comparative reconciliation of gross assets and reconciliation of gross liabilities. In the prior year the Council also originally reported opening plan assets of £179,995 and closing plan assets of £183,512, due to updated asset returns not reflected in the full reconciliation of gross fair value of plan assets. There is no impact on any of the primary statements including the balance sheet.

## Reconciliation of the fair value of the Scheme Assets

RESTATED

31 March 2025		31 March 2026
£000		£000
<b>179,995</b>	<b>Fair Value of the Plan Assets at 1 April</b>	<b>184,179</b>
(1,175)	Other	0
8,711	Interest on Assets	10,754
(5,220)	Return on Assets less Interest	3,495
6,136	Employer Contributions including Unfunded	6,447
1,723	Contributions by Scheme Participants	1,900
(6,108)	Benefits Paid	(5,954)
117	Contributions in respect of unfunded benefits	109
<b>184,179</b>	<b>Fair Value of the Plan Assets at 31 March</b>	<b>200,930</b>

### Determination of asset ceiling

For the local government pension scheme surplus, we are required by the Code of Accounting Practice to consider the impact of any asset ceiling on the recognition of the IAS19 asset on the balance sheet. The Council does not have an unconditional right to a refund from the local government pension scheme, therefore there is no economic benefit available due to refunds. The Council considers that an economic benefit is available from the IAS19 surplus through possible reductions in future contributions. The effect of this is however reduced by the future service contributions the council is required to pay. These contributions represent a minimum funding requirement and reduce the recognised IAS19 asset accordingly. As the economic benefit of this element is less than the net defined benefit pension asset, the amount recognised in the balance sheet has been restricted to the lower of the two.

### Asset Ceiling

31 March 2025		31 March 2026
£000		£000
<b>(9,996)</b>	<b>Opening Asset Ceiling</b>	<b>(59,191)</b>
(48,710)	Remeasurement gain/loss for the year	15,739
(485)	Interest on Asset Ceiling	(3,431)
<b>(59,191)</b>	<b>Closing Asset Ceiling</b>	<b>(46,883)</b>

## Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible. A strategy has been agreed with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The last triennial valuation was completed during 2025.

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

The estimated Employer contributions for the period to 31 March 2027 are £5,345,000 (2025/26 £5,967,000).

## Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions that will be payable in future years dependent on the assumptions about mortality rates, salary levels etc.

Both the Local Government Pension Scheme and discretionary benefits liabilities have been estimated by Hymans Robertson LLP, an independent firm of actuaries, estimates for the fund being based on the latest full (triennial) valuation of the scheme as at 31 March 2025.

The principal assumptions used by the actuary have been:

2024/25		2025/26
	<b>Mortality Assumptions</b>	
	Longevity at 65 for current pensioners in years:	
21.9	* Men	22.5
24.4	* Women	25.0
	Longevity at 65 for future pensioners in years:	
22.3	* Men	23.0
26	* Women	26.6
3.25%	Rate of increase in salaries	3.50%
2.75%	Rate of increase in pensions	3.00%
5.80%	Rate for discounting scheme liabilities	6.20%

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

In June 2023, the High Court handed down a decision in the case of Virgin Media Limited v NTL Pension Trustees II Limited and others relating to the validity of certain historical pension changes due to the lack of actuarial confirmation required by law. In July 2024, the Court of Appeal dismissed the appeal brought by Virgin Media Ltd against aspects of the June 2023 decision. The conclusions reached by the court in this case may have implications for other UK defined benefit plans. SCDC and the administering authority are monitoring developments in terms of whether there is expected to be any impact on LGPS Funds and will consider if there are any implications for the pension scheme. As a result, SCDC does not consider it necessary to make any allowance for the potential impact of the Virgin Media case in its financial statements. Following the Court of Appeal judgement in this case there is no impact on SCDC.

# Notes to the Statement of Accounts

The Scheme's assets consist of the following categories, by proportion of the total assets held.

RESTATED

Quoted active market	Quoted non-active market	Total		Quoted active market	Quoted non-active market	Total
£000	£000	£000		£000	£000	£000
3,096	0	3,096	<b>Cash and cash equivalents</b>	5,022	0	5,022
			<b>Equity inst: by industry type</b>			
1,958	0	1,958	Consumer	2,139	0	2,139
1,981	0	1,981	Manufacturing	1,922	0	1,922
104	0	104	Energy and Utilities	196	0	196
2,139	0	2,139	Financial Institutions	2,068	0	2,068
1,790	0	1,790	Health and Care	1,594	0	1,594
4,466	0	4,466	Info. Technology	4,784	0	4,784
207	0	207	Other	159	0	159
<b>12,645</b>	<b>0</b>	<b>12,645</b>	<b>Sub-total equity</b>	<b>12,861</b>	<b>0</b>	<b>12,861</b>
			<b>Debt Securities: by sector</b>			
0	18,932	18,932	UK Government	0	24,073	24,073
0	0	0	Other	0	0	0
<b>0</b>	<b>18,932</b>	<b>18,932</b>	<b>Sub-total bonds</b>	<b>0</b>	<b>24,073</b>	<b>24,073</b>
			<b>Property: by type</b>			
0	17,437	17,437	UK Property	0	17,344	17,344
0	0	0	Overseas Property	0	0	0
<b>0</b>	<b>17,437</b>	<b>17,437</b>	<b>Sub-total property</b>	<b>0</b>	<b>17,344</b>	<b>17,344</b>
			<b>Private Equity:</b>			
0	24,890	24,890	All (UK & Overseas)	0	27,084	27,084
<b>0</b>	<b>24,890</b>	<b>24,890</b>	<b>Sub-total private equity</b>	<b>0</b>	<b>27,084</b>	<b>27,084</b>
			<b>Inv. Funds and Unit Trusts</b>			
0	67,707	67,707	Equities	0	70,358	70,358
0	25,896	25,896	Bonds	0	27,606	27,606
0	13,577	13,577	Infrastructure	0	16,585	16,585
0	0	0	Other	0	0	0
<b>0</b>	<b>107,180</b>	<b>107,180</b>	<b>Sub-total other inv. funds</b>	<b>0</b>	<b>114,548</b>	<b>114,548</b>
			<b>Derivatives:</b>			
0	(1)	(1)	Other	0	(2)	(2)
<b>0</b>	<b>(1)</b>	<b>(1)</b>	<b>Sub-total derivatives</b>	<b>0</b>	<b>(2)</b>	<b>(2)</b>
<b>15,741</b>	<b>168,438</b>	<b>184,179</b>	<b>Total</b>	<b>17,883</b>	<b>183,047</b>	<b>200,930</b>

Fair value of scheme assets

31 March 2025		31 March 2026
%		%
7.0%	Equity Instruments	6.4%
10.0%	Debt Securities	12.0%
10.0%	Property	8.6%
13.0%	Private Equity	13.5%
58.0%	Investment Funds and Unit Trusts	57.0%
0.0%	Derivatives	0.0%
2.0%	Cash and cash equivalents	2.5%
100.0%		100.0%

The extent to which the expected future returns on assets are sufficient to cover the estimated net liabilities was considered by the actuaries in the 2017 actuarial review of the Pension Fund. The anticipated shortfall in the funding of the scheme has determined the future level of pension contributions which will be due in between triennial valuations.

	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
<b>Sensitivity Analysis as at 31 March 2026</b>		
0.1% decrease in Real Discount Rate	2%	2,540
1 year increase in member life expectancy	4%	6,331
0.1% increase in the Salary Increase Rate	0%	114
0.1% increase in the Pension Increase/Revaluation Rate (CPI)	2%	2,424

	Approximate % Increase to Defined Benefit Obligation	Approximate monetary amount (£000)
<b>Sensitivity Analysis as at 31 March 2025</b>		
0.1% decrease in Real Discount Rate	2%	2,575
1 year increase in member life expectancy	4%	5,716
0.1% increase in the Salary Increase Rate	0%	93
0.1% increase in the Pension Increase/Revaluation Rate (CPI)	2%	2,554

## 33 Nature & extent of risks arising from financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. The Council has the following financial instruments:

- financial liabilities: trade payables and long term borrowing
- financial assets: loans and receivables comprising bank deposits, trade receivables, investments, shares and long term mortgages

The Council has given interest free loans, repayable on the sale/transfer of charged properties, which have not been classified as financial instruments. These loans are included in the balance sheet as long term debtors', the outstanding amount was £329,000 as at 31 March 2026 (£329,000 in 2024/25). No such loans have been made since 2012/13.

The Council's activities expose it to a variety of financial risks, the key risks are:

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

### Credit Risk

Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. Deposits are only made with banks and financial institutions which are included as counterparties in the Council's Investment Strategy, which regards the successful identification, monitoring and control of risk to be the prime criteria. The Council has a policy of tiered maximum investments with the uppermost limit not more than £10m of its surplus balances to any one institution. With no historical experience of default, the exposure to credit risk on bank deposits and investments is not considered material. The main exposure to credit risk relates to housing rents where a provision for bad debts is made.

Where sums are owed by the Council's customers and contractual debtors the Council makes provision for doubtful debt, detailed in Note 16, based on an assessment of the risks for each type and the age of those debts. The Council does not generally extend credit beyond 21 days.

Balances Invested as at 31 March 2026	Credit Rating Criteria Met	Up to 1 Month	1 - 3 Months	4 - 6 Months	7 - 12 Months	Greater than 12 Months	Total
		£000	£000	£000	£000	£000	£000
Banks UK	YES						0
Building Societies	YES						0
South Cambs Ltd	YES					119,028	119,028
SCIP	YES					15,774	15,774
Housing Assoc	YES						0
Local Authorities	YES	10,000					10,000
CLIC	YES					2,067	2,067
Money Market Funds	YES	1,425					1,425
Cambourne Business Park Limited	YES					50	50
<b>Total</b>		<b>11,425</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>136,920</b>	<b>148,345</b>

Balances Invested as at 31 March 2025	Credit Rating Criteria Met	Up to 1 Month	1 - 3 Months	4 - 6 Months	7 - 12 Months	Greater than 12 Months	Total
		£000	£000	£000	£000	£000	£000
Banks UK	YES	1,085					1,085
Building Societies	YES						0
South Cambs Ltd	YES					119,603	119,603
SCIP	YES					13,975	13,975
Housing Assoc	YES						0
Local Authorities	YES	7,000	6,000		4,000	500	17,500
CLIC	YES					2,142	2,142
Money Market Funds	YES	3,410					3,410
Cambourne Business Park Limited	YES					50	50
<b>Total</b>		<b>11,495</b>	<b>6,000</b>	<b>0</b>	<b>4,000</b>	<b>136,270</b>	<b>157,765</b>

## Debtors

The following analysis summarises the Council's analysis of its potential maximum exposure to credit risk (impairment allowance) in relation to debtors:

31 March 2025			31 March 2026	
Customer Debt	Other Debtors		Customer Debt	Other Debtors
£000	£000		£000	£000
(1,313)	(1,333)	<b>Balance at 1st April</b>	(1,257)	(924)
123	(937)	(Increase)/decrease in provisions	124	(1)
(67)	1,346	Amounts used	44	105
<b>(1,257)</b>	<b>(924)</b>	<b>Balance at 31st March</b>	<b>(1,089)</b>	<b>(820)</b>

The Council does not normally extend credit beyond 21 days. At 31 March 2026, the total debtor balance can be analysed as follows:

31 March 2025		31 March 2026
£000		£000
	<b>Customer Debts:</b>	
1,111	Less than 3 months	12,369
498	More than 3 months	317
<b>1,609</b>	<b>Balance at 31st March</b>	<b>12,686</b>

## Investments

The risk is minimised through the Treasury Management Strategy, which requires that deposits are made with Debt Management Office, other local authorities, AAA rated money market funds or Banks and Building Societies having sufficiently high credit worthiness as set out in the Treasury Management Strategy. It must also be noted that although credit ratings remain a key source of information, the Council recognises that they have limitations and investment decisions are based on a range of market intelligence. A limit of £10m is placed on the amount of money that can be invested with a single counterparty excepting UK Central Government which is unlimited. The Council also sets a total group investment limit (£10m) for institutions that are part of the same banking group.

The table above summarises the nominal value of the Council's investment portfolio at 31 March 2026, and confirms that all investments were made in line with the Council's approved rating criteria when investment placed:

The above amounts include the money market fund which is included in cash and cash equivalents.

## Liquidity Risk

All trade and other payables are due to be paid in less than one year. The PWLB loans have maturities of between 1 and 31 years as detailed in Note 13, interest being paid half yearly, a Repayment Reserve being used to manage the future repayment of principal.

## Market Risk

The Council is exposed to risk in terms of its exposure to interest rate movements on its investments as most investments are at fixed rates. Movement in interest rates can have an impact on the Council's interest receipts from investments; for example, a rise in interest rates would have the following effects:

- Investments at variable rates – the interest income credited to the Income and Expenditure Account will rise
- Investments at fixed rates – the fair value of the assets will fall (but the carrying amount will not change)

As most investments are at fixed rates, a sensitivity analysis for interest rate changes has not been carried out.

The treasury management team has an active strategy for assessing interest rate exposure that feeds into the setting of the annual budget which is used to update the Council's medium term financial strategy periodically during the year, this allows any adverse changes to be accommodated.

## Price Risk

The Council does not invest in equity holdings or in financial instruments whose capital value is subject to market fluctuations. It therefore has no exposure to losses arising through price variations.

## Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies. It therefore has no exposure to loss arising from movements in exchange rates.

## 34 Capital Commitments

In respect to the General Fund, material capital commitments at 31 March 2026 were £9.218m (£Nil as at 31 March 2025). These are in respect to the construction of a renewable energy solar park at Waterbeach (£4.168m) and commitments towards renewals and replacement of refuse collection vehicles (£5.05m).

In respect to the Housing, material capital commitments as at 31 March 2026 were £74.221m (£26.913m as at 31 March 2025).

## 35 Assets Held for Sale

31 March 2025		31 March 2026
£000		£000
	<b>Cost or valuation</b>	
0	<b>At 1 April</b>	<b>0</b>
0	Adjustments	0
0	Additions	0
0	Revaluation increases / (decreases) recognised in the Revaluation Reserve	0
0	Revaluation increases / (decreases) recognised in the CIES	0
0	Derecognition - Disposals	0
0	Other movements / reclassifications within assets	0
<b>0</b>	<b>Total</b>	<b>0</b>

## 36 Intangible Assets

31 March 2025		31 March 2026
£000		£000
	<b>Cost or valuation</b>	
681	<b>At 1 April</b>	<b>582</b>
46	Additions- Purchase only	83
(145)	Amortisation	(143)
0	Other movements / reclassifications	0
<b>582</b>	<b>Total</b>	<b>522</b>

## 37 Contingencies

The Council has identified one contingent liability which may give rise to future costs.

As stated in the 'Events after the Balance sheet' (note 5), the government expects to establish a Development Corporation for Greater Cambridge and has initiated the legislative process that will establish this body. It is expected that a number of posts will transfer under TUPE (or other) arrangements to the Development Corporation. However it is unclear how many posts will transfer and how many will be left in the Greater Cambridge Shared Planning Service (GCSPS). It is possible that the GCSPS may be left with some posts that could not be funded by the remaining number of planning applications, due to their size and scale. It is expected that only the smaller applications will remain with the service and therefore the significant capacity that the service currently has to support large scale development will no longer be required. If this liability materialises, there may be a cost of redundancy to the council.

Given the level of uncertainty of the value of the potential liabilities identified it has not been considered appropriate to make specific financial provision within the accounts at this stage.

# Housing Revenue Account Income and Expenditure Statement

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

The Housing Revenue Income and Expenditure Statement shows the Council's actual financial performance for the year in managing its housing stock, measured in terms of the resources consumed and generated over the last twelve months. However, Capital investment is accounted for as it is financed, rather than when the fixed assets are consumed.

The payment of a share of housing capital receipts to the Government is treated as a loss in the Income and Expenditure Account, but is met from the usable capital receipts balance rather than from council tax.

Retirement benefits are charged as amounts become payable to pension funds and pensioners rather than as future benefits earned.

The Housing Revenue Account Statement compares the Council's spending against the Income that it raised for the year, taking into account the use of reserves built up in the past and contributions to reserves earmarked for the future.

This reconciliation statement summarises the differences between the outturn in the Housing Revenue Income and Expenditure Statement and the Housing Revenue Account balance.

Note 7 details the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve and Deferred Capital Receipts.

2024/25		Note	2025/26
£000			£000
	<b>Income</b>		
(37,897)	Dwelling Rents		(39,985)
(493)	Non Dwelling Rents		(501)
(1,442)	Charges for Services and Facilities		(1,498)
0	Revaluation Gains of non-current assets		0
	<b>Contributions towards expenditure:</b>		
(458)	General Fund		(510)
(343)	Other Sources		(52)
<b>(40,633)</b>	<b>Total Income</b>		<b>(42,546)</b>
	<b>Expenditure</b>		
8,749	Repairs and Maintenance		6,731
	<b>Supervision and Management:</b>		
3,345	General		3,355
2,135	Repairs and Maintenance		2,263
1,848	Special Services		1,857
503	Rents, Rates and Other Charges		605
	<b>Depreciation and Amortisation:</b>		
7,646	Depreciation		8,137
6,498	Impairments	H9	17,297
32	Treasury Management Costs		38
102	Inc./(Dec.) Provision for Bad/Doubtful Debts		(41)
<b>30,858</b>	<b>Total Expenditure</b>		<b>40,242</b>
(9,775)	<b>Net Cost of Services as Included in the Comprehensive Income and Expenditure Statement</b>		(2,304)
914	HRA services share of Corporate Expenses		1,074
0	HRA services share of Other Services (mortgage interest)		0
<b>(8,861)</b>	<b>Net Cost / (Income) of HRA Services</b>		<b>(1,230)</b>
<b>(8,861)</b>	<b>HRA Share of the Income and Expenditure included in the Comprehensive Income and Expenditure Statement</b>		<b>(1,230)</b>
(3,515)	Loss/(Gain) on Sale of HRA Non-Current Assets		(3,218)
7,935	Interest Payable and similar charges		8,352
(922)	Interest and Investment Income		(802)
(40)	Pensions Interest / Return on Assets		114
0	Non ringfenced Government Grants		(26)
(2,442)	Capital Grants and Contributions		(3,757)
<b>(7,845)</b>	<b>(Surplus) / Deficit for the Year on HRA Services</b>		<b>(567)</b>

# Notes to the Housing Revenue Account

2024/25		2025/26
<b>£000</b>	<b>Increase / decrease in the Housing Revenue Account Balance</b>	<b>£000</b>
(7,845)	(Surplus)/ deficit for the year on the Housing Revenue Account Income and Expenditure Statement	(567)
6,704	Adjustments between accounting basis and funding basis under statute (including to or from reserves)	3,152
0	Transfers to/from Earmarked Reserves	(2,000)
(1,141)	(Increase) / decrease in the Housing Revenue Account Balance	585
<b>(2,988)</b>	<b>Housing Revenue Account Surplus Brought Forward</b>	<b>(4,129)</b>
<b>(4,129)</b>	<b>Housing Revenue Account Surplus Carried Forward</b>	<b>(3,544)</b>

## H1 Housing Stock Volumes

The Housing Revenue Account includes all the expenditure and income associated with the following stock of Housing Revenue Account dwellings:

2024/25		2025/26			
		Conversion	Additions	Disposals	Total
<b>Total</b>					
1,166	1 Bedroom	0	38	(2)	1,202
2,536	2 Bedroom	1	75	(14)	2,598
1,864	3 Bedroom	0	21	(18)	1,867
92	4+ Bedroom	0	6	0	98
<b>5,658</b>		<b>1</b>	<b>140</b>	<b>(34)</b>	<b>5,765</b>

31 March 2025		31 March 2026
5,601	<b>Stock (Whole Property Equivalent) as at 1 April</b>	<b>5,658</b>
	Less:	
(29)	Other Movements *	(29)
86	New Properties #	136
<b>5,658</b>	<b>Stock as at 31 March</b>	<b>5,765</b>
	Other movements / reclassifications within assets	
	Number of houses:	
5,273	Houses and Bungalows	5,308
385	Flats and Maisonettes	457
	Other	
<b>5,658</b>	<b>Stock as at 31 March</b>	<b>5,765</b>
<b>5,658</b>	<b>Total</b>	<b>5,765</b>

\* Other Movements include; equity share and shared ownership sales, demolitions and non-RTB sales  
# New Properties include; New Builds and equity share and shared ownership acquisitions

## H2 Housing Stock Values

The total balance sheet values of dwellings and other property and land within the HRA are

2024/25			2025/26	
Asset Value	Depreciation		Asset Value	Depreciation
£000	£000		£000	£000
656,567	(7,426)	Council Dwellings (HRA only)	683,509	(7,917)
	7,371	Depreciation adj. on revaluation		7,939
40,001	(115)	Other Land & Buildings	58,335	(107)
	54	Depreciation adj. on revaluation		159
1,112	0	Surplus assets held	1,235	0
1,152	(105)	Infrastructure	1,355	(105)
<b>698,832</b>	<b>(221)</b>		<b>744,434</b>	<b>(31)</b>

In 2025/26, depreciation on buildings is based on the asset lives as assessed by the Council's appointed valuers, Wilks, Head and Eve. Land is not depreciated. The dwellings are valued in accordance with Guidance on Stock Valuation for Resource Accounting issued by the Office of the Deputy Prime Minister. This requires the dwellings to be valued at open market value with vacant possession, which is then adjusted to reflect tenancies at less than open market rents by using an adjustment factor based on the ratio of local authority rents to open market rents for the relevant region. The adjustment factor for the eastern region is 38%.

The value of council dwellings (Housing Revenue Account) at 31 March 2026, based on vacant possession, was £1,849m.

## H3 Gross Dwelling Rent Income

During 2025/26, 2.44% (2.63% in 2024/25) of all lettable dwellings were vacant.

Average rents were £136.59 (£129.05 in 2024/25) per week including affordable rents, an increase of £7.54 or 5.84 % (£7.13 or 5.85% increase in 2024/25) on the previous year. 22.35% (27.74% in 2024/25) of all Council tenants received some help through rent rebates in 2025/26.

Rent arrears reduced to £922,000 (£970,114 in 2024/25), which represents 1.66% (1.81% in 2024/25) of gross dwelling rent income.

The provision for bad and doubtful debts on these arrears amounted to £698,578 (£701,243 in 2024/25). Amounts written off during the year totalled £21,754 (£51,781 in 2024/25). Dwelling rents are shown after allowing for voids.

## H4 Rent Arrears on Dwellings

31 March 2025		31 March 2026
£000		£000
970	Arrears	922
(699)	Provision for uncollectable amounts	(661)
<b>271</b>	<b>Net arrears</b>	<b>261</b>
1.81%	Arrears as a percentage of gross rents collectable	1.66%

## H5 Pensions

This contribution, shown in the Statement of Movement on the Housing Revenue Income and Expenditure Account, reverses out the pensions liabilities apportioned to net operating expenditure and adds back in the payments to the pension scheme so that the adoption of International Accounting Standard 19 (IAS 19) Employee Benefits has no effect on the deficit/surplus for the year. In view of the uncertainty over future pension costs, an additional percentage of pensionable pay has been charged against the Housing Revenue Account and placed in a reserve for use in future years (Note 32).

## H6 Housing Revenue Account Capital Receipts

The Council received £7,837,795 (£7,963,494 in 2024/25) in respect of HRA capital receipts during 2025/26.

This arose as a result of the sale of council houses including shared-ownership of £7,674,323 (£7,792,494 in 2024/25).

Of this the Council had £3,965,292 (£2,675,012 in 2024/25) available for house building projects and £33,800 (£24,115 in 2024/25) for the administration of the sales which left £3,964,402 (£5,203,417 in 2024/25) to fund other capital projects. The requirement to pay an amount to the central government pool has been waived.

Capital receipts relating to the HRA during the financial year were:

31 March 2025		31 March 2026
£000		£000
171	Sale of Land	23
3,696	Right to Buy	5,719
4,097	Other	2,120
<b>7,964</b>	<b>Total</b>	<b>7,862</b>

# Notes to the Housing Revenue Account

## H7 Capital Expenditure, Financing and Receipts

Capital expenditure and financing relating to the HRA during the financial year was:

31 March 2025		31 March 2026
£000		£000
216,429	Opening capital financing requirement	221,429
	Expenditure:	
0	Acquisition and Improvement of land	0
18,599	New build- dwellings	51,191
0	Re-provision of existing dwellings	122
6,757	Acquisition of existing dwellings	2,809
9,242	Improvement of housing stock and other buildings	12,606
	Financing:	
(9,804)	Capital receipts and contributions	(1,607)
(7,015)	Revenue	(13,173)
(2,442)	Grants and Reserves	(3,757)
(10,337)	Major Repairs Allowance	(8,191)
221,429	Closing capital financing requirement	261,429

## H8 Major Repairs Reserve

Previously, within the housing subsidy scheme, there was an annual allowance for major repairs which could only be used for expenditure on major repairs and/or improvements to Housing Revenue Account dwellings. The housing subsidy scheme and, therefore the Major Repairs Allowance, ceased at the end of 2011/12 with the advent of the Self Financing regime. In 2012/13 the Council was required to charge the Housing Revenue Account a notional amount for depreciation; calculated in a similar way to the major repairs allowance. The notional depreciation charge is reserved to fund similar major repairs and improvement works. The transition period continued until the end of 2016/17, with a full depreciation charge equivalent to the whole capital adjustment transfer being charged to the Housing Revenue Account from 2017/18 onwards.

2024/25		2025/26
£000		£000
(3,279)	Balance as at 1 April	(589)
(7,646)	Transfer to Capital Adjustment Account	(8,129)
10,336	HRA capital expenditure charged to Major Repairs Reserve	8,192
2,690	Total Expenditure	63
(589)	Balance as at 31 March	(526)

## H9 Impairments

Impairment is a reduction in the value of non-current assets. When this occurs through the clear consumption of economic benefit or through market value reduction, it has been identified and is written off against any revaluation gains in the Revaluation Reserve for that group of assets until the gain is reduced to zero and then any balance is charged to Housing Revenue Income and Expenditure Account.

2024/25		2025/26
£000		£000
6,498	Impairments	17,297

Impairments for 2025/26 were significantly higher, driven primarily by the negative valuation impact associated with the large volume of acquisitions delivered through new build development during the year. These properties were subsequently adjusted to reflect the East of England vacant possession factor (38%), resulting in a total negative valuation of £17m

## H10 Note of Reconciling Items for the Statement of Movement on HRA Balance

2024/25		2025/26
£000		£000
(7,845)	(Surplus)/Deficit for the year on the HRA Income and Expenditure Account	(567)
3,515	(Loss)/Gain on sale of HRA non-current assets	3,196
198	HRA share of contributions to the Pensions Reserve	259
	Reversal of Depreciation & Impairment	
(7,646)	Depreciation	(8,129)
(6,498)	Revaluation	(17,297)
2,442	Capital Grants and Contributions	3,757
7,646	Transfer from Major Repairs Reserve	8,129
9	Accumulated Leave Reversal	51
7,038	Capital Expenditure funded by the HRA	13,186
6,704	<b>Adjustments between accounting basis and funding basis under statute (including to or from reserves)</b>	<b>3,152</b>
(1,141)	<b>Net increase/(decrease) before transfers to/from reserves</b>	<b>2,585</b>
0	Transfers To Earmarked Reserves	(2,000)
(1,141)	<b>Dec/(inc) in the HRA balance for the year</b>	<b>585</b>
(2,988)	HRA balance brought forward	(4,129)
(4,129)	HRA balance carried forward	(3,544)



# Notes to Collection Fund Statement

## Collection Fund Balances:

Attribution of deficit/(surplus) carried forward:

2024/25				2025/26		
Non Domestic Rates	Council Tax	Collection Fund Total		Non Domestic Rates	Council Tax	Collection Fund Total
£000	£000	£000		£000	£000	£000
			<b>Proportional split</b>			
0	8	8	Cambridgeshire and Peterborough Combined Authority	0	9	9
(4,972)	0	(4,972)	Central Government	(3,355)	0	(3,355)
(895)	371	(524)	Cambridgeshire County Council	(604)	443	(160)
(99)	19	(81)	Cambridgeshire & Peterborough Fire Authority	(67)	23	(44)
0	65	65	Cambridgeshire Police and Crime Commissioner	0	78	78
<b>(5,966)</b>	<b>463</b>	<b>(5,503)</b>	<b>Total</b>	<b>(4,026)</b>	<b>554</b>	<b>(3,472)</b>
(3,977)	64	(3,913)	South Cambridgeshire District Council	(2,684)	76	(2,608)
<b>(9,943)</b>	<b>527</b>	<b>(9,416)</b>	<b>Deficit / (Surplus)</b>	<b>(6,710)</b>	<b>630</b>	<b>(6,080)</b>

## CF1 Council Tax

Council Tax income derives from charges raised according to the value of residential properties, which have been classified into eight valuation bands, estimating 1 April 1991 values for this specific purpose. Individual charges are calculated by estimating the amount of income required to be taken from the Collection Fund by Cambridgeshire County Council, Cambridgeshire & Peterborough Police & Crime Commissioner, Cambridgeshire Fire & Rescue Service and this Council for the forthcoming year and dividing this by the council tax base (the total number of properties in each band adjusted by a proportion to convert the number to a Band D equivalent and adjusted discounts: 69,870.8 for 2025/26, (68,631.6 for 2024/25). The basic amount of Council Tax for a Band D property £2,298.04 for 2025/26, (£2,193.87 for 2024/25) is multiplied by the proportion specified for the particular band to give an individual amount due.

2024/25		2025/26			
Equivalent Number of Band D Dwellings		Chargeable Dwellings	Chargeable Dwellings after Discount, Exemptions and Disabled Relief	Ratio to Band D	Band D Equivalents
2.2	Band A Disabled	3.3	3.3	5/9	1.8
1,378.1	Band A	2,116.3	2,116.3	6/9	1,410.9
5,454.4	Band B	7,310.0	7,310.0	7/9	5,685.6
17,670.9	Band C	20,216.0	20,216.0	8/9	17,969.8
14,391.5	Band D	12,753.9	12,753.9	9/9	14,439.8
13,796.1	Band E	11,478.5	11,478.5	11/9	14,029.3
11,581.6	Band F	8,183.8	8,183.8	13/9	11,821.0
7,572.1	Band G	4,632.8	4,632.8	15/9	7,721.3
774.5	Band H	392.5	392.5	18/9	785.0
<b>72,621.4</b>	<b>Total Band D</b>	<b>67,086.9</b>	<b>67,086.9</b>		<b>73,864.3</b>
66.1	Adjustment				(95.7)
(3,834.0)	Less Band D equivalents entitled to Council Tax Support				(3,678.6)
121.3	Ministry of Defence (MOD) contribution				152.1
<b>68,974.7</b>	<b>Total Band D Equivalents</b>				<b>70,242.1</b>
(343.1)	Less Adjustment for Collection Rate		99.4%		(371.3)
<b>68,631.6</b>	<b>Council Tax Base</b>				<b>69,870.8</b>

Income of £160.6m for 2025/26 (£150.6m for 2024/25) was receivable from council tax payers.

## CF2 Non Domestic Rates

Non Domestic Rates are organised on a national basis. The Government specifies an amount, 49.9p (small business) and 55.5p (others) in 2025/26, (49.9p (small business) 54.6p (others) in 2024/25) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

From 1 April 2013 Business Rates Retention was introduced whereby Local Authorities retain 50% of the Business Rates collected and pay the remainder over to Central government. The amount retained is shared between the Council (40%), Cambridgeshire County Council (9%) and Fire Authority (1%). In addition, the Government has set a level of Business Rates Funding deemed to be applicable to each area and every Council either receives a top up (where business rates are below this deemed level of funding) or pays a tariff (if business rates collected are above this deemed level of funding).

If the Council increases its business rates base and therefore income it is allowed to retain a proportion of this increased income whilst paying up to 50% to Central Government. This payment is known as a levy payment.

If a reduction of business rates income of more than 7.5% of its funding baseline has occurred then the government will make up any difference between this and the actual loss in the form of a safety net payment.

The total non-domestic rateable value at the year-end was £283,197,878 (£282,369,937 in 2024/25).

## Group Accounts and Consolidation with the Council

The Council has three wholly owned subsidiaries: South Cambs Limited (Ermine Street Housing), Shire Homes Lettings Limited and Cambourne Business Park Limited. As a result a set of Group Accounts for the Group as a whole are produced. The Accounts have been consolidated on a line by line basis, as per IFRS10.

The impact of the Companies' activities upon the Reserves of the Group are detailed in note G1. Context of Group Accounts and Consolidation with the Council.

## Group - Comprehensive Income and Expenditure Statement

This statement shows the cost in the year of providing services in accordance with generally accepted accounting practices. Authorities raise taxation to cover expenditure in accordance with regulations; this is different from the accounting cost. The taxation position is reflected in the 'Revenue Purpose' column of the Movement In Reserves Statement which shows how the Total Comprehensive Income & Expenditure is allocated to each individual Reserve.

2024/25				2025/26		
Gross Spend	Gross Income	Net Spend		Gross Spend	Gross Income	Net Spend
£000	£000	£000	Note	£000	£000	£000
			<b>Continuing Operations</b>			
4,902	(708)	<b>4,194</b>	Chief Executive	6,212	(613)	<b>5,599</b>
12,058	(9,065)	<b>2,993</b>	Director of Greater Cambridge Shared Planning	14,556	(10,944)	<b>3,612</b>
21,583	(11,826)	<b>9,757</b>	Head of Climate, Waste & Environment	22,278	(16,094)	<b>6,184</b>
23,198	(20,099)	<b>3,099</b>	Head of Finance	19,676	(16,525)	<b>3,151</b>
93	0	<b>93</b>	Monitoring Officer	94	0	<b>94</b>
6,716	(3,776)	<b>2,940</b>	Head of Housing	5,644	(2,996)	<b>2,648</b>
7,533	(1,840)	<b>5,693</b>	Head of Transformation, People & Corporate Services	3,434	(1,628)	<b>1,806</b>
30,649	(40,176)	<b>(9,527)</b>	Housing Revenue Account	40,037	(42,044)	<b>(2,007)</b>
5,170	(10,479)	<b>(5,309)</b>	Subsidiary Companies	5,298	(11,123)	<b>(5,825)</b>
<b>111,902</b>	<b>(97,969)</b>	<b>13,933</b>	<b>Net Cost of Services</b>	<b>117,228</b>	<b>(101,967)</b>	<b>15,262</b>
		4,658	Other Operating Expenditure and Income			<b>7,093</b>
		4,606	Financing and Investment Income and Expenditure			<b>236</b>
		(54,121)	Taxation and Non-Specific Grant Income			<b>(52,626)</b>
		671	Tax expenses of Subsidiary Companies			<b>2,308</b>
		<b>(30,253)</b>	<b>(Surplus) / Deficit on Provision of Services</b>			<b>(27,727)</b>
		(28,679)	(Surplus) / Deficit on Revaluation of Property Plant & Equipment			<b>(6,533)</b>
		25,464	Actuarial (Gains) / Losses on Pension Assets / Liabilities			<b>(11,998)</b>
		<b>(33,468)</b>	<b>Total Comprehensive Income and Expenditure</b>			<b>(46,258)</b>

## Group - Movement in Reserves Statement

This statement shows the movement in the year on the different reserves held by the authority, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce local taxation) and other resources. The surplus or deficit on the provision of services line in the CIES shows the true economic cost of providing the authority's services. These are different from the statutory amounts required to be charged to the General Fund Balance and the Housing Revenue Balance, before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked Reserves (GF)	Housing Revenue Account	Earmarked Reserves (HRA)	Major Repairs Reserve	Capital Receipts Reserve	Capital Grants Un-applied	Subsidiary Companies	Total Usable Reserves	Total Unusable Reserves	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Movements in 2024/25</b>											
<b>Balance as at 01 April 2024</b>	(19,979)	(31,362)	(2,988)	(9,500)	(3,279)	(21,103)	(907)	(10,045)	(99,163)	(494,578)	(593,741)
Adjustment for IFRS 16 at Transition										(424)	(424)
Total Comprehensive Income and Exp.	(21,096)	-	(7,845)	-	-	-	-	(1,312)	(30,253)	(3,215)	(33,468)
Adjustment Between Accounting and Funding Basis Under Regulations	16,351	-	6,704	-	2,690	2,231	(8,669)	-	19,307	(19,307)	-
<b>Net Increase / (Decrease) before Transfer to Earmarked Reserves</b>	<b>(4,745)</b>	<b>-</b>	<b>(1,141)</b>	<b>-</b>	<b>2,690</b>	<b>2,231</b>	<b>(8,669)</b>	<b>(1,312)</b>	<b>(10,946)</b>	<b>(22,522)</b>	<b>(33,468)</b>
Transfer to Earmarked Reserves	4,793	(4,793)	-	-	-	-	-	-	-	-	-
<b>Increase / (Decrease) in Year</b>	<b>48</b>	<b>(4,793)</b>	<b>(1,141)</b>	<b>-</b>	<b>2,690</b>	<b>2,231</b>	<b>(8,669)</b>	<b>(1,312)</b>	<b>(10,946)</b>	<b>(22,522)</b>	<b>(33,468)</b>
<b>Balance as at 31 March 2025</b>	<b>(19,931)</b>	<b>(36,155)</b>	<b>(4,129)</b>	<b>(9,500)</b>	<b>(589)</b>	<b>(18,872)</b>	<b>(9,576)</b>	<b>(11,357)</b>	<b>(110,109)</b>	<b>(517,524)</b>	<b>(627,633)</b>

<b>Movements in 2025/26</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Total Comprehensive Income and Exp.	(21,261)	-	(567)	-	-	-	-	(5,899)	(27,727)	(18,531)	(46,258)
Adjustment Between Accounting and Funding Basis Under Regulations	12,781	-	3,152	-	63	234	(176)	-	16,054	(16,054)	-
<b>Net Increase / (Decrease) before Transfer to Earmarked Reserves</b>	<b>(8,480)</b>	<b>-</b>	<b>2,585</b>	<b>-</b>	<b>63</b>	<b>234</b>	<b>(176)</b>	<b>(5,899)</b>	<b>(11,673)</b>	<b>(34,585)</b>	<b>(46,258)</b>
Transfer to Earmarked Reserves	4,690	(4,690)	(2,000)	2,000	-	-	-	-	-	-	-
<b>Increase / (Decrease) in Year</b>	<b>(3,790)</b>	<b>(4,690)</b>	<b>585</b>	<b>2,000</b>	<b>63</b>	<b>234</b>	<b>(176)</b>	<b>(5,899)</b>	<b>(11,673)</b>	<b>(34,585)</b>	<b>(46,258)</b>
<b>Balance as at 31 March 2026</b>	<b>(23,721)</b>	<b>(40,845)</b>	<b>(3,544)</b>	<b>(7,500)</b>	<b>(526)</b>	<b>(18,638)</b>	<b>(9,752)</b>	<b>(17,256)</b>	<b>(121,782)</b>	<b>(552,109)</b>	<b>(673,891)</b>

## Group - Balance Sheet

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

31 March 2025		Note	31 March 2026
£000			£000
	<b>Long Term Assets</b>		
753,635	Property, Plant & Equipment		815,364
193,032	Investment Properties	G2	201,276
582	Intangible Assets		522
17,737	Long Term Investments		19,199
747	Long Term Debtors		747
0	Pension Asset		0
<b>965,733</b>	<b>Total Long Term Assets</b>		<b>1,037,108</b>
	<b>Current Assets</b>		
4,160	Short Term Temporary Investments		0
284	Inventories		227
14,328	Debtors and Prepayments		16,549
18,387	Cash & Cash Equivalents		12,270
<b>37,159</b>	<b>Total Current Assets</b>		<b>29,046</b>
	<b>Current Liabilities</b>		
(42,008)	Short Term Creditors		(39,379)
(46,000)	Short Term Borrowing		(54,000)
(234)	Cash & Cash Equivalents		(1,494)
(5,499)	Provisions		(2,795)
(1,419)	Short Term Leases		(1,553)
<b>(95,160)</b>	<b>Total Current Liabilities</b>		<b>(99,221)</b>
	<b>Long Term Liabilities</b>		
(17,923)	Pensions Liability		(4,239)
(232,124)	Long Term Borrowing		(258,123)
(23,308)	Capital Grants Receipts in Advance		(20,587)
(4,306)	Long Term Prov. (Tax) (Group only)		(6,292)
(2,437)	Long Term Leases		(3,800)
<b>(280,098)</b>	<b>Total Long Term Liabilities</b>		<b>(293,041)</b>
<b>627,632</b>	<b>Total Assets Less Liabilities</b>		<b>673,892</b>
	<b>Reserves</b>		
(110,109)	Usable Reserves		(121,784)
(517,523)	Unusable Reserves		(552,108)
<b>(627,632)</b>	<b>Total Reserves</b>		<b>(673,892)</b>

## Group - The Cash Flow Statement

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

2024/25		2025/26
£000		£000
<b>30,253</b>	<b>Net Surplus/(Deficit) on Provision of Services</b>	<b>27,727</b>
22,558	Adjustments to net surplus or deficit on the provision of services for non-cash movements	13,088
(12,577)	Adjustment for items included in the net surplus or deficit on the provision of services that are investing and financing activities	(1,121)
<b>40,234</b>	<b>Net cash flows from Operating Activities</b>	<b>39,695</b>
(36,100)	Investing Activities	(39,187)
7,533	Financing Activities	(7,885)
<b>11,667</b>	<b>Net Increase or (Decrease) in cash and cash equivalents</b>	<b>(7,377)</b>
6,486	Cash and Cash Equivalents at the beginning of the reporting period	18,153
<b>18,153</b>	<b>Cash and Cash equivalents at the end of the reporting period</b>	<b>10,776</b>

## Group Notes

### G1. Context of Group Accounts and Consolidation with the Council

The Council has three wholly owned subsidiaries: South Cambs Limited (Ermine Street Housing), Shire Homes Lettings Limited and Cambourne Business Park Limited. As a result, a set of Group Accounts for the Group as a whole are produced. The Accounts have been consolidated on a line by line basis, as per IFRS10.

In preparing the Group Financial Statements, the Council has aligned the accounting policies of all group entities with those of the Council.

The impact of the Companies' activities upon the Reserves of the Group are as follows:

	Cambourne Business Park	South Cambs	Shire Homes	Total
	£000	£000	£000	£000
Turnover	0	(9,986)	(1,554)	(11,541)
Service Expenses	8	5,117	1,496	6,622
Interest Payable	0	4,926	58	4,984
Interest and Investment Income Receivable	0	(49)	0	(49)
(Gain)/Loss on FV of Investment Properties	121	(8,345)	0	(8,223)
Tax Liability	(14)	2,322	0	2,308
<b>Profit/(Loss) for the year after taxation</b>	<b>116</b>	<b>(6,015)</b>	<b>0</b>	<b>(5,899)</b>
Useable Reserves				
Balance as at 01 April 2025	(348)	(11,009)	0	(11,357)
Profit/(Loss) for the year after taxation	116	(6,015)	0	(5,899)
<b>Total company reserves position of Group Balance Sheet</b>	<b>(232)</b>	<b>(17,024)</b>	<b>0</b>	<b>(17,256)</b>

The Assets & Liabilities of the Companies' at the Balance Sheet Date are as follows:

	Cambourne Business Park	South Cambs	Shire Homes	Total
	£000	£000	£000	£000
Property, Plant, Equipment	0	0	0	0
Investment Properties	280	145,966	1,313	147,559
Long Term Investments	0	0	0	0
Short Term Debtors & Cash	35	1,182	347	1,564
Short Term Creditors	(83)	(121,218)	(328)	(121,628)
Short Term Leases	0	(549)	(719)	(1,269)
Long Term Borrowing	0	0	0	0
Long Term Provisions (Tax)	0	(6,292)	0	(6,292)
Long Term Leases	0	(2,068)	(614)	(2,681)
<b>Total assets net of Council share</b>	<b>232</b>	<b>17,022</b>	<b>0</b>	<b>17,254</b>

## G2. Investment Properties

The Group Balance Sheet includes properties that have been purchased by South Cambs Limited for the purpose of earning rentals, capital appreciation, or both. Properties held for refurbishment, improvement and resale are classified as stock in hand and are included within inventories.

The Council carries out a programme that ensures that all Investment Property are valued annually, at the end of each reporting period. Property, Plant and Equipment is required to be measured at fair value and is revalued at least every five years.

Investment Property assets valuation relating to South Cambs Limited as at 31 March 2026 was undertaken by Wilks Head & Eve LLP, Professional Valuers.

The following items of income and expense have been accounted for in respect of Investment Properties and have been recognised in the company Income and Expenditure Account and Group comprehensive income and expenditure account.

2024/25		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	2025/26
£000		£000	£000	£000	£000	£000
(13,028)	Rental Income	0	(2,345)	(9,971)	(1,112)	(13,427)
5,379	Direct Expenses	1	475	4,009	1,047	5,533
<b>(7,649)</b>	<b>Total</b>	<b>1</b>	<b>(1,870)</b>	<b>(5,961)</b>	<b>(64)</b>	<b>(7,894)</b>

The Council is not aware of any events or circumstances which indicate that the amounts stated in the balance sheet for non-current assets may not be realisable, as at the balance sheet date.

The following summarises the movement in the fair value of investment properties over the year.

2024/25		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	2025/26
£000		£000	£000	£000	£000	£000
<b>173,361</b>	<b>At 1st April</b>	<b>401</b>	<b>54,510</b>	<b>136,777</b>	<b>1,344</b>	<b>193,032</b>
19,476	Acquisitions /Subsequent Expenditure	0	1,186	2,579	957	4,721
(2,075)	Disposals	0	0	(8,735)	(211)	(8,945)
0	Net Depreciation of Right of Use Assets			6,826	(776)	
1,863	Revaluation inc/(dec) in CIES	(121)	(1,979)	8,519	0	6,419
<b>192,625</b>	<b>At 31st March</b>	<b>280</b>	<b>53,717</b>	<b>145,966</b>	<b>1,313</b>	<b>195,226</b>
	<b>Fair Value:</b>					
<b>173,361</b>	<b>At 1st April</b>	<b>401</b>	<b>54,510</b>	<b>136,777</b>	<b>1,344</b>	<b>193,032</b>
<b>193,032</b>	<b>At 31st March</b>	<b>280</b>	<b>53,717</b>	<b>145,966</b>	<b>1,313</b>	<b>201,276</b>

## Fair Value Measurement of Investment Properties

Investment properties are held at fair value. Investment properties are classified as Level 2 within the value hierarchy, as defined within IFRS13. Level 2 inputs used in valuing the properties are those which are observable for the asset, either directly or indirectly. The inputs used took the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

The portfolio is valued in line with the accounting policy.

The valuation is undertaken by the Professional Valuer, Wilks Head & Eve LLP, on a fair value basis in line with IFRS13 and in accordance with the methodologies and bases for estimation set out in the Royal Institution of Chartered Surveyors (RICS) Valuation-Professional Standards.

South Cambs Limited provides data to the valuer, including current lease and tenant data. These valuations and the assumptions they have made have been discussed with officers representing the company. The valuation technique applied in respect of Investment Property is the market approach. The market approach is described at paragraphs B5 to B7 of IFRS13; it uses prices and other relevant information generated by market transactions involving identical or comparable assets.

There has been no change in the valuation technique used during the year for investment properties.

## G3. Loans and Investments

The Council has undertaken fixed term investments of £119.028m (£119.603m 2024/25) with South Cambs Ltd. A corresponding liability transaction has been shown on the balance sheet of South Cambs Ltd. These transactions have been eliminated in the group accounts.

## G4. Leases

The Council's property leases have been reported in [Note 31](#). South Cambs Ltd has operating leases with payments of £640,043 in 2025/26 (£640,043 in 2024/25) in respect of property leases. Shire Homes Lettings Limited had payments of £962,378 in 2025/26 (£850,596 in 2024/25) in respect of property leases.

The future minimum contract hire payments due under non-cancellable agreements in future years are:

2024/25		Cambourne Business Park	SCDC	SC Ltd	Shire Homes	2025/26
£000		£000	£000	£000	£000	£000
(1,420)	Not later than 1 year	0	(284)	(549)	(719)	(1,553)
(2,437)	Later than 1 year, not later then 5 years	0	(1,119)	(2,068)	(614)	(3,800)
0	Later than 5 years	0	0	0	0	0
0	Future finance charges and other adj's	0	0	0	0	0
<b>(3,857)</b>	<b>Total</b>	<b>0</b>	<b>(1,403)</b>	<b>(2,617)</b>	<b>(1,333)</b>	<b>(5,353)</b>

## G5. Related Party Transactions

The Council has three subsidiary companies wholly owned by the Council, South Cambs Limited (trading as Ermine Street Housing), Shire Homes Lettings Limited, and Cambourne Business Park Limited. Transactions between these companies and the Council are accounted for within the Council's Group Accounts.

### **Ermine Street Housing**

Two senior officers P Campbell and J Membery and two members Councillor P Sandford and Councillor J Hobro held a position of director at South Cambs Limited T/A Ermine Street Housing.

### **Shire Homes Limited**

One senior officer H Wood and one member Councillor P Fane held a position of director at Shire Homes Lettings.

### **Cambourne Business Park Limited**

Two senior officers A Ainsworth and J Membery held the position of director at Cambourne Business Park Limited.

The [Annual Governance Statement](#) (AGS) is published as a separate document on the Council's website.

AGS	Annual Governance Statement
CFO	Chief Financial Officer
CFR	Capital Financing Requirement
CIES	Comprehensive Income & Expenditure Statement
CIPFA	Chartered Institute of Public Finance & Accountancy
GAAP	General Accepted Accounting Practice
GCP	Greater Cambridge Partnership
GF	General Fund
HRA	Housing Revenue Account
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
IPSAS	Institute Public Sector Accounting Standards
ISO	International Organisation for Standardisation
KPMG	KPMG LLP (External Auditors)
LGPS	Local Government Pension Scheme
LASAAC	Local Authority (Scotland) Accounts Advisory Committee
MIRS	Movement in Reserves Statement
MRP	Minimum Revenue Provision
MRR	Major Repairs Reserve
NNDR	Non-Domestic Rates
PSN	Public Services Network
PWLB	Public Works Loans Board
REFCUS	Revenue Expenditure Funded by Capital under Statute
SOLACE	Society of Local Authority Chief Executives and Senior Managers

## Glossary of Terms

### Accounting Period

The period of time covered by the accounts, normally a period of twelve months commencing on 1 April. The end of the accounting period is the Balance Sheet date.

### Accounting Policies

The rules and practices adopted by the Council that determine how the transactions and events are reflected in the accounts.

### Accruals

Amounts included in the final accounts to recognise income earned and expenditure incurred for both revenue and capital in the financial year, but for which actual payment had not been received or made as at 31 March.

### Amortisation

A measure of the cost of economic benefits derived from intangible fixed assets that are consumed during the period.

### Annual Governance Statement

The annual governance statement is a statutory document that explains the processes and procedures in place to enable the council to carry out its functions effectively.

### Asset

An item having a value to the Council in monetary terms. Assets are categorised as either non-current or current:

- A non-current asset provides benefits to the Council and to the services it provides for a period of more than one year and may be tangible e.g. a leisure centre, or intangible, e.g. computer software licences.
- A current asset will be consumed or cease to have material value within the financial year e.g. cash and stock.

### Audit of Accounts

An independent examination of the Council's financial affairs

### Balances (or Reserves)

These are usable or unusable reserves. Usable reserves represent accumulated funds from prior years, that are available to the Council and can be spent. Some reserves may be earmarked for specific purposes and are for funding future defined initiatives or meeting identified risks or liabilities. The unusable reserves, which have been established for technical purposes are not available to spend and cannot be used to fund service provision.

### Balance Sheet

This statement sets out an authority's financial position at the year-end. It shows the balances and reserves at an authority's disposal and its long-term indebtedness and the fixed and net current assets employed in its operations together with summarised information on the fixed assets held.

### Capital Expenditure

Expenditure on the acquisition, construction, enhancement or replacement of a non-current asset such as land, buildings, and computer. It is expenditure that enhances and improves the use of the assets. It isn't expenditure that merely maintains the value of an existing asset.

### Capital Adjustment Account

This account records the accumulated amount of set aside capital receipts and minimum revenue provision (the contribution from revenue to cover repayment of the borrowing that has been undertaken to fund capital expenditure) together with capital expenditure financed by way of capital receipts, grants and revenue contributions. Set against these amounts are adjustments to the revenue account for depreciation and capital expenditure written off to revenue during the year. This, therefore, ensures that only actual expenses are charged to revenue in year and are paid for by council tax payers.

## Capital Financing

Funds used to pay for capital expenditure. There are various sources funding to finance capital expenditure including borrowing, leasing, revenue contributions, usable capital receipts, capital grants, capital contributions, revenue reserves and earmarked reserves.

## Capital Financing Requirement

This measures the change in the underlying need for the council to borrow to finance capital expenditure. Where all capital expenditure is financed when it is incurred by resources generated by the council, e.g. revenue contributions, grants and capital receipts, the Capital Financing Requirement (CFR) will not increase. However if borrowing is required to finance capital expenditure then the CFR will increase. The annual minimum revenue provision will be applied to reduce the CFR each year and capital receipts can also be used to reduce the CFR.

## Capital Receipt

The proceeds from the disposal of land or other non-current asset. The government regulates the proportion of capital receipts that can be used to finance new capital expenditure. Capital receipts cannot ordinarily be used to finance revenue expenditure.

## Cash Equivalents

Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

## Cash Flow Statement

This statement summarises the cash flows of the authority for capital and revenue spending as well as the cash flows used to finance these activities.

## CIPFA

This is the Chartered Institute of Public Finance and Accountancy. This organisation produces the Code of Practice that practitioners follow so that all local authorities prepare their accounts in a consistent and comparable way.

## Collection Fund

This account reflects the statutory requirement for billing authorities to maintain a separate collection fund which shows the transactions of the billing authority in relation to non-domestic rates and the council tax and illustrates the way in which these have been distributed to other authorities (preceptors) and the general fund.

## Community Assets

Assets that the local authority intends to hold in perpetuity that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings.

## Comprehensive Income and Expenditure Statement

This is the statement that shows the accounting cost (surplus/deficit) in the year of providing services in accordance with generally accepted accounting practices. It is not the amount funded from taxation. The Council raises taxation to cover the cost of expenditure in accordance with regulations; this may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

## Consistency

The accounting treatment of like items within an accounting period and from one period to the next is the same.

## Contingent Gains

A contingent gain (or asset) is a possible economic gain arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the authority's control.

## Contingent Liabilities

A contingent liability is either:

- a possible obligation arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the authority's control; or
- a current obligation arising from past events where it is not probable (but not impossible) that a transfer of economic benefits will be required or the amount of the obligation cannot be measured with sufficient reliability.

It is considered that a contingent liability below £50,000 need not be disclosed, as any such amounts would not be significant.

## Corporate and Democratic Core

This includes all the activities which local authorities engage in specifically because they are elected, multi-purpose organisations. The costs of these activities are those that are over and above those that would be incurred by a series of independent, single-purpose nominated bodies managing the same services. It includes costs relating to the corporate management and democratic representation.

## Council Tax

A local tax on dwellings within the district, set by billing authority (South Cambridge District Council) and the precepting authorities (the county council, fire and rescue services, the police and town and parish councils). It is calculated by taking the revenue expenditure requirements for each authority divided by the council tax base for the year.

## Creditors

Amounts owed by the Council for goods and services that it has received before 31 March, but that have not been paid for at that date.

## Debtors

Amounts owed to the Council for goods and services that it has provided before 31 March, but where the associated income was not received at that date.

## Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contributions scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

## Depreciation

The measure of the wearing out, consumption or other reduction in the useful economic life of a fixed asset whether arising from use, passage of time or obsolescence through technological or other changes. The useful life is the period over which the local authority will derive benefit from the use of a fixed asset.

## Events after Balance Sheet Date

Those events, both favourable and unfavourable, which occur between the balance sheet date and the date on which the responsible financial officer signs the Statement of Accounts.

## Fair Value

The fair value of an asset is the price at which it could be exchanged in an arm's length transaction less, where applicable, any grants receivable towards the purchase or use of the assets.

## Finance Leases for Lessor

A lease that transfers substantially all of the risks and rewards incidental to ownership of a fixed asset to the lessee.

## General Fund

This account where all the costs of providing the Council services (with the exception of the landlord services, the costs of which sit in the HRA and Local Council precepts) are charged to and paid for from Council Tax and government grants.

## Going Concern

The concept that the authority will remain in operational existence for the foreseeable future, in particular that the revenue accounts and balance sheet assume no intention to curtail significantly the scale of operations.

## Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, in the form of cash or transfers of assets to an authority in return for past or future

compliance with certain conditions relating to the activities of the authority.

## Housing Revenue Account

The Housing Revenue Account (HRA) reflects a statutory obligation to account separately for local authority housing provision, as defined in particular in Schedule 4 of the Local Government and Housing Act 1989. It shows the major elements of housing revenue expenditure such as maintenance, administration, rent rebates and capital financing costs, and how these are met by rents subsidy and other income.

## Impairment

A reduction in the carrying value of a non-current asset to below its carrying value (due to obsolescence, damage or an adverse change in the statutory environment).

## Intangible Assets

Expenditure which may properly be defined as being capital expenditure, but which does not result in a physical asset being created. For expenditure to be recognised as an intangible asset it must yield future economic benefits to the council. One of the most common examples would be software licences. Intangible assets are measured at historical cost in accordance with the CIPFA Code (2025/26).

## International Financial Reporting Standards (IFRS)

International Financial Reporting Standards (IFRS) are a set of accounting standards developed by an independent, not-for-profit organisation called the International Accounting Standards Board (IASB).

## International Public Sector Accounting Standards (IPSAS)

International Public Sector Accounting Standards (IPSAS) are a set of accounting standards issued by the IPSAS Board for use by public sector entities around the world in the preparation of financial statements.

## Investments

A long-term investment is an investment that is intended to be held for use on a continuing basis in the activities of the authority. Investments should be so classified only where an intention to hold the investment for the long term can clearly be demonstrated or where there are restrictions as to the investor's ability to dispose of the investment.

Investments that do not meet the above criteria should be classified as current assets.

## Investment Properties

An interest in land and/or buildings:

- in respect of which construction work and development have been completed; and
- which are held for their investment potential, any rental income being negotiated at arm's length.

## Liability

A liability exists where the Council owes payment to an individual or another organisation

- A current liability is an amount which will become payable or could be called in within the next accounting period, e.g. creditors or cash overdrawn.
- A deferred liability is an amount which by arrangement is payable beyond the next year at some point in the future or to be paid off by an annual sum over a period of time.

## Lease

A contract that conveys the right to use an asset for a period of time

## Long Term Debtors

These debtors represent the capital income still to be received, e.g. from the sale of an asset or the granting of a mortgage or a loan.

## Minimum Revenue Provision (MRP)

This is the minimum amount that the Council must charge to the comprehensive income and expenditure statement each year to provide for the repayment of General Fund debt.

## Movement in Reserves Statement (MiRS)

This financial statement presents the movement in usable and unusable reserves (the Council's total reserve balances).

## National Non-Domestic Rates (NNDR) also known as Business Rates

Non-domestic rates, or business rates, collected by the Council are the way that those who occupy non-domestic property contribute towards the cost of local services. Under the business rates retention arrangements introduced from 1st April 2013, authorities keep a proportion of the business rates paid locally (currently 50%). This money, together with revenue from council tax payers, fees and charges and certain other sums, is used to pay for the services provided by the Council.

## Net Book Value (NBV)

The amount at which non-current assets are included in the balance sheet, i.e. their historical cost or current value less the cumulative amounts provided for depreciation.

## Net defined benefit liability (asset) (Pension)

The present value during the period in the net defined benefit liability obligation less the fair value of the plan assets (adjusted for the asset ceiling).

## Non-Operational Assets

Non-current assets held by a local authority but not directly occupied, used or consumed in the delivery of services. Examples of non-operational assets are investment properties, assets that are surplus to requirements pending sale or redevelopment and assets under development or construction.

## Operating Lease for Lessor

Leases other than a finance lease.

## Operational Assets

Non-current assets held and occupied, used or consumed by the local authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility. Operational assets comprise Council dwellings, other land and buildings, vehicles, plant and equipment, infrastructure and community assets.

## Outturn

Outturn refers to actual income and expenditure balances as opposed to budgeted amounts.

## Precept

The levy (demand for money) made by precepting authorities (the authorities with the power to instruct another local authority (the billing authority) to collect an amount from council tax on their behalf). Precepts are demanded by the County Council, Fire and Rescue services, the Police and Parish and town Councils.

## Prior Years/Periods Adjustments

The material adjustments applicable to prior years arising from changes in accounting policies or from the correction of fundamental errors. They do not include normal recurring corrections or adjustments of accounting estimates made in prior years.

## Property, Plant and Equipment

Tangible assets that yield benefits to the local authority and the services it provides for a period of more than one year.

Assets are subject to periodic revaluation, typically on a rolling programme, to ensure carrying amounts reflect current value.

## Provisions

Provisions are required for any liabilities of uncertain timing or amount that have been incurred. Provisions are required to be recognised when:

- the local authority has a present obligation (legal or constructive) as a result of a past;
- it is probable that a transfer of economic benefits will be required to settle the obligation; and
  - a reliable estimate can be made of the amount of the obligation.
- A transfer of economic benefits or other event is regarded as probable if the event is more likely than not to occur. If these conditions are not met, no provision should be recognised.

A constructive obligation is an obligation that derives from an authority's actions where;

- by an established pattern of past practice, published policies or sufficiently specific current statement, the authority has indicated to other parties that it will accept certain responsibilities; and

- as a result, the authority has created a valid expectation on the part of those other parties that it will discharge those responsibilities.

## Prudence

The concept that revenue is not anticipated until received in the form either of cash or of other assets, or a reliable estimate of the cash realisation can be assessed with reasonable certainty.

## Public Works Loan Board (PWLB)

A Central Government Agency, which provides loans for one year and above to local authorities at interest rates only slightly higher than those at which the Government can borrow itself. Virtually all borrowing undertaken by local authorities comes from the PWLB.

## Related Parties

Two or more parties are related parties when at any time during the financial period:

- one party has direct or indirect control of the other party; or
- the parties are subject to common control from the same source; or
- one party has influence over the financial and operational policies of the other party, to an extent that the other party might be inhibited from pursuing at all times its own separate interests; or
- the parties, in entering a transaction, are subject to influence from the same source, to such an extent that one of the parties to the transaction has subordinated its own separate interests.

Advice from CIPFA is that related parties to a local authority include Central Government, bodies precepting or levying demands on the Council Tax, members and chief officers of the Council and its pension fund.

## Related Party Transaction

A related party transaction is the transfer of assets or liabilities or the performance of services by, to or for a related party, irrespective of whether a charge is made. Examples of related party transactions include:

- the purchase, sale, lease, rental or hire of assets between related parties;
- the provision of a guarantee to a third party in relation to a liability or obligation of a related party;
- the provision of services to a related party, including the provision of pension fund administration services;

transactions with individuals who are related parties of an authority or a pension fund, except those applicable to other members of the community or the pension fund, such as Council Tax, rents and payments of benefits.

This list is not intended to be comprehensive.

The materiality of related party transactions should be judged not only in terms of their significance to the authority but also in relation to its related party.

## Remuneration

This is all sums paid to or receivable by an employee and any sums due by way of expenses and allowances (as far as those sums are chargeable to UK income tax) and the money value of any other benefits received other than in cash. Pension contributions payable by the employer are excluded.

## Revaluation Reserve

This account was created on 31 March 2007. The purpose of which is to hold all revaluations occurring to fixed assets subsequent to that date.

## Revenue Expenditure

Day to day payments on the running of Council services including salaries, wages, contract payments, supplies and capital financing costs.

Expenditure of a capital nature that does not result in a fixed asset being created. An example of such an item would be expenditure on a former HRA property held on a long lease by a third party. The expenditure is written off in the year that it is incurred.

## Right of Use Asset (ROU)

An asset that represents a lessee's right to use an underlying asset for the lease term

## Stocks

These are items of raw materials and stores a Council has procured and holds in expectation of future use. Stock comprises the following categories:

- Goods or other assets purchased for resale;
- consumable stores;
- raw materials and components purchased for incorporation into products for sale;
- products and services in intermediate stages of completion;
- long-term contract balances; and
- finished goods.

## The Code

The Code of Practice on Local Authority Accounting in the United Kingdom known as 'The Code' incorporates guidance in line with IFRS, IPSAS and UK GAAP Accounting Standards. It sets out the proper accounting practice to be adopted for the Statement of Accounts to ensure they 'present fairly' the financial position of the Council. The Code has statutory status via the provision of the Local Government Act 2003. There are also accompanying guidance notes for practitioners.

## Pensions Glossary

### Actuarial Gains and Losses

For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:

- actual events have not coincided with the actuarial assumptions made for the last valuation (known as experience gains and losses) or
- the actuarial assumptions have changed

## Current Service Costs

The increase in the present value of a defined benefit scheme's liabilities expected to arise from employee service in the current period.

## Curtailment

For a defined benefit scheme, an event that reduces the expected years of future service of present employees or reduces for a number of employees the accrual of defined benefits for some or all of their future service. Curtailments include:

- termination of employees' services earlier than expected, for example as a result of closing a factory or discontinuing a segment of a business, and
- termination of, or amendment to the terms of, a defined benefit scheme so that some or all future service by current employees will no longer qualify for benefits or will qualify only for reduced benefits.

## Defined Benefit Scheme

A pension or other retirement benefit scheme other than a defined contribution scheme. Usually, the scheme rules define the benefits independently of the contributions payable, and the benefits are not directly related to the investments of the scheme. The scheme may be funded or unfunded (including notionally funded).

## Defined Contribution Scheme

A pension or other retirement benefit scheme into which an employer pays regular contributions fixed as an amount or as a percentage of pay and will have no legal or constructive obligation to pay further contributions if the scheme does not have sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

## Discretionary Benefits

Retirement benefits that the employer has no legal, contractual or constructive obligations to award and which are awarded under the authority's discretionary powers, such as the Local Government (Discretionary Payments) regulations 1996.

## Expected Rate of Return on Pension Assets

For a funded defined benefit scheme, the average rate of return, including both income and changes in fair value but net of scheme expenses, expected over the remaining life of the related obligation on the actual assets held by the scheme.

## IAS19

International Accounting Standard 19 (IAS19) ensures that organisations account for employee retirement benefits when they are committed to pay them, even if the actual payment may be years into the future.

## Interest Cost (Pensions)

For a defined benefit scheme, the expected increase during the period in the present value of the scheme liabilities because the benefits are one period closer to settlement.

## Investments (Pensions Fund)

The investments of the Pensions Fund will be accounted for in the statements of the fund. However authorities (other than town and community councils) are also required to disclose, as part of the transitional disclosures relating to retirement benefits, the attributable share of pension scheme assets associated with their underlying obligations.

## Non-Distributed Costs

Non-distributed costs are defined as comprising:

- retirement benefit costs including past service costs, settlements and curtailments. To note, current service pension costs are included in the total costs of services;
- the costs associated with unused shares of IT facilities; and
- the costs of shares of other long-term unused but unrealisable assets.

## Past Service Cost

For a defined benefit scheme, the increase in the present value of the scheme liabilities related to employee service in prior periods arising in the current period as a result of the introduction of, or improvement to, retirement benefits.

## Pension Scheme Liability

The liabilities of a defined benefit pension scheme for outgoings due after the valuation date. Scheme liabilities measured during the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

## Projected Unit Method- Pension Fund Valuation

An accrued benefits valuation method in which the scheme liabilities make allowance for projected earnings. An accrued benefits valuation method is a valuation method in which the scheme liabilities at the valuation date relate to:

- the benefits for pensioners and deferred pensioners (i.e. individuals who have ceased to be active members but are entitled to benefits payable at a later date) and their dependents, allowing where appropriate for future increases, and
- the accrued benefits for members in service on the valuation date. The accrued benefits are the benefits for service up to a given point in time, whether vested rights or not. Guidance on the projected unit method is given in the Guidance Note GN26 issued by the Faculty and Institute of Actuaries.

## Retirement Benefits

All forms of consideration given by an employer in exchange for services rendered by employees that are payable after the completion of employment. Retirement benefits do not include termination benefits payable as a result of either:

- an employer's decision to terminate an employee's employment before the normal retirement date, or
- an employee's decision to accept redundancy in exchange for those benefits, because these are not given in exchange for services rendered by employees.

## **Scheme Liabilities**

The liabilities of a defined benefit scheme for outgoings due after the valuation date. Scheme liabilities measured using the projected unit method reflect the benefits that the employer is committed to provide for service up to the valuation date.

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