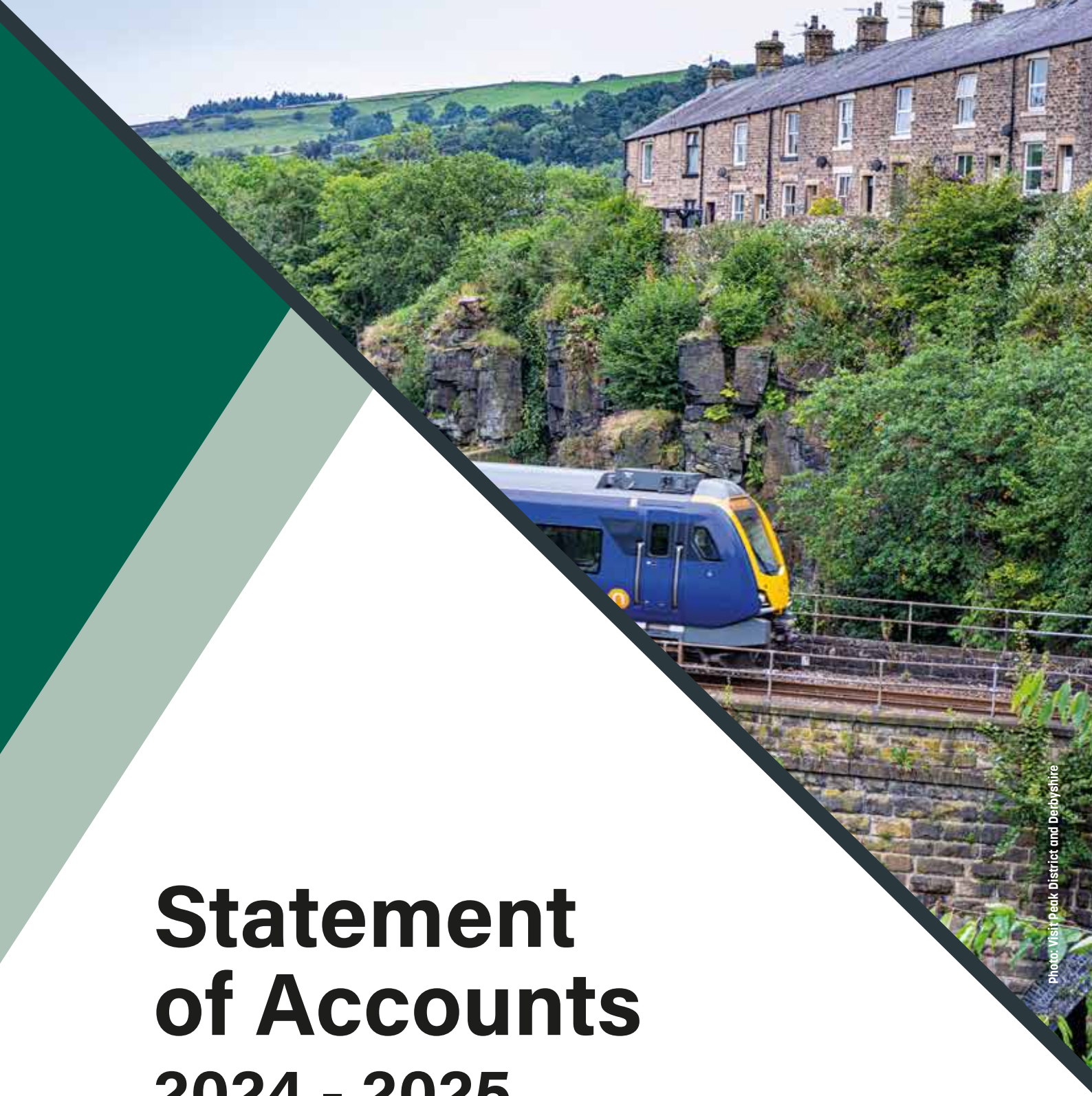

Photo: Visit Peak District and Derbyshire

Statement of Accounts

2024 - 2025

High Peak Borough Council

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Chief Finance Officer's Narrative Report

The Council's Statement of Accounts for the year ended 31 March 2025, together with the accompanying notes, explains how the Council spent the council tax, business rates and other sources of funding on the provision of services during the year. The narrative report provides a financial summary focusing on the current financial challenges and opportunities as identified within the Council's Medium-Term Financial Plan (MTFP), details of the financial performance for 2024/25, a focus on the Council's Borough Plan, risk and performance framework, and identification of the Council's key strategic partnerships. These Statements have yet to be audited and so may be subject to change.

High Peak Borough Council

The Borough of High Peak covers an area of 53,915 hectares, of which 30% is classed as rural, and serves a resident population of 90,900[1]. There are 43,885 domestic households on the council tax valuation list and 3,870 non-domestic properties on the business rates list as at 31 March 2025.

Local Authorities have continued to face significant financial challenges over recent years managing cost pressures within services and greater volatility in financing streams where there has been a shift in focus towards locally generated income streams, such as council tax, business rates, and other income, with core central government funding reduced substantially. This increases the control and influence the Council has over locally generated income but makes it more vulnerable to fluctuations within the local economy, increasing financial risk.

Future Challenges and Opportunities

The narrative below sets out some of the more significant elements of local government policy and finance that have or may have an impact on the financial position of the Council.

Local Government Reorganisation and English Devolution: In December 2024 the Government announced its plans to fundamentally reform local government and extensions of its programme of devolving powers to English regions that were not yet configured to benefit to date, unlike Derbyshire which, with Nottinghamshire, forms the East Midlands County Combined Authority's (EMCCA) area. Local Government Reorganisation (LGR) will see change across Derbyshire with all existing unitary and second tier authorities (like High Peak Borough Council) ceasing to exist and successor entities delivering their services. For Derbyshire, this is looking like a two-authority solution

[1] https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/populationandhouseholdestimatesenglandandwalescensus2021

with a north to south configuration. However, at the time of writing, the specific nature of the configuration is to be determined along with exact details of the timing of changes, although 2028 would appear to be the year for changes to come into operation. In November 2025 the Council jointly submitted a shared proposal alongside Derby City Council and other Derbyshire Districts and Boroughs. With EMCCA in place although still relatively nascent, English Devolution (ED) for Derbyshire will continue provide greater local powers for funding and spending. Whilst the LGR changes in High Peak will be profound and have long-lasting and far-reaching consequences there is insufficient detail to inform changes to the Council's operations and any accounting changes that may be necessary. What is certain for the proposed LGR changes is that the Alliance with Staffordshire Moorlands District Council, which spans two counties, will come to an end. The specific requirements for this will be taking shape over the coming years and a new reserve has been established to manage related costs.

Business rates: As part of the current Business Rates Retention system, local authorities (the billing Authority, county council and fire authority) retain a proportion of 50% of any growth in Business Rates over and above a centrally established baseline after a system of tariffs and levies. The review of the Retention system has not yet progressed, therefore, as in previous years, no financial assumptions of a new system have been included with the Council's financial plans thus far.

Council tax: The Council has the capacity to vary council tax levels, but any increase above a threshold set by government is subject to a local referendum. For both 2024/25 and 2025/26, the threshold was 3%; the Council set a 2.99% Band D increase in both years.

New homes bonus: This grant is awarded to authorities who demonstrate an increase in housing provision on an annual basis. The Council received £125,964 in 2024/25. This funding decreased in the provisional local government finance settlement in December 2024 to £49,780 for 2025/26 relating to the most recent levels of housing growth in the borough. The Medium Term Financial Plan (MTFP) assumes this funding will be the same in 2026/27, but with £0 in subsequent years pending the outcome of the Government's consultation.

Social housing: Housing Authorities may increase rents by CPI +1%. At September 2024 CPI was 1.7%, meaning the formula rent increase was 2.7%, which was included in the MTFP for 2025/26. An increase of 2% is included for the subsequent years.

Other government funding: The provisional Local Government finance settlement in December 2024 confirmed government support to the Council in 2025/26 consisting of Funding Floor Grant of £721,280, Recovery Grant of £28,170 and Revenue Support Grant of £152,760. With the exception of the Recovery Grant, which is assumed to be a one-off grant, it is assumed that all of these grants will continue throughout the plan. In addition, Employer National Insurance Contributions Funding of £97,159 for 2025/26 was

confirmed in February 2025 – this was less than the £226,430 funding estimated at budget setting and lower than the estimated £474,000 additional cost to be incurred.

Inflation pressures: The high- and variable inflation environment experienced over the last few years have placed significant stress on the finances of the Council and its partner organisations. The continued global volatility arising out of the conflicts in Ukraine and the Middle East, together with supply chain issues across numerous sectors of the economy, have an on-going impact on all services areas across the Council. Whilst costs have shown signs of stabilising over recent months, albeit at increased levels, the global trade environment that is being informed by the US Government's tariff and trade arrangements and will be affected by conflict is being monitored for its effects.

UK Shared Prosperity Fund: The Council has been allocated an award of £2,412,072 from the UK Shared Prosperity Fund (UKSPF)[2] as part of the Levelling Up agenda in its support for places across the UK to deliver enhanced outcomes. The allocation of funding to the Council was based on the three investment priorities of UKSPF: Communities & Place, Supporting Local Business and People & Skills. Under the funding regime projects had to be completed by 31 March 2025.

Efficiency programme: With the continuing underlying principles of protecting frontline service delivery, maintaining staffing levels, and moving towards being self-financing (i.e. not as reliant on direct government funding), the development of the Efficiency Strategy commenced in conjunction with stakeholders in the Autumn of 2022. A programme of £750,000 was included in the 2025/26 MTFP approved in February 2025. This programme is profiled across 2024/25 £150,000, 2025/26 £200,000, 2026/27 £200,000, and £200,000 2027/28; no target was added for 2028/29. Progress has been positive to date with £240,250 being identified in 2024/25, the vast majority of this related to improvements in car parking income, and a further £23,000 identified at budget setting applicable for 2025/26. The Council carries an earmarked reserve of £500,000 established to support with costs of delivering the programme and any reprofiling requirements

Climate change action

The Council has undertaken various works in the last two years contributing to its ambition of becoming carbon neutral in its internal operations and within the services it delivers by 2030. These include:

- Replacement of the fossil fuel heating system at Buxton Leisure Centre with an integrated air source heat pump and photovoltaic panel system. This work was funded in part by a £1.28million grant from the Public Sector Decarbonisation

[2] https://www.gov.uk/government/publications/uk-shared-prosperity-fund-prospectus/ukspf-allocations

Scheme and is expected to reduce carbon emissions by approximately 200 tonnes per year.

- Boiler replacement programme within the Council's housing stock involving spend of £0.645million.
- Insulation and rendering programme within the Council's housing stock involving spend of £0.767million.
- Vehicle replacement programme to the value of £1.97million incorporating clean engine Euro 6 technology into the Council's housing maintenance, waste collection, streets, and horticulture fleet.

Wider initiatives around agile working and virtual meetings have also reduced the Council's carbon footprint by reducing the number of miles travelled by its employees while delivering Council services.

Going Concern

The Statement of Accounts 2024/25 has been prepared on a 'going concern' basis. This means the Council considers that it has sufficient financial resources to be able to continue in operation for the foreseeable future. The Council has a firmly embedded financial planning process, which includes a rolling four-year MTFP. This includes the Chief Finance Officer's statement regarding the adequacy of reserves and balances.

As part of establishing the Council's Medium Term Financial plans all service areas engage with finance to identify cost pressures and opportunities. A forward look is taken to assess possible impacts of government policy along with an assessment of key risks. Where this exercise leads to provisional fundings gaps, the Council's efficiency programme is reassessed to determine the extent to which it may need to be developed along with any other measures to ensure there is balanced financial position.

All known events that could impinge on the Council's ability to continue as a going concern are mitigated systematically. For example, budget deficits are addressed through a well-developed approach towards the achievement of efficiency savings, which has a proven track record of success. There is an established quarterly reporting process to The Executive to monitor in year financial performance. The Council's finances, performance, and procurement are scrutinised by Corporate Select, with cash and the liquidity position and overall treasury function is scrutinised by the Audit & Regulatory Committee.

Risk Management

The Council ensures that it undertakes a deliberate and systematic identification of the key risks that might prevent, degrade, delay, or enhance the achievement of its objectives and priorities. The Council's Risk Management Strategy sets out the process for undertaking this on an ongoing basis. In addition to the identification of risks, managers quantify them in terms of likelihood and potential impact. The risks are then recorded in the Council's risk registers. There are three aspects to the risk register: strategic, operational and project. The registers

are reviewed on a quarterly basis and reported to the Corporate Risk Management Group and bi-annually to the Audit & Regulatory Committee on an exception basis.

2024/25 Financial Performance

Revenue spending

Revenue spending represents the net cost of consuming supplies and providing services delivered by the Council in its day-to-day business during the year. The financial planning process for 2024/25 was driven by the need to provide effective services while satisfying the on-going economic pressure to become ever more efficient in our use of resources, delivering high levels of value for money for our residents and businesses.

Planned Spend

The 2024/25 net general fund budget was set at £13,883,770 with £203,150 to be funded from reserves.

Actual Spend

The Council's actual performance against budget resulted in a £790,271 operating surplus in 2024/25, analysed in table below:

	Budget	Actual	Variance
	£	£	£
Activities	13,883,770	13,236,071	(647,699)
Funding - External	(13,680,620)	(14,468,312)	(787,692)
- Reserves	(203,150)	441,971	645,121
Operating (surplus)/ deficit in year	**0**	**(790,271)**	**(790,271)**
Adding back the actual net use of reserves in year			(441,971)
Gives the increase in reserves generated in 2024/25			(1,232,241)

Activities within the year were £647,699 below expectations. The significant variances of net spend compared with the budget which contribute to this are reported in the Finance, Procurement and Performance Report, Appendix A: Fourth Quarter Provisional Outturn Financial Review as summarised here:

- ICT £185,485 overspend: contracts inflation, modernising equipment and professional services to develop the ICT strategy
- Members' services £51,492 underspend: allowances, subsistence, training and room hire
- Property services £106,442 overspend: car parking transaction and maintenance costs, gas and electric increased costs, rental back pay and income shortfall, offset by savings on staff costs and cleaning & caretaking

- Benefits £361,969 overspend: benefit awards not eligible for subsidy grant compounded by the recovery of housing benefit overpayments and a general reduction in grant funding support
- Development services £452,084 underspend: staff costs and planning appeals, arboriculture works, offset by the phasing of the local plan and various grant receipts
- Customer services £124,446 underspend: staff vacancies
- Electoral services £112,433 underspend: the smoothing of budgets over the election cycle
- Leisure centres £74,334 overspend: the mobilisation of the new company and the first 6 months of trading for Alliance Leisure Ltd
- Communities and Cultural £82,392 underspend: grants received and applied
- Housing strategy £109,000 underspend: matching the grant income to the year in which related expenditure is incurred
- Community safety and enforcement £66,489 underspend: the community safety partner grants applied and underspend on CCTV pending future contract arrangements
- Finance £62,991 underspend: the proper allocation of insurance costs to The Springs
- Revenues £74,992 underspend: reduced spend on agency staff, printing and legacy review budgets, plus improved recovery reducing costs
- Corporate Finance £953,685 underspend: the aggregate of inflation budgets not required in full, efficiencies achieved in advance, improvements in water income, a VAT windfall, grants received to be matched to the grant income to the year in which related expenditure will be incurred
- Waste Collection £119,953 overspend: costs of fleet repairs, parts and temporary hire
- Horticulture £63,562 overspend: a shortfall on income from the reduced Amenity maintenance agreement with DCC.

Funding levels achieved were £787,692 above expectations. This was primarily due to £682,293 increase under the Business Rates Retention scheme arising out of an increase in s31 grants receipts and a surplus levy distribution from central government, slightly offset by a larger levy payable to the Business Rates Pool. In addition, there was an increase of £105,399 in central government funding received compared to that included in the MTFP.

The overall contribution to reserves was £645,121 greater than budgeted due to the Council setting aside reserves received in the year which are earmarked to cover particular elements of service expenditure in the future.

The General Revenue Reserve is primarily held as a contingency to provide the Council with operational funds and as a safeguard against financial risk which could not be anticipated, a relatively recent example being the Coronavirus pandemic. Current risk-based assessments set the Council's need for a revenue contingency at £1.577million although the current economic climate and volatile financial environment means that this should be regarded as a minimum level and a greater degree of headroom may be required. At the end of 2024/25, the reserve stood at £2.254million, which is £0.677million above the minimum contingency level. In addition, the balance sheet shows reserves relating to the Joint Operation consolidation of the Council Controlled Companies, Alliance Environmental Services (AES) and Alliance Norse (ANL), of £290,000 and £100,000 respectively. The aggregate of these reserves is £1.067million above the minimum contingency level.

The current Medium Term Financial Plan approved in February 2025 anticipates the use of £41,770 of reserves in 2025/26 with further use of £31,980 over the remaining life of the plan.

How the money was spent

The Comprehensive Income & Expenditure Statement (CIES) (page 23) summarises the resources that have been generated and consumed in providing services and managing the Council this year. It shows that actual net expenditure for the year was £5.825million across the service areas around which the Council organises and budgets. One of these service areas is concerned solely with the administration of the Borough's Social Housing function. This service is accounted for differently from other General Fund (GF) Council functions as its activities must be reported in the Statements of Accounts as a separate Housing Revenue Account (HRA). The CIES includes nominal charges made for the use of capital assets and future pension liability. Their inclusion is a requirement to allow comparison between councils as to the true cost of providing services. Statutory provisions however require that such charges are excluded from the Council Tax and housing rentals levied.

The Expenditure and Funding Analysis (EFA) (page 27) reconciles the service outturn reported in the CIES with the £0.790million income on activities as measured against the 2024/25 budget for GF activities and the corresponding £0.990million net income generated by the HRA. The table below summarises that reconciliation. It also maps adjustments that are necessary to derive the gross expenditure on HRA activities. This includes recognition of a £0.735million contribution by the HRA to the GF for its payment of historic pension costs as well as the net impact of financing, with £1.807million paid in interest for the year. There is also an adjustment of £3.158million for those elements of the nominal accounting entries, in relation to Capital that must be treated as actual costs under the rules governing the HRA. The four main categories of this spend are employee costs, running expenses, interest paid on borrowing and Housing Benefit payments made

to residents. Running expenses include maintenance of buildings, vehicle costs and supplies and services.

	Gross Expenditure		Gross Income		Net Expenditure	
	GF	HRA	GF	HRA	GF	HRA
	£'000	£'000	£'000	£'000	£'000	£'000
CIES	44,936	11,505	(32,386)	(18,230)	**12,550**	**(6,725)**
Nominal Adjustments	1,422	34	0	0	**1,422**	**34**
EFA	**46,358**	**11,539**	**(32,386)**	**(18,230)**	**13,972**	**(6,691)**
GF Funding :						
External			(14,468)		**(14,468)**	
Reserves			441		**441**	
HRA Adjustments :						
Interest payable/received		1,807				**1,807**
Pension contribution	(735)	735			**(735)**	**735**
Nominal reversal		3,159				**3,159**
	45,623	**17,240**	**(46,413)**	**(18,230)**	**(790)**	**(990)**

Housing Revenue Account

The Housing Revenue Account (HRA) is a separate account, required by law, which bears the cost of managing, maintaining and improving council houses. Gross revenue expenditure for the year was £17.24million, and gross revenue income for the year was £18.23million, after adjusting for notional charges such as those required by capital and pension accounting standards, the overall outturn on the Housing Revenue Account shows an operating surplus in year of £0.99million. This is £1.743million more than the expected deficit of £0.752million that was budgeted for 2024/25.

The surplus generated in year has been subtracted from the HRA working balance. General HRA reserves therefore increased from £12.989million to £13.98million in 2024/25. This value of reserves is considered appropriate to reflect the level of risk within the activities charged to the Housing Revenue Account. During the year 21 council dwellings were sold, under the Right-to-Buy scheme, generating £1.489 million in capital receipts.

Capital Spending

Capital spending either maintains or creates new assets that will contribute to the Council's aims and objectives over more than one year. The Council therefore plans and budgets for capital expenditure by means of a rolling programme. This programme was last updated in February 2025 and included capital commitments of £56.1million (including £29.1million for the Housing Revenue Account) over the period 2025/26 to 2028/29.

How the money was spent

The actual spending in 2024/25 was £17.8million. The major areas of capital expenditure and significant individual projects included:

- Housing Revenue Account – general refurbishment of the Council's housing stock including kitchens and bathrooms, heating, roofing and disabled adaptations, external works and refurbishment of other HRA assets (£7.9million). & purchase of housing stock & fleet vehicles £2.1million)
- Leisure -replacement of Air handling systems New Mills Leisure Centre (£0.5million)
- UK Shared Prosperity – aims to improve pride in place and increase life chances by investing in communities and place, supporting local businesses, and focusing on people and skills (£1 million)
- Regeneration of Buxton – focusing on The Springs Shopping Centre and surrounding area (£1.4million)
- Housing Standards – disabled facilities and other property grants (£0.9million)
- Property - works on several public buildings in accordance with the Council's asset management plan, including Glossop Market (£1.9 million)

How it was paid for

There are a number of sources from which the Council can fund capital expenditure. In 2024/25 this included £4million external grants, £1.9million capital receipts, £5.1million housing revenue account, and £7.7million borrowing need.

The balance sheet perspective

At the end of 2024/25 the Council's net worth, as reported on the Balance Sheet, stood at a net asset value of £222.167million. When compared to an opening value of £211.419million at the beginning of the year. This represents an increase in net worth of £10.748million.

31 March 2024		31 March 2025
£'000		**£'000**
281,756	Long Term Assets (including Pension Asset)	291,837
(6,082)	Net Current Assets (debtors, inventories, cash less creditors, other liabilities)	(2,650)
15,940	Cash and Investments	12,770
(64,241)	Borrowing	(64,680)
(13,061)	Pensions Liability	(11,991)
(2,892)	Other Long Term Liabilities and Provisions	(3,119)
211,418	**Net Assets**	**222,167**
33,494	Represented by: Usable Reserves	39,574
177,924	: Unusable Reserves	182,593

The Council's Borough Plan

Following the local elections in May 2023, the Council developed a new Borough Plan for 2023-2027, which supports the Vision of 'Working together to protect and invest in the High Peak with the Council on your side'. The vision is articulated by five aims that are in turn supported by a number of objectives, which provide the framework for the delivery of individual service plans:

Aim 1: Supporting our communities to create a healthier, and safer High Peak

- Work with our partners and the community to address health inequality, food and fuel poverty, mental health and loneliness
- Develop a positive relationship with communities
- Effective relationship with strategic partners
- Practical support of community safety arrangements
- Provision of sports facilities and leisure opportunities focused upon improving health
- Working cooperatively with local groups, and sports clubs to help people move more and enjoy our green spaces
- Enhance the distinctive culture, creativity and heritage of the Borough
- Improve residents' access to benefits and financial support
- Assist and influence other public partners to improve their services in the High Peak

Aim 2: Future Proof Housing

- Fit for purpose housing that meets the needs of HPBC tenants
- Increased supply of good quality homes
- Maintain an effective Housing Revenue Account (HRA) Business Plan
- Provide effective housing estate management to manage and enhance the environment within our control and for the wider community

Aim 3: Protect and create jobs by supporting economic growth, development, and regeneration

- Encourage business growth including start-ups and enterprises
- Working to support existing local businesses, both large and small across the High Peak as they respond to future challenges
- Supporting the development of innovative green jobs and businesses across the High Peak
- Promote tourism to maximise local benefit
- Work to create flourishing town centres and thriving high streets that support the local economy
- Maintain and deliver an effective Local Plan
- High quality development and building control with an "open for business" approach

Aim 4: Protect and improve the environment including responding to the climate emergency

- Effective recycling and waste management
- Meeting the challenges of climate change
- Provision of high-quality public amenities, clean streets and environmental health
- Provision of quality parks and open spaces
- Car parking arrangements that meet the needs of residents, businesses and visitors

Aim 5: A responsive, smart, financially resilient and forward-thinking Council

- Ensuring the 'golden thread' through our workforce
- Ensure our future financial resilience can be financially sustainable whilst offering value for money
- Ensure our services are readily available to all our residents in the appropriate channels and provided "right first time"
- Invest in our staff to ensure we have the internal expertise to deliver our plans by supporting our high performing and well-motivated workforce
- Effective procurement with a focus on local business
- Use innovation, technology and partnership with others to help improve the efficiency of services, improve customer satisfaction and reduce our impact on the environment
- More effective use of Council assets
- Strong and effective democratic processes

Our Performance Framework, which measures our success in delivering the Borough Plan, also reflects the three pillars of value for money: economy, efficiency and effectiveness and is fully aligned to the Council's corporate objectives. The Council publishes an Annual Report, which takes stock of the progress made in delivery of the Borough Plan objectives and uses comparative performance and cost measures to help shape the Council's refreshed objectives.

Our Performance in 2024/25

The Council used a range of financial and other indicators to measure performance in 2024/25. At the end of March, 60% of the Council's performance targets for the year had been met, an increase compared to 57% last year.

The Council also exceeded its targets in a number of areas including new benefit claims and change of circumstance processing, planning processing times, collection rates for business rates, rent and sundry debt, repairs completion times, average cost, appointments kept and void completion times, community clean-up campaigns, estimated kg residual waste.

The areas which fell short of target include the use of temporary accommodation (homelessness), re-let times and rent loss due to vacant stock, % properties with a current gas safety certificate (housing), major developments allowed on appeal and planning enforcement cases resolved in 13 weeks, council tax collection rate, complaint handling within target, FOI response times, estimated % waste recycled, fire doors compliant with the FSA 2021.

For those measures that fell below the target set for the year we have developed actions for improvement, where feasible, as part of our performance reporting to senior managers and members. As well as comparing performance over time and against target, we also compare our performance with other councils nationally through local benchmarking clubs and data platforms such as CFOi Insights, Place Analytics and LG Inform.

Delivering against our Corporate Aims

We have highlighted some of our achievements 2024/25 in relation to each of the 5 key aims:

Aim 1: Supporting our communities to create a healthier and safer High Peak

- ✓ Processed 99.99% of Housing Benefit cases correctly and exceeded processing targets for both new claims and change of circumstances
- ✓ Monitored 91 CCTV incidents and 75 events
- ✓ Responded to 97.55% of Carelink emergency calls within 45 minutes. 96.5% of referrals were installed within 15 days
- ✓ Refreshed the Communication Strategy to ensure there is a more effective dialogue and engagement with residents
- ✓ Moved the operation and management of the councils leisure facilities into a wholly owned council company (MyActive) delivering physical activity, health and wellness through the centres and wider facilities
- ✓ Developed an on-line Move More Better Health campaign, to support healthcare professionals and target the priority communities linked to the place-based work
- ✓ Provided new equipment at Newshaw Lane play area and updated Cote Heath Skatepark as part of the Play and Outdoor Sport Investment and Delivery Plan. Installed the first pétanque playing pitch in the High Peak

Aim 2: Future Proof Housing

- ✓ Completed all level of repairs (P1,2,3,4), first time fix, appointments made and kept and voids all within target times, average cost of repairs was also within target
- ✓ Installed 148 kitchens and 77 bathrooms in social housing stock
- ✓ Processed 75 Right To Buy transactions within target
- ✓ Assisted 206 households in financial difficulty with funding from the 5th Household Support Grant, with a total spend of £49,153.17 between April and October 2024, and 158 households from the 6th Household Support Grant, with a spend of £46,775.77 between December 2024 and March 2025

- ✓ Assisted 22 vulnerable households with funding from Derbyshire County Council, to either maintain their tenancy or transfer to more suitable accommodation
- ✓ Successfully signed up 240 new tenancies since April 2024

Aim 3: Protect and create jobs by supporting economic growth, development and regeneration

- ✓ Completed the Heritage Action Zone - £1m investment to support heritage projects to improve shop fronts and invest in buildings at risk
- ✓ Engaged with our development partner Capital & Centric for a major redevelopment of the Springs Shopping Centre to create a new gateway to the town, diversify the housing offer and introduce new leisure, hospitality and public space
- ✓ Launched a range of grants to support Community, Arts, Culture, Heritage and Events
- ✓ Achieved a rate of 11.1% for empty town centre shops (national average is 13.8%)
- ✓ Determined 100% of 'major' planning applications in time and exceeded target for 'minor' and 'other' planning applications
- ✓ Invested in promotional campaigns for towns and villages. Key activity includes the Great Outdoors campaign
- ✓ Visitor spend in the area totalled £329.85m and there were 1,398 (000's) overnight stays

Aim 4: Protect and improve the environment including responding to the climate emergency

- ✓ Achieved low residual waste tonnages (estimated) and fulfilled 99.96% of waste collections
- ✓ Supported 283 Community Clean up Campaigns
- ✓ Collected 402 fly tipping incidents
- ✓ Maintained our 'green flag' status for Whaley Bridge Memorial Park
- ✓ Inspected 100% of 'high risk' and 'routine permitted' premises to schedule
- ✓ Successfully secured £587,884 from Sport England's Swimming Pool Support Fund (SPSF) for an energy project at New Mills Leisure Centre. The project will involve interventions involving the installation of photo voltaic (PV) panels & heat recovery to air handling units, further enhancing the energy efficiency of the facility.
- ✓ Hosted the annual Climate Change event
- ✓ Achieved 100% air quality compliance against national reporting requirements in relation to air quality
- ✓ Established the Waste Working Group focused on actions associated with delivery of the new waste collection arrangements . Completed a tender exercise for capital purchases (vehicle and caddies)

Aim 5: A responsive, smart, financially resilient and forward-thinking council

- ✓ Carried out an accommodation and IT review and refresh, creating new meeting rooms and updating the IT equipment

- ✓ Continued the apprenticeships for three staff (Alliance) (1 level 4 and 2 level 7) and utilised 100% of the apprentice levy
- ✓ Continued the development and implementation of the 'Alliance: Our Future' programme, along with the service culture reviews
- ✓ Collected 98.32% of business rates and 98.84% of rent due
- ✓ Paid 97.67% of invoices in line with the terms of contract
- ✓ Implemented 96.51% of internal audit recommendations within timescale
- ✓ Hosted the final Corporate Peer Challenge progress review whereby the Peers reviewed the recommendations from the February 2022 and February 2024 visits. The challenge was held on site for one day and included meetings with councillors and staff
- ✓ Completed the development of the new SharePoint intranet ready to be launched in May 2025
- ✓ Created and implemented a new project management framework and re-aligned the transformation programme

Key Strategic Partnerships

In 2008 High Peak Borough Council entered into a **Strategic Alliance** (the Alliance) with our neighbours, Staffordshire Moorlands District Council. The primary aim of the Alliance is to drive service improvements through joint working whilst reducing costs to increase value-for-money and minimise future council tax increases. The arrangement, which features a fully integrated Joint Senior Management Team and widespread joint service delivery, crosses both county and regional boundaries. The Alliance sits at the heart of the Council's Efficiency Strategy.

Alliance Environmental Services Limited (AES): The Council established a Council controlled company in 2017 with Alliance partner Staffordshire Moorlands District Council and Ansa (a subsidiary of Cheshire East Council) to deliver waste collection, street cleansing, grounds maintenance and fleet management services. The collaborative arrangement has been assessed to be a joint operation and therefore is consolidated into the single entity financial statements of both Councils. This is described in note 2: Interests in companies & other entities and joint arrangements. On 1 April 2025 the shares held by Ansa were transferred to Cheshire East Council.

Alliance Norse Limited (ANL): The Council established a Council controlled company in 2022 with Alliance partner Staffordshire Moorlands District Council and Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) to deliver facilities management, property services, housing repairs and other maintenance services, and the Council's Disabled Facilities Grant programme. The collaborative arrangement has been assessed to be a joint operation with and is therefore consolidated into the single entity

financial statements of both Councils respectively. This is described in note 2: Interests in companies & other entities and joint arrangements.

Alliance Leisure Limited (ALL): The Council established a Council controlled company in 2024 with Alliance partner Staffordshire Moorlands District Council to deliver health and fitness services across the High Peak and Staffordshire Moorlands areas. The collaborative arrangement has been assessed to be a joint operation and is therefore consolidated into the single entity financial statements of both councils. This is described in note 2: Interests in companies & other entities and joint arrangements.

Reporting of the Financial Statements

The Statement of Accounts for the year ended 31 March 2025 has been prepared in accordance with the Accounts and Audit Regulations 2015. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by the International Financial Reporting Standards. The 2024/25 Statement of Accounts shows that our finances remain sound. Revenue and Capital spending are controlled by affordable budgets while assets and reserves exist to support services and the achievement of key priorities.

Martin Owen, MBA FCCA CMgr FCMI
Executive Director (Resources) & Chief Finance Officer
Date: 18th December 2025

Certificate of Approval by Audit & Regulatory Committee

I confirm that these accounts were approved by the meeting of the Audit and Regulatory Committee held on 2nd December 2025

Councillor Ollie Cross
Chair of the Audit & Regulatory Committee
Date: 18th December 2025

Statement of Responsibilities for the Statement of Accounts

The Council's Responsibilities

The Council is required to:

- Make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Executive Director & Chief Finance Officer (CFO)
- Manage its affairs to secure economic, efficient, and effective use of resources and safeguard its assets
- Approve the Statement of Accounts

The Executive Director's Responsibilities

The Executive Director (CFO) is responsible for the preparation of the Council's financial statements, which under the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ('the Code of Practice') are required to present the true and fair financial position of the Council at the accounting date and its income and expenditure for the year.

In preparing this Statement of Accounts, the Executive Director (CFO) has:

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

The Executive Director (CFO) has also:

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

Certificate of the Executive Director (CFO)

I certify that this Statement of Accounts gives a 'true and fair' view of the financial position of the Council at 31 March 2025 and its income and expenditure for the year.

Martin Owen, MBA FCCA CMgr FCMI
Executive Director(Resources) & Chief Finance Officer Date: 18th December 2025

Statement of Accounting Policy

The purpose of this section is to explain the basis for the recognition, measurement and disclosure of transactions and other events in the accounts.

1. Accounting policies

The Accounting Policies included at the foot of this Statement of Accounts have been applied in producing the statements. They are based on best practice and legislative requirements, including CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom for 2024/45 (the Code).

2. Accounting standards issued, not adopted

A number of new or amended standards have been issued in the Code for the forthcoming year, which are not yet adopted. The Council is required to disclose any information relating to the impact of an accounting change that will be required by the new standard.

These new or amended standards may provide clarification but are unlikely to have a significant impact on the amounts anticipated to be report in the financial statements of this Council:

- The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These include setting out three revaluation processes for operational property, plant and equipment, requiring indexation for tangible non-investment assets and a requirement to value intangible assets using the historical cost approach. These have the same effect as requiring a change in accounting policy due to an amendment to standards, which would normally be disclosed under IAS 8. However, the adaptations also include a relief from the requirements of IAS 8 following a change in accounting policy.

These new or amended standards are anticipated to be of limited application to this Council:

- IFRS 17 Insurance Contracts issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.

3. Critical judgements in applying accounting policies

In applying the accounting policies set out in part 1 of this section, the Council has had regard to the materiality of the transactions being reported. It has also had to make certain judgments about complex transactions or those involving uncertainty about future events. The critical judgments made in the Statement of Accounts are:

- The collaboration companies Alliance Environmental Services Ltd (between High Peak Borough Council, Staffordshire Moorlands District Council, and Ansa

Environmental Services Ltd), Alliance Norse Ltd. (between High Peak Borough Council, Staffordshire Moorlands District Council, and Norse Commercial Services Ltd) and Alliance Leisure Ltd (between High Peak Borough Council and Staffordshire Moorlands District Council) have been determined to be Joint Operations and are therefore consolidated in to High Peak Borough Council's and Staffordshire Moorlands District Council's single entity financial statements, i.e. there is no requirement for separate group accounts. The relationship, details of this assessment and financial performance and results of the companies are included in note 2: Interests in companies & other entities and joint arrangements.

4. Assumptions made about the future and other major sources of estimation uncertainty

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

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

Pensions liabilities – uncertainties: Estimation of the net liability to pay pensions depends on several complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied. (Note 4 highlights key assumptions). A 1% change in the assessed carrying value of the Council's pension asset equates to £119,910 (total £11,991,000).

Pension funds exist to provide retirement benefits into the future and their valuation reflects both these commitments and the predicted income streams from contributions and investments over the long term. This extended timeframe means that while valuations may reflect immediate economic conditions their impact will tend to smooth out over time.

Asset valuations – uncertainties: The valuations of property, plant and equipment reported in the balance sheet and the related depreciation charges made to the CIES are based on an estimation of their value and asset life. A firm of qualified valuers is engaged by the Council to carry out, for the major assets, a programme of physical valuations to ensure that their carrying values are subject to professional and independent assessment. A 1% change in the assessed carrying value of the assets equates to £2,237,600 (total £223,760,000).

Financial Statements

Movement in Reserves Statement (MIRS)

The movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (those which can be applied to fund expenditure or reduce local taxation) and other reserves. The surplus/ deficit on the provision of services shows the true economic cost of providing the Council's services, more details of which are shown in the CIES. This is different from the statutory amounts required to be charged to the general fund balance for council tax setting purposes. The net increase/ decrease before transfers to earmarked reserves shows the statutory general fund balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	Notes	General fund & earmarked reserves	Housing Revenue Account	Capital		Total Usable Reserves	Unusable Reserves	Total Council Reserves
				Receipts Reserve	Grants Unapplied			
		£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023 b/f		**(10,349)**	**(15,263)**	**(7,932)**	**(1,580)**	**(35,124)**	**(184,722)**	**(219,846)**
(Surplus)/ deficit on the provision of Services		(1,332)	3,568	0	0	2,236	0	**2,236**
Other Comprehensive Income& Expenditure		0	0	0	0	0	6,192	**6,192**
Total Comprehensive Income& Expenditure		(1,332)	3,568	0	0	2,236	6,192	**8,428**
Adjustment between accounting basis & funding basis under regulations	5	(87)	(1,485)	(120)	1,086	(606)	606	**0**
Net (increase)/ decrease before Transfers to Earmarked Reserves		(1,419)	2,083	(120)	1,086	1,630	6,798	**8,428**
Balance at 31 March 2024 c/f		**(11,768)**	**(13,180)**	**(8,052)**	**(494)**	**(33,494)**	**(177,924)**	**(211,418)**
(Surplus)/ deficit on the provision of Services		(3,310)	1,674	0	0	(1,636)	0	**(1,636)**
Other Comprehensive Income& Expenditure		0	0	0	0	0	(9,113)	**(9,113)**
Total Comprehensive Income& Expenditure		(3,310)	1,674	0	0	(1,636)	(9,113)	**(10,749)**
Adjustment between accounting basis & funding basis under regulations	5	2,079	(2,474)	(544)	(3,505)	(4,444)	4,444	**0**
Net (increase)/ decrease before Transfers to Earmarked Reserves		(1,231)	(800)	(544)	(3,505)	(6,080)	(4,669)	**(10,749)**
Balance at 31 March 2025 c/f		**(12,999)**	**(13,980)**	**(8,596)**	**(3,999)**	**(39,574)**	**(182,593)**	**(222,167)**

Comprehensive Income & Expenditure Statement (CIES)

Showing the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The Council raises taxation to cover expenditure in accordance with regulations, which may be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

2023/24					2024/25		
Gross Expenditure	Gross Income	Net Expenditure		Notes	Gross Expenditure	Gross Income	Net Expenditure
£000	£000	£000			£000	£000	£000
401	(1)	400	Alliance Leadership Team		342	0	342
99	0	99	Audit		120	0	120
1,245	(201)	1,044	ICT		1,182	(10)	1,172
55	0	55	Human Resources		77	0	77
525	0	525	Member Services		626	(83)	543
4,219	(1,632)	2,587	Property Services		4,823	(1,818)	3,005
14,000	(13,970)	30	Benefits		13,952	(13,784)	168
810	(357)	453	Revenues		730	(373)	357
1,176	(819)	357	Planning Applications		1,214	(3,865)	(2,651)
64	0	64	Building Control		59	(15)	44
663	(20)	643	Customer Services		789	(44)	745
274	(16)	258	Legal Services		304	(10)	294
204	(49)	155	Electoral Services		63	(34)	29
4	(203)	(199)	Licensing and Land Charges		4	(202)	(198)
2,173	(2,237)	(64)	Regeneration		3,647	(3,064)	583
407	(47)	360	Communities and Cultural		479	(31)	448
2,132	(1,687)	445	Housing Strategy		2,108	(1,701)	407
327	0	327	Transformation		391	0	391
146	(41)	105	Community Safety and Enforcement		222	(180)	42
361	119	480	Finance and Performance		649	(1)	648
750	(1,205)	(455)	Corporate Finance		654	(1,473)	(819)
5,917	(2,230)	3,687	Waste Collection		6,050	(1,873)	4,177
871	(220)	651	Street Scene		869	(183)	686
0	0	0	ALL Direct		1,878	(1,500)	378
262	(143)	119	Leisure Services		146	(113)	33
2,202	(1,107)	1,095	Horticulture		1,720	(1,010)	710
2,611	(1,075)	1,536	Environmental Health		1,838	(1,019)	819
12,497	(16,197)	(3,700)	Local Authority Housing (Housing Revenue Account)		11,505	(18,230)	(6,725)
54,395	**(43,338)**	**11,057**	**Cost of Services**		**56,441**	**(50,616)**	**5,825**
7,989	(1,489)	6,500	Other Operating Expenditure	3a	11,195	(2,456)	8,739

2,550	(1,048)	1,502	Financing and Investment Income and Expenditure	3b	3,348	(1,178)	2,170
0	(16,823)	(16,823)	Taxation and Non-Specific Grant Income and Expenditure	3c		(18,370)	(18,370)
		2,236	**(Surplus)or Deficit on Provision of Services**				**(1,636)**
		(6,673)	(Surplus) or Deficit on Revaluation of Property, Plant and Equipment Assets	13a			(8,759)
		12,865	Remeasurement of the net defined pension benefit liability	4			(354)
		6,192	**Other Comprehensive Income and Expenditure**				**(9,113)**
		8,428	**Total Comprehensive Income and Expenditure**				**(10,749)**

Balance Sheet

Providing an overall summary of the financial position of the Council at the year end. It shows the Council's balances and reserves and its long-term indebtedness, and the value as at the balance sheet date of the assets and liabilities recognised by the Council.

Published	Restated			
31 March 2024	31 March 2024		Notes	31 March 2025
£000	£000			£000
280,606	280,606	Property, Plant & Equipment	6a	290,613
514	514	Heritage Assets		514
399	399	Investment Properties	6b	414
183	183	Intangible Assets		146
58	58	Long Term Debtors	8	154
281,760	**281,760**	**TOTAL LONG TERM ASSETS**		**291,841**
7,641	7,641	Short Term Investments	14a	2,702
84	84	Inventories		118
11,812	9,755	Short Term Debtors	8	14,579
8,299	8,299	Cash and Cash Equivalents	7	10,073
27,836	**25,779**	**TOTAL CURRENT ASSETS**		**27,472**
0	0	Cash and Cash Equivalents	7	(5)
(5,411)	(5,411)	Short Term Borrowings	14a	(5,878)
(17,843)	(15,786)	Short Term Creditors	9	(17,190)
(141)	(141)	Provisions	10	(162)
(23,395)	**(21,338)**	**TOTAL CURRENT LIABILITIES**		**(23,235)**
(58,830)	(58,830)	Long Term Borrowing	14a	(58,802)
(13,061)	(13,061)	Pensions Liability	4c	(11,991)
(129)	(129)	Other Long Term Liabilities	14a	(1,236)
(2,763)	(2,763)	Grants Receipts in Advance - Capital	11	(1,882)
(74,783)	**(74,783)**	**TOTAL LONG TERM LIABILITIES**		**(73,911)**
211,418	**211,418**	**TOTAL NET ASSETS**		**222,167**
33,494	33,494	Usable Reserves	12	39,574
177,924	177,924	Unusable Reserves	13	182,593
211,418	211,418	TOTAL RESERVES		**222,167**

The Audited Accounts were issued on 18th December

Martin Owen, MBA FCCA CMgr FCMI
Executive Director (Resources) & Chief Finance Officer

Cash Flow Statement

The inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.

2023/24		Notes	2024/25
£000			**£000**
(2,236)	Net Surplus/(Deficit) on the Provision of Services		1,636
9,576	Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements		18,486
(1,589)	Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities		(4,986)
5,751	**Net Cash Flows from Operating Activities**	17a	**15,136**
(14,875)	Investing Activities	17c	(6,713)
5,246	Financing Activities	17d	(6,654)
(3,878)	**Net Increase / (Decrease) in Cash and Cash Equivalents**		**1,769**
12,177	Cash and Cash Equivalents at the Beginning of the Reporting Period		8,299
8,299	**Cash and Cash Equivalents at the End of the Reporting Period**		**10,068**

Notes to the Financial Statements

The notes to the core financial statements are shown below. Some are dictated by statute while others are included to add clarity.

1. Amounts reported for resource allocation decisions

Decisions about resource allocation are taken by the Council's Executive based on financial reports prepared on a different basis from the accounting policies used in the financial statements: no charges are made in relation to capital expenditure (whereas depreciation, revaluation and impairment losses in excess of the balance on the Revaluation Reserve and amortisations are charged to services in the CIES), and the cost of retirement benefits is based on cash flows (payment of employer's pensions contributions) rather than current service cost of benefits accrued in year.

The following tables analyse and show the relationship between the statutory statements and the financial information reported to and used by the decision makers.

1a. Expenditure and Funding Analysis

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

2023/24				2024/25		
Net Expenditure to GF Balance	Adjustments Funding & Accounting	Net Expenditure in the CIES		Net Expenditure to GF Balance	Adjustments Funding & Accounting	Net Expenditure in the CIES
£000	£000	£000		£000	£000	£000
399	1	400	Alliance Leadership Team	343	(1)	342
99	0	99	Audit	120	0	120
966	78	1,044	ICT	1,112	60	1,172
55	0	55	Human Resources	77	0	77
521	4	525	Member Services	545	(2)	543
568	2,019	2,587	Property Services	673	2,332	3,005
30	0	30	Benefits	168	0	168
448	5	453	Revenues	356	1	357
333	24	357	Planning Applications	121	(2,772)	(2,651)
64	0	64	Building Control	44	0	44
632	11	643	Customer Services	754	(9)	745
224	34	258	Legal Services	311	(17)	294
178	(23)	155	Electoral Services	29	0	29
(199)	0	(199)	Licensing and Land Charges	(198)	0	(198)
(211)	147	(64)	Regeneration	421	162	583
354	6	360	Communities and Cultural	451	(3)	448
165	280	445	Housing Strategy	239	168	407
327	0	327	Transformation	396	(5)	391
99	6	105	Community Safety and Enforcement	37	5	42
462	18	480	Finance and Performance	665	(17)	648
1,350	(1,805)	(455)	Corporate Finance	1,321	(2,140)	(819)
3,241	446	3,687	Waste Collection	3,871	306	4,177
542	109	651	Street Scene	577	109	686
0	0	0	ALL Direct	378	0	378
119	0	119	Leisure Services	(17)	50	33
494	601	1,095	Horticulture	541	169	710
606	930	1,536	Environmental Health	637	182	819
(4,609)	909	(3,700)	Local Authority Housing (Housing Revenue Account)	(6,691)	(34)	(6,725)
***7,257**	**3,800**	**11,057**	**Cost of Services**	**7,281**	**(1,456)**	**5,825**
(6,592)	(2,229)	(8,821)	Other Income and Expenditure	(9,312)	1,851	(7,461)
665	**1,571**	**2,236**	**(Surplus) or Deficit on Provision of Services**	**(2,031)**	**395**	**(1,636)**
	General Fund	**HRA**			**General Fund**	**HRA**
(25,612)	**(10,349)**	**(15,263)**	**Opening General Fund and HRA Balance**	**(24,948)**	**(11,768)**	**(13,180)**
665	(1,419)	2,084	Less (Surplus) or Deficit in Year	(2,031)	(1,231)	(800)
(24,947)	**(11,768)**	**(13,179)**	**Closing General Fund and HRA Balance**	**(26,979)**	**(12,999)**	**(13,980)**

1b. Note to the Expenditure and Funding Analysis

This note provides a reconciliation of the main adjustments to net expenditure chargeable to the general fund and the HRA balances to arrive at the amounts in the CIES.

2023/24					2024/25			
Adjustments for Capital Purposes	Net Change of the Pension Adjustment	Other Differences	Total Adjustments		Adjustments for Capital Purposes	Net Change of the Pension Adjustment	Other Differences	Total Adjustments
£000	£000	£000	£000		£000	£000	£000	£000
0	1	0	1	Alliance Management	0	(1)	0	(1)
0	0	0	0	Audit	0	0	0	0
78	0	0	78	ICT	60	0	0	60
0	0	0	0	Human Resources	0	0	0	0
1	3	0	4	Member Services	0	(2)	0	(2)
1,999	21	(1)	2,019	Property Services	2,330	(2)	4	2,332
0	0	0	0	Benefits	0	0	0	0
0	5	0	5	Revenues	0	(3)	4	1
0	7	17	24	Planning Applications	(2,750)	(6)	(16)	(2,772)
0	0	0	0	Building Control	0	0	0	0
0	9	2	11	Customer Services	0	(5)	(4)	(9)
0	4	30	34	Legal Services	0	(3)	(14)	(17)
0	0	(23)	(23)	Electoral Services	0	0	0	0
0	0	0	0	Licensing and Land Charges	0	0	0	0
247	3	(103)	147	Regeneration	268	(2)	(104)	162
0	2	4	6	Communities and Cultural	0	(2)	(1)	(3)
262	18	0	280	Housing Strategy	168	(7)	7	168
0	4	(4)	0	Transformation	0	(3)	(2)	(5)
6	0	0	6	Community Safety and Enforcement	5	0	0	5
0	3	15	18	Finance and Performance	0	(3)	(14)	(17)
(754)	(1,316)	265	(1,805)	Corporate Finance	(939)	(1,235)	34	(2,140)
425	18	3	446	Waste Collection	327	(15)	(6)	306
109	0	0	109	Street Scene	109	0	0	109
0	0	0	0	ALL Direct	0	0	0	0
0	0	0	0	Leisure Services	50	0	0	50
601	0	0	601	Horticulture	169	0	0	169
919	5	6	930	Environmental Health	196	(4)	(10)	182
922	0	(13)	909	Local Authority Housing (Housing Revenue Account)	(2)	(20)	(12)	(34)
4,815	**(1,213)**	**198**	**3,800**	**Cost of Services**	**(9)**	**(1,313)**	**(134)**	**(1,456)**
(1,182)	37	(1,084)	(2,229)	Other Income and Expenditure from the Expenditure and Funding Analysis	1,127	597	127	1,851
3,633	**(1,176)**	**(886)**	**1,571**	**Difference between General Fund (Surplus)/Deficit and Comprehensive Income and Expenditure Statement**	**1,118**	**(716)**	**(7)**	**395**

Adjustments for capital purposes: adjustments to general fund Balances to meet the requirement of generally accepted accounting practices.

Within cost of services:

- adds in depreciation and impairment on assets used by the service.
- adjusts for any revaluation gains and losses on those assets.

Within other income and expenditure:

- Adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- Statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year.
- Credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net change for the pensions adjustments: Net change for the removal of pension contributions and the addition of IAS 19 Employee Benefits pension related expenditure and income.

Within cost of services

- The removal of the employer pension contributions made by the Council as allowed by statute and the replacement with current service costs and past service costs.

Within other income and expenditure

- Records the net interest on the defined benefit liability charged to the CIES.

Adjustments for other differences: including **o**ther differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute.

Within Cost of Services

- Statutory adjustment for a financial instrument relating to a decision to issue a soft loan (below market rates)
- Accounting for the employee accumulated absence liability.

Within Other Income and Expenditure

- Adjustments to the General Fund for the timing differences for premiums and discounts.
- The difference between what is chargeable under statutory regulations for Council Tax and Business Rates that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the

Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

1c. Expenditure and income analysed by nature

This represents a subjective analysis of the surplus/ deficit on the provision of services as reported in the CIES.

2023/24		2024/25
£000		£000
15,212	Employee expenses	16,331
30,960	Other service expenses	35,945
8,270	Depreciation, amortisation and impairment	3,763
0	Minimum Revenue Provision	987
2,513	Interest Payments	2,751
792	Precepts & Levies	1,003
7,196	Derecognition and Disposal Value of Fixed Assets	10,192
64,943	**Total Expenditure**	**70,972**
(26,274)	Fees, charges & other service income	(29,669)
(7,573)	Income from Council Tax	(8,036)
(6,096)	Income from Business Rates	(6,064)
(1,055)	Interest and Investment Income	(966)
(17,105)	Government grants and contributions	(17,673)
(3,115)	Capital Grants and Contributions	(7,547)
(1,489)	Capital Receipts	(2,456)
0	Donated Assets	(197)
(62,707)	**Total Income**	**(72,608)**
2,236	**(Surplus) or Deficit on the Provision of Services**	**(1,636)**

1d. Segmental analysis

This table shows a further breakdown by service of fees, charges and other income reported at 1c.

2023/24	Fees, Charges and Other Income	2024/25
£000		£000
(1)	Alliance Management	0
(201)	ICT	(10)
0	Member Services	(83)
(1,632)	Property Services	(1,818)
(187)	Benefits	(134)
(195)	Revenues	(228)
(548)	Planning Applications	(588)
0	Building Control	(15)
(20)	Customer Services	(44)
(16)	Legal Services	(10)
(2)	Electoral Services	(2)
(200)	Licensing and Land Charges	(202)
(1,311)	Regeneration	(1,377)
(2)	Communities and Cultural	(2)
(994)	Housing Strategy	(907)
(8)	Community Safety and Enforcement	(30)
124	Finance and Procurement	(1)
(1,171)	Corporate Finance	(1,233)
(2,231)	Waste	(1,873)
(220)	Street Scene	(183)
0	ALL Direct	(1,500)
(123)	Leisure Services	(113)
(1,048)	Horticulture	(1,010)
(107)	Environmental Health	(110)
(16,181)	Local Authority Housing (Housing Revenue Account)	(18,196)
(26,274)	**Total Income Analysed on a Segmental Basis**	**(29,669)**

2. Net cost of services

The following notes consider transactions included in the Cost of Services in the CIES in more detail.

2a. Members' allowances

The Council paid the following amounts to members of the Council during the year:

2023/24		2024/25
£294,639	Allowances	£309,374
£4,387	Expenses	£7,611
£299,026	**Total**	**£316,985**

2b. Officers' remuneration (senior employees)

Under the management arrangements for the Alliance, costs and responsibilities for senior posts are shared between Staffordshire Moorlands District Council and High Peak Borough Council based on the proportion of time allocated to the two Councils including Housing Revenue Account responsibilities at High Peak. In line with the regulations, the remuneration of senior officers is included in the disclosure within the Statement of Accounts of the Authority for which they are employed and paid.

2024/25	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Charge to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director (Community Services)	62,457	963	63,420	13,053	76,473	30,589	45,884
Head of OD & Transformation	78,544	963	79,507	16,416	95,923	38,369	57,554
Head of Legal & Electoral Services	78,544	963	79,507	16,416	95,923	38,369	57,554
Head of Development Services	78,544	963	79,507	16,416	95,923	47,961	47,962
Head of Housing	40,961	963	41,924	8,704	50,628	10,123	40,505
Head of Customer Services	70,384	963	71,347	14,710	86,057	38,726	47,331
Head of Leisure & Environmental	49,730	963	50,693	10,289	60,982	30,491	30,491
Head of Leisure & Environmental	14,076	241	14,317	2,942	17,259	8,630	8,629
Head of Regeneration	70,384	963	71,347	14,710	86,057	43,029	43,028
Head of Assets	28,920	401	29,321	6,044	35,365	17,683	17,682
	572,544	**8,346**	**580,890**	**119,700**	**700,590**	**303,970**	**396,620**

Executive Director (Community Services) started in September 2024
Head of Housing started in March 2025; the post previously filled by Agency costing £8,409
Head of Leisure & Environmental left in January 2025 and was replaced also in January 2025.
Head of Assets started in October 2024; the post was previously filled by Agency costing £32,795

In the above note, the Council has disclosed all senior officers who have remuneration over £50,000. As can be seen from the table above, there is a recharge to Staffordshire Moorlands District Council of £303,970 for the posts paid by High Peak Borough Council. However, as the Joint Chief Executive and a number of Directors and Senior Officers are employed and paid by Staffordshire Moorlands District Council, there is a recharge back to High Peak Borough Council of £646,819 as detailed in the following table.

2024/25	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total (inc Pension cont)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Senior Officer with Salary over £150,000							
Chief Executive Officer A Stokes	187,297	26,761	214,058	41,767	255,825	153,844	101,981
Senior Officers with Salary over £50,000 to £150,000							
Executive Director(Resources) & Chief Financial Officer	121,609	963	122,572	27,191	149,763	89,858	59,905
Executive Director(Governance & Commissioning)	143,850	3,555	147,405	32,079	179,484	107,690	71,794
Head of Audit	70,384	4,678	75,062	15,696	90,758	54,455	36,303
Head of Finance	78,544	963	79,507	17,515	97,022	58,213	38,809
Head of Environmental Health	70,384	3,486	73,870	15,696	89,566	44,783	44,783
Head of Revenues & Benefits	70,384	963	71,347	15,696	87,043	43,521	43,522
Head of Communities & Climate Change	67,723	4,561	72,284	15,102	87,386	52,432	34,954
Head of Democratic Services	67,662	1,295	68,957	15,089	84,046	42,023	42,023
	877,837	**47,225**	**925,062**	**195,831**	**1,120,893**	**646,819**	**474,074**

2023/24 Comparatives

Senior Officers with salary between £50,000 and £150,000 during 2023/24:

2023/24	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total(inc Pension cont)	Charge to SMDC	Net Charge to HPBC
	£	£	£	£	£	£	£
Executive Director	171,097	963	172,060	19,796	191,856	76,742	115,114
Head of OD & Transformation	76,539	963	77,502	15,997	93,499	37,400	56,099
Head of Legal	76,539	963	77,502	15,997	93,499	37,400	56,099
Head of Regeneration	68,667	963	69,630	14,351	83,981	41,991	41,990
Head of Development Services	76,539	963	77,502	15,997	93,499	46,750	46,749
Head of Housing	68,667	963	69,630	14,351	83,981	16,796	67,185
Head of Commissioning	60,706	963	61,669	12,687	74,356	37,178	37,178
Head of Customer Services	68,667	963	69,630	14,351	83,981	37,791	46,190
	667,421	**7,704**	**675,125**	**123,527**	**798,652**	**332,048**	**466,604**

Recharge from Staffordshire Moorlands D.C:

2023/24	Salary, Fees and Allowances	Expenses Allowances	Total (excl Pension cont)	Pension Contribution	Total (inc Pension cont)	Proportion of Total charged to HPBC	Net Charge to SMDC
	£	£	£	£	£	£	£
Senior Officer with Salary over £150,000							
Chief Executive Officer A Stokes	179,211	36,712	215,923	39,964	255,887	148,009	107,878
Senior Officers with Salary over £50,000 to £150,000							
Executive Director & Chief Financial Officer	119,093	963	120,056	26,558	146,614	87,968	58,646
Executive Director & Monitoring Officer	140,474	4,015	144,489	31,326	175,815	105,489	70,326
Head of Audit	68,667	6,910	75,577	15,313	90,890	54,534	36,356
Head of Finance	79,103	963	80,066	17,640	97,706	58,624	39,082
Head of Environmental Health	68,667	5,241	73,908	15,313	89,221	44,610	44,611
Head of Revenues & Benefits	68,667	963	69,630	15,313	84,943	42,471	42,472
Head of Communities & Climate Change	63,420	4,561	67,981	14,143	82,124	49,274	32,850
Head of Democratic Services	63,360	6,300	69,660	14,129	83,789	41,895	41,894
	850,662	**66,628**	**917,290**	**189,699**	**1,106,989**	**632,874**	**474,115**

The number of non-senior management employees whose remuneration, including benefits in kind, but excluding employer's pension contributions, was £50,000 or more, is summarized in bands of £5,000 in the table below.

2023/24		2024/25
£		£
	Remuneration Banding	
1	£50,000 - £54,999	3
0	£55,000 - £59,999	0
1	**Total**	**3**

Termination benefits paid to the Council's non senior employees: As with 2023/24; there were no termination benefit departures during 2024/25.

2c. Related parties

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

Central government has effective control over general operations of the Council. It provides the statutory framework, provides funding, and prescribes the terms of many transactions with other parties (such as housing benefit).

Local authorities such as Derbyshire County Council, Derbyshire Fire Authority, the Office of the Police & Crime Commissioner Derbyshire, and local Town and Parish Councils issue precepts on the Council which are shown in the Collection Fund. The County administers the Council's pension fund. There are other transactions with these authorities involving service provision and funding.

Council members make disclosures of relevant interests to the Council's Monitoring Officer, and have to make declarations on individual committee decisions. The Register of Member Interests is open to public inspection, subject to prior notice, at the Council's offices. The Council also nominates Members to sit on outside bodies. Several Council Members are also Members of Derbyshire County Council, local parish councils, or various local voluntary organisations, which the Council supports financially. Those charitable organisations, where Members have declared an interest, which received Council funding that could be considered a material proportion of their total turnover were:

	Funding
Charity	**£000**
High Peak Theatre Trust	128
Buxton Civic Association	39
Derbyshire Wildlife Trust	22
Serpentine Community Garden Society	24
Crescent Trust Board	24
Zinc	39
Hope Valley Climate Action	20

Officers have scope, in some circumstances, to influence Council policy. The Chief Executive Officer maintains a record of officer interests, which together with the Council's standards and procedures, acts as a guard against undue influence.

Related party transactions: Material transactions with central and other local government organisations are separately reported throughout the statements, including the analyses of precepts, grants, and pension contributions. There are no material transactions or evidence suggesting undue influence in relation to members or officers.

Subsidiary, associated companies or joint ventures: The Council has a Strategic Alliance with Staffordshire Moorlands District Council, whilst retaining its political and financial independence and accountability. The Strategic Alliance has joined with Norse Commercial Services (a trading arm of Norse Group under Norfolk County Council) in the joint operation Alliance Norse Ltd (ANL), with Ansa (a wholly owned subsidiary of Cheshire East Council) in the joint operation Alliance Environmental Services Limited (AES) – the shares held by Ansa were transferred to Cheshire East Council on 1 April 2025,and with Alliance Leisure Limited (ALL) delivers health and fitness services and is wholly owned by

its members Note 2: Interests in other companies gives further detail about the Strategic Alliance, AES, ANL, and ALL

2d. Audit costs

The costs set out below have been incurred in relation to the audit of the Statement of Accounts, certification of grant claims and statutory inspections and to non-audit services provided by the Council's external auditors, Grant Thornton.

2023/24		2024/25
£000		£000
151	Fees payable to the appointed auditors for external audit services carried out for the year	168
7	Fees payable for external audit services carried out in relation to previous years	9
46	Fees payable to the external auditor for the certification of grants claims and returns for the year	45
9	Fees payable in respect of other services provided by the external auditors during the year	11
213	**Total**	**233**

2e. Interests in companies & other entities and joint arrangements

The Council has financial interests with several entities and actively pursues working in partnership with other organisations where this can improve efficiency and effectiveness in achieving key priorities. Some of the more significant joint arrangements are detailed below:

Strategic Alliance with Staffordshire Moorlands District Council

The strategic Alliance between High Peak Borough Council and Staffordshire Moorlands District Council was formally sealed on 11 June 2008. The Alliance involves continuous development of joint working at all levels, producing savings through joint procurement, expertise and staff to ultimately improve service provision. Any costs and savings incurred and accruing in an accounting period are accounted for by the relevant Council. The Alliance-related expenditure of High Peak Borough Council amounted to in £4.316million 2024/25 (£3.750million in 2023/24). The corresponding income received from Staffordshire Moorlands District Council was £3.961million in 2024/25 (£3.359million in 2023/24)

	Paid by SMDC to HPBC	Paid by HPBC to SMDC
	£000	£000
Contribution to Employee Costs	3,196	2,627
Contribution to Other Costs	765	1,689
Total	**3,961**	**4,316**

Alliance Environmental Services Ltd (company number 10760856) delivers waste, fleet, street cleansing and grounds maintenance services in the High Peak and Staffordshire Moorlands. The company was incorporated under the Companies Act 2006 on 9 May 2017 as a private company limited by shares During the year the company had

three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council, and Ansa, a wholly owned subsidiary of Cheshire East Council. It had issued ordinary shares of £1.00 each in the volume of 150 to Ansa, 25 to High Peak Borough Council, and 25 to Staffordshire Moorlands District Council. The shares held by Ansa were transferred to Cheshire East Council on 1 April 2025. The registered office of the company is c/o Ansa Environmental Services Ltd, Environmental Hub C/o Ansa Environmental Services Limited, Cledford Lane, Middlewich, Cheshire, England, CW10 0JR.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out the terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement. The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a Joint Operation. A joint operation does not require separate group accounts, instead a proportion of the company's Balance Sheet and the outturn on service expenditure and income, in line with the percentage provision of services to each Council, are consolidated line by line into the Council's own CIES, Cash Flow Statement and Balance Sheet. This consolidation has the effect of analysing the elements of the management fee paid to AES for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is shown on the company's balance sheet in reserves. During the year, AES has provided services in proportion of 53% to High Peak Borough Council and 47% to Staffordshire Moorlands District Council. These proportions are shown in the tables below and are consolidated into the respective Councils' financial statements.

Draft AES Accounts	**Movement from AES draft to published accounts**	**Council share of AES Income and Expenditure Statement**	
2023/24	**2023/24**		**2024/25**
£000	**£000**		**£000**
(7,118)	403	Turnover	(7,654)
6,235	(392)	Cost of sales	6,498
(883)	**11**	**Gross profit**	**(1,156)**
882	(21)	Administrative expenses	1,155
(1)	**(10)**	**Profit from operating activities**	**(1)**
(16)	0	Finance costs	(36)
3	2	Corporation tax expense	30
(14)	**(8)**	**(Profit)/ loss for Year**	**(7)**

Draft AES Accounts	Movement from AES Draft to Published Accounts	Council share of AES balance sheet	
31 March2024	**31 March 2024**		**31 March 2025**
£000	**£000**		**£000**
1,424	1	Current assets	1,367
1,424	**1**	**Total**	**1,367**
(1,149)	7	Current liabilities	(1,077)
(1,149)	**7**	**Total**	**(1,077)**
275	**8**	**Total net assets**	**290**
		Capital and reserves	
261	8	Brought forwards retained earnings	283
14	0	Retained earnings	7
275	**8**	**Total reserves**	**290**

This share of the company's profit is included in the net expenditure position in the Council's CIES for general fund waste collection, fleet, streets, and horticulture services, and in the HRA along with the total management fee paid to the company:

2023/24	AES net management fee including in the CIES	2024/25
£000		**£000**
5,934	**Net management fee**	6,322
(14)	Less joint operation profit allocation	(7)
5,920	**Total**	**6,315**

Alliance Norse Ltd (company number 13861679) delivers facilities management, property services and other maintenance services and the Councils' Disabled Facilities Grant programmes in the High Peak and Staffordshire Moorlands. The company has three shareholders: High Peak Borough Council, Staffordshire Moorlands District Council, and Norse Commercial Services Limited, a trading arm of the Norse Group which is wholly owned by Norfolk Country Council. The company was incorporated under the Company Act 2006 on 20 January 2022 as a private company limited by shares. It has issued ordinary shares of £0.25 each in the volume of 30 to Norse Commercial Services Ltd, 5 to High Peak Borough Council, and 5 to Staffordshire Moorlands District Council. The registered office of the company is 280 Fifers Lane, Norwich, Norfolk, NR6 6EQ.

The relationship between the shareholders has been assessed to establish the nature of the collaborative activity and how this should be presented in the Council's financial statements. There is a signed shareholders' agreement between all three parties setting out terms and conditions on which all parties have agreed to participate in the company and the rights and obligations of each of them as its members, thus the collaborative activity constitutes an arrangement. Furthermore, specific clauses in the agreement confirm that unanimous consent is implicit in the agreement, therefore the authorities equally have joint control of the arrangement. The agreement indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a Joint Operation. A joint

operation does not require separate group accounts, instead the Council's share of the company's Balance Sheet and the outturn on service expenditure and income are consolidated line by line into the Council's own CIES, Cash Flow Statement and Balance Sheet. This consolidation has the effect of analysing the elements of the total fee paid to ANL for service delivery between employees, transport, supplies & services, and income and brings in the surplus achieved on the company's profit and loss showing the overall cost of the service.

The company has reported a profit at the balance sheet date, which is shown on the company's balance sheet in reserves. During the year ANL has provided services in proportion of 91% to High Peak Borough Council (18% to the General Fund activities, and 73% to the Housing Revenue Account (HRA) activities), and 9% to Staffordshire Moorlands District Council. These proportions are shown in the tables below and are consolidated into the respective Councils' financial statements.

2023/24	2023/24		2024/25
£000	£000		£000
Draft Accounts included in Council Consolidation	**Movement from ANL draft accounts to published accounts**	**Council share of ANL income and expenditure statement**	**General Fund**
(14,439)	103	Turnover	(14,977)
13,084	(218)	Cost of sales	12,297
(1,355)	**(115)**	**Gross profit**	**(2,680)**
1,047	181	Administrative expenses	2,085
(308)	**66**	**Profit from operating activities**	**(595)**
103	(54)	Council Discount	198
51	(21)	Corporation tax expense	99
(154)	**(9)**	**(Profit)/ loss for Year**	**(298)**

31 March 2024	31 March 2024	Council share of ANL balance Sheet	31 March 2025
Draft Accounts included in Council Consolidation	**Movement from ANL draft accounts to Published Accounts**		
£000	**£000**		**£000**
139	316	Non-current assets	376
7,330	(2,057)	Current assets	7,445
7,469	**(1,741)**	**Total**	**7,821**
(7,145)	2,045	Current liabilities	(6,963)
(129)	(296)	Long term liabilities	(357)
(7,274)	**1,749**	**Total**	**(7,320)**
195	**8**	**Total net assets**	**501**
		Capital and reserves	
41	8	Brought forward retained earnings	203
154	0	Retained earnings	298
195	**8**	**Total Reserves**	**501**

This share of the company's profit is included in the net expenditure position in the Council's CIES for property services in the general fund, and in the HRA along with the total management fee paid to the company and the contract discount:

2023/24				2024/25		
General Fund	HRA	Total	ANL net management fee included in the CIES	General Fund	HRA	Total
£000	£000	£000		£000	£000	£000
944	5,624	6,568	Management fee	1,282	5,389	6,671
(14)	(89)	(103)	Less contract discount	(54)	(144)	(198)
930	**5,535**	**6,465**	**Net management fee**	**1,228**	**5,245**	**6,473**
(21)	(133)	(154)	Less joint operation profit allocation	(82)	(216)	(298)
909	**5,402**	**6,311**	**Total**	**1,146**	**5,029**	**6,175**

Alliance Leisure Ltd (company number 15601201) delivers health and fitness services across the High Peak and Staffordshire Moorlands areas. The company is wholly owned by its members, Staffordshire Moorlands District Council and High Peak Borough Council. It was incorporated on 28 March 2024 under the Companies Act 2006 as a private company limited by guarantee without share capital. Its members are equally bound by the Articles of Association to contribute to the assets of the company to the sum of £1. The registered office of the company is Moorlands House, Stockwell Street, Leek, Staffordshire, ST13 6HQ. The company began trading on 1 October 2024, operating within four leisure centres in the High Peak and two in the Staffordshire Moorlands.

The relationship between the members of ALL has been assessed to determine the nature of the collaborative arrangement and how it should be reflected in the Council's financial statements. ALL is a company limited by guarantee and is governed by its Articles of Association and an Agency Agreement, which together set out the framework for how the members interact and share responsibilities. These documents outline the respective roles, obligations, and decision-making processes of the members, thus the collaborative activity constitutes an arrangement. The Agency Agreement, in particular, establishes the operational and governance arrangements between the parties. Based on this structure, the collaborative activity constitutes a joint arrangement. Furthermore, the provisions within the Articles of Association require mutual agreement on key decisions, indicating that the members exercise joint control over the arrangement. Together, the Agency Agreement and companies' articles indicates that the Council has rights to the assets and obligations for the liabilities of the company, rather than rights to net assets, therefore the arrangement is classified as a joint operation. A joint operation does not require separate group accounts, instead the Council's share of the company's Balance Sheet and the outturn on service expenditure and income are consolidated line by line into the Council's own CIES, cash flow statement and balance sheet. This consolidation has the effect of analysing the costs associated with the service delivery between employees, transport, supplies & services, and integrating income related to the management fee paid to ALL for the provision of its agency role.

At the balance sheet date, the company reported a breakeven position, reflected in its reserves. During the year, the services provided by ALL have been apportioned based on the financial performance of the individual leisure centres. Where balances are jointly held, they have been allocated according to the agreed ownership proportions: 68% to High Peak Borough Council and 32% to Staffordshire Moorlands District Council. These proportions are reflected in the respective councils' financial statements.

2023/24	Council share of ALL income and expenditure statement	2024/25
£000		£000
	Turnover	(1,429)
	Cost of sales	1,413
	Gross profit	**(16)**
	Corporation tax expense	3
	(Profit)/ loss for Year	**(13)**

31 March 2024	Council share of ALL balance sheet	31 March 2025
£000		£000
	Non-current assets	1,017
	Current assets	(1,004)
	Total	**13**
	Capital and reserves	
	Retained earnings	13
	Total Reserves	**13**

This share of the company's profit is included in the net expenditure position in the Council's CIES for leisure services along with the total management fee paid to the company:

2023/24	ALL net management fee including in the CIES	2024/25
£000		£000
	Net management fee	1,413
	Less joint operation profit allocation	(13)
	Total	**1,400**

2f. Prior period adjustment

Alliance Norse Limited accounts were consolidated in 2023/24 based on draft accounts. The Audited Accounts for that year reflected a change across assets and liabilities. The impact on the Council's brought forward balance sheet is shown in the table below as well as on each impacted note:

Published	Change	Restated	
31 March 2024	**ANL**	**31 March 2024**	
£000	**£000**	**£000**	
11,812	(2,057)	9,755	Short term debtors
27,836		**25,779**	**Total current assets**
(17,843)	2,057	(15,786)	Short term creditors
(23,395)		**(21,338)**	**Total current liabilities**

3. Corporate income and expenditure

The following notes consid er transactions included in the CIES in more detail:

3a. Other operating expenditure

2023/24		2024/25
£000		**£000**
792	Parish Council Precepts	1,003
150	Capital Loan Impairment	0
(1,502)	Capital Receipts	(2,469)
5,853	Derecognition of Fixed Assets	8,367
1,206	Disposal Value of Fixed Assets	1,838
6,499	**Total**	**8,739**

3b. Financing and investment income and expenditure

2023/24		2024/25
£000		**£000**
2,513	Interest payable and similar charges	2,751
37	Pensions interest cost and expected return on pensions assets	597
(1,055)	Interest receivable and similar income	(966)
7	(Gain)/Loss in the fair value of Investment properties	(15)
	Right of Use Assets - Peppercorn	(197)
1,502	**Total**	**2,170**

3c. Taxation and non-specific grant income & expenditure

2023/24		2024/25
£000		**£000**
(7,573)	Council Tax income	(8,036)
(2,677)	Business Rates Retention	(2,372)

(4,481)	Non ringfenced Government Grants	(4,915)
(2,091)	Capital Grants and Contributions	(3,047)
(16,822)	**Total**	**(18,370)**

3d. Grant Income

2023/24		**2024/25**
£000		**£000**
	Non ringfenced government grants	
(3,419)	Business Rates Grants	(3,693)
(1,062)	Central government support grants	(1,222)
(4,481)		**(4,915)**
(2,091)	**Capital grants and contributions**	**(3,047)**
	Capital Grants applied to CIES	
(603)	Disabled Facilities Grant	(689)
(419)	Capital Grants	(3,811)
(1,022)		**(4,500)**
	Grants credited to services	
(13,738)	Housing Benefit	(13,652)
(195)	New burdens and capacity funding	(689)
(821)	Other third party funds	(468)
(1,290)	Central government support grants	(1,642)
(16,044)		**(16,451)**
(17,066)	**Total grants applied to the CIES**	**(20,951)**

4. Retirement benefits

The following notes consider the impact of accounting for retirement benefits on the Council's Statement of Accounts in more detail.

4a. Participation in Pension Scheme

As part of the terms and conditions of employment of its officers and other employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments that needs to be disclosed at the time that employees earn their future entitlements. Employees of High Peak Borough Council are admitted to the Derbyshire County Council Pension Fund, which is administered by Derbyshire County Council under the Regulations governing the Local Government Pension Scheme (LGPS). Decisions relating to the administration of the Fund are delegated to the Pensions Committee, a body made up of elected members. Further information can be found via the Pension Fund's website (www.derbyshirepensionfund.org.uk).

The LGPS is a 'Funded' as well as a 'Defined Benefit' scheme. This means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pension liabilities with investment assets. The employer contribution rates are set by Hymans Robertson LLP, the Pension Fund's professionally qualified and independent actuary, and are based on triennial valuations of the Fund. The Fund underwent a valuation as at 31 March 2022 which set the required employer contribution rates for the three years up to 31 March 2026. The Fund will be revalued again during 2025, and this will set contribution rates for the 3 years commencing 1 April 2026. As the Fund is effectively underwritten by the employers, any deterioration in performance can have serious long term financial consequences for the Council. Steps have been taken nationally to mitigate this risk to the local taxpayer, by reforming the LGPS and introducing a greater element of future cost sharing between the scheme employers and the scheme beneficiaries. A legal challenge to these reforms is on-going (see section 4g below).

4b. Transactions Relating to Retirement Benefits

The Council recognises the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against council tax is based on the cash payable in the year, so the real cost of post-employment/ retirement benefits is reversed out of the general fund via the MIRS. The following transactions have been made in the CIES and the general fund balance via the MIRS during the year:

2023/24	Local Government Pension Scheme	2024/25
£000		£000
(1,758)	Current service cost	(1,696)
	Net Interest:	

(5,177)	Interest cost on defined benefit obligation	(5,246)
5,224	Interest income on plan assets	5,693
(84)	Interest on asset ceiling	(1,044)
(1,795)	**Total post employment benefit charged to the Surplus or Deficit on the Provision of Services**	**(2,293)**
	Remeasurements of the net defined benefit comprising:	
(708)	Changes in demographic assumptions	192
(4,815)	Changes in financial assumptions	16,213
(900)	Changes in Unfunded obligations	0
3,487	Other experience	1,155
20,799	Changes in the effect of the asset ceiling	(15,873)
(4,995)	Return on assets excluding amounts included in net interest	(1,327)
12,868	**Remeasurement of the net defined pension benefit liability charged to CIES**	**360**
11,073	**Total post employment benefit charged to the Comprehensive Income & Expenditure Statement**	**(1,933)**
	Movement in Reserve Statement:	
(1,795)	Reversal of net charges made to the surplus or deficit for the Provision of Services for post-employment benefits in accordance with the Code	(2,293)
	Actual amount charged against the General Fund Balance for pensions in the year:	
2,974	Employer's contributions payable to scheme	**3,003**

The CIES shows the net position of the defined pension benefit liability as being £354,000 This figure takes into account the actual payments made to the Fund during the year. This differs from the Pension disclosures in note 4, which include the estimated employer pension contributions used by the Actuary in preparing the IAS19 report. The table below reconciles this difference and provides further detail:

Difference on remeasurement of net defined benefit liability compared with CIES	**2024/25**	
CIES remeasurement of net defined benefit liability		(354)
Pensions - Total post employment benefit charged to services (above)	2,293	
Pensions - Total post employment benefit charged to CIES (above)	(1,933)	360
Difference on CIES compared with Note 5		**6**
-		
Employer contributions to fund:		
Actuarial estimate for IAS19 purposes	3,003	
Actual contributions accounted for in the year	3,009	
Difference on Estimation		**(6)**

4c. Assets and liabilities in relation to retirement benefits

The pension liability reported on the balance sheet shows the Council's projected liability on its share of the Derbyshire Pension Fund. This represents the underlying commitment to pay retirement benefits in the long run. It is a net figure comprising the following overall assets and liabilities for the Council's share of the Scheme.

31 March 2024	Year Ended	31 March 2025
£000		£000
119,244	Fair Value of plan assets	122,500
(109,655)	Present value of funded obligations	(95,090)
(21,750)	Effect of the asset ceiling	(38,667)
(900)	Present view of unfunded obligations	(734)
(13,061)	**Net Asset / (Liability) arising from Defined Benefit Obligation**	**(11,991)**

The £1.070million reduction in the net liability between years the position after adjustment is made for the effects of an asset ceiling. It recognises that where a surplus position arises out of an actuarial valuation; there is no unconditional right to a refund from the Fund and therefore, an economic benefit to the Council should not be reflected in the Accounts. The impacts of the McCloud judgement and GMP equalisations (explained and referred to in 4g below) are also reflected in the valuation. The relative movement in individual asset and liability valuations are set out in the following two tables.

Reconciliation of liabilities (obligations):

Unfunded	Funded		Unfunded	Funded
31 March 2024	31 March 2024	Year Ended	31 March 2025	31 March 2025
£000	£000		£000	£000
0	**(110,511)**	**Opening Defined Benefit Obligation**	**(900)**	**(109,655)**
	(1,758)	Current service cost		(1,696)
	(5,177)	Interest cost on defined benefit obligation		(5,246)
	(511)	Plan participants' contributions		(539)
	708	Changes in demograpic assumptions		192
	4,815	Changes in financial assumptions		16,213
(992)	(2,495)	Other experience	78	1,077
92	0	Unfunded benefits paid	88	
	5,274	Benefits paid		4,564
(900)	**(109,655)**	**Closing Balance at 31 March**	**(734)**	**(95,090)**

Reconciliation of fair value of employer assets:

31 March 2024	Year Ended	31 March 2025
£000		£000
110,906	**Opening Fair Value of Scheme Assets**	**119,244**
5,224	Interest on plan assets	5,693
511	Plan participants' contributions	539
2,882	Contributions by the employer	2,915
92	Contributions in respect of unfunded benefits	88
4,995	Return on assets (excl amounts included in net interest)	(1,327)
(92)	Unfunded benefits paid	(88)
(5,274)	Benefits paid	(4,564)
119,244	**Closing balance at 31 March**	**122,500**

The profile of the scheme's liabilities is summarised in the table below:

Profile of Liabilities	Liability split
	31 March 2025
Active members	28.89%
Deferred members	22.52%
Pensioner members	48.59%
Total	**100.00%**

4d. Scheme History

31 March 2021	31 March 2022	31 March 2023	31 March 2024	Year ended	31 March 2025
£000	**£000**	**£000**	**£000**	**Present value of liabilities:**	**£000**
103,508	114,930	110,906	119,244	Fair Value of plan assets	122,500
(150,759)	(150,473)	(110,511)	(109,655)	Present value of funded obligations	(95,090)
		(1,767)	(21,750)	Effect of the asset ceiling	(38,667)
			(900)	Present view of unfunded obligations	(734)
(47,251)	**(35,543)**	**(1,372)**	**(13,061)**	**Surplus/ (deficit)**	**(11,991)**

The liabilities show the underlying commitments that the Council has in the long run to pay retirement benefits. The total liability of £11.991million has a substantial impact on the net worth of the Council as recorded in the Balance Sheet, which now stands, after accounting for these pension costs, at an overall balance of £222.167million. However, statutory arrangements for funding the deficit mean that the financial position of the Council remains healthy. The deficit in the scheme will be made good by increased contributions over the remaining working life of employees, as assessed by the scheme actuary. In the year ending 31 March 2026 contributions of £2.822million are expected to be made into the Fund.

4e. Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependant on assumptions about salary levels, mortality rates, etc. The scheme liabilities have been assessed by Hymans Robertson LLP, an independent firm of actuaries. Their estimates for the County Council Fund are based on the latest full valuation of the scheme as at 31 March 2022.

The principal assumptions used by the actuary have been:

31 March 2024	Financial Assumptions as at	31 March 2025
(% per annum)		(% per annum)
3.80%	Salary Increase Rate	3.80%
2.80%	Pension Increase Rate	2.80%
4.80%	Discount Rate	5.80%

31 March 2024		Mortality assumptions	31 March 2025	
Males	**Females**	**Longevity beyond age 65**	**Males**	**Females**
20.8 years	23.8 years	Current Pensioners	20.8 Years	23.8 Years
21.6 years	25.3 years	Future Pensioners	21.5 Years	25.3 Years

Commutation*:* An allowance is included for future retirements to elect to take 60% of the maximum additional tax-free cash up to HMRC limits.

Asset Category: The Pension Scheme's assets consist of the following categories, by proportion of the total assets held:

31 March 2024			31 March 2025	
Fund Value £'000	**Asset Distribution %**	**Asset category**	**Fund Value £'000**	**Asset Distribution %**
		Equity Securities		
0	0	Consumer	0	0
0	0	Manufacturing	0	0
0	0	Energy & Utilities	0	0
0	0	Financial Instruments	0	0
0	0	Health & Care	0	0
0	0	Information Technology	0	0
3,224	3	Other	1,698	2
		Debt Securities		
15,379	13	Corporate Bonds (investment grade)	17,962	15
10,581	9	UK Government	13,755	11
1,806	1	Other	1,535	1
		Private Equity		
6,012	5	All	6,353	5
		Real Estate		
8,246	7	UK Property	8,590	7
		Investment Funds and Unit Trusts		
57,441	48	Equities	54,136	44
11,989	10	Infrastructure	13,169	11
		Cash and Cash Equivalents		
4,566	4	All	5,302	4
119,244	**100**	**Total**	**122,500**	**100**

4f. Sensitivity to Changes in Actuarial Assumptions

The assumptions made by the Actuary are subject to change between valuation dates as a result of variations in such factors as longevity, investment return, and inflation. The table below illustrates the sensitivity to such changes and the consequent impact on the employer's liability:

Sensitivity Analysis -change in assumptions at 31 March 2025	Approximate % increase to Employer Liability	Approximate monetary amount (£000)
% decrease in Real Discount Rate	2%	1,514
year increase in member life expectancy	4%	3,833
% increase in the Salary Increase Rate	0%	66
% Increase in the Pension Increase Rate	2%	1,488

4g. Impact of legal and regulatory uncertainty

The **McCloud Judgement** relates to a legal challenge by members of the New Judicial Pension Scheme against the age-based transitional provisions put into place when new

pension arrangements were introduced in 2015. The members argued that these transitional provisions were directly discriminatory on grounds of age and indirectly discriminatory on grounds of sex and race, based on the correlation between these two factors reflected in the judicial membership. The impacts of McCloud were taken into account during the last Fund valuation and have been included in the figures disclosed in this note.

Guaranteed Minimum Pension (GMP) was accrued by members of the LGPS between 6 April 1978 and 5 April 1997. The introduction of the new Single State Pension in April 2016 brought uncertainty over the ongoing indexation of GMPs, which could lead to inequalities between men and women's benefits. The responsibility for ensuring GMPs kept pace with inflation passed in full to pension schemes with the effect of increasing costs for LGPS employers. The impacts of GMP were taken into account during the last Fund valuation and have been included in the figures disclosed in this note.

An issue emerged in June 2023 regarding **Virgin Media vs NTL pension scheme** judgment regarding section 37 certificates in respect of previous amendments to the pension scheme. The Council is aware of the legal proceedings taking place in respect of this issue and the potential for further liability on the Pension Fund. Investigations are on-going involving the Pension Fund and the DWP into whether this applies to the LGPS and the possible implications, but it is not possible at present to estimate the potential impact, if any, on the scheme. At this stage, no additional allowance has been made for this ruling within the accounting balance sheet.

5. Adjustments between accounting basis & funding basis under regulations

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

2024/25	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repair Reserve	Capital Grants Unapplied	Movement in Unusable Reserves
	£000	£000	£000	£000	£000	£000
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation - GF	(2,862)	0	0	0	0	2,862
Charges for depreciation - HRA	0	(2,434)	0	0	0	2,434
Impairment / Revaluation losses charged to CIES	(466)	(1,622)	0	0	0	2,088
Impairment Written Back - Revaluation Gain	44	1,625	0	0	0	(1,669)
Movements in the fair value of Investment Properties	15	0	0	0	0	(15)
Amortisation of intangible assets	(37)	0	0	0	0	37
Capital Grants and contributions applied to capital	2,673	1,173	0	0	0	(3,846)
Revenue expenditure funded from capital under statute	(2,160)	0	0	0	0	2,160
Amounts of non-current assets written off on disposal or sale	0	(1,838)	0	0	0	1,838
Derecognition of non-current assets written off on disposal or sale	(754)	(7,612)	0	0	0	8,366
Transfer to MRR	0	2,434	0	(2,434)	0	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	0	2,625	0	(2,625)
Donated Assets	197	0	0	0	0	(197)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	987	0	0	0	0	(987)
Voluntary provision for the financing of capital investment	0	635	0	0	0	(635)
Employers Contribution to pension schemes	2,989	20	0	0	0	(3,009)
Adjustments primarily involving the Capital Grants unapplied Account						
Applications of grants to capital financing from the Capital Grant Unapplied Account	3,701	0	0	0	(3,701)	0
Capital Expenditure from the unapplied capital grants account	0	0	0	0	196	(196)
Use of Earmarked Capital Reserve to fund capital expenditure	0	2,524	0	0	0	(2,524)
Adjustments primarily involving the Capital Receipts Reserve						
Transfers of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	50	2,456	(2,506)	0	0	0

Use of Capital Receipts Reserve to finance new capital expenditure	0	0	1,924	0	0	(1,924)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current assets disposals	0	(38)	38	0	0	0
Adjustments primarily involving the Financial Instruments Adjustment						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	95	12	0	0	0	(107)
Adjustments primarily involving the Pension Reserve						
Reversal of items relating to retirement benefits debited or credited to the CIES	(2,293)	0	0	0	0	2,293
Adjustments primarily involving the Collection Fund						
Amount by which council tax income credited to the CIES is different from council tax and business rates income calculated for the year in accordance with statutory requirements	(148)	0	0	0	0	148
Adjustments primarily involving the Accumulated Absence Account						
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	48	0	0	0	0	(48)
Total Adjustments	**2,079**	**(2,665)**	**(544)**	**191**	**(3,505)**	**4,444**

2023/24 Comparative Figures	**General Fund Balance**	**Housing Revenue Account**	**Capital Receipts Reserve**	**Major Repair Reserve**	**Capital Grants Unapplied**	**Movement in Unusable Reserves**
	£000	**£000**	**£000**	**£000**	**£000**	**£000**
Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:						
Charges for depreciation - GF	(3,050)	0	0	0	0	3,050
Charges for depreciation - HRA	0	(2,423)	0	0	0	2,423
Impairment / Revaluation losses charged to CIES	(21)	(1,523)	0	0	0	1,544
Impairment of Capital Loan	(150)	0	0	0	0	150
Impairment Written Back - Revaluation Gain	0	601	0	0	0	(601)
Revaluation Gains on Property Plant and Equipment						0
Movements in the fair value of Investment Properties	(7)	0	0	0	0	7
Amortisation of intangible assets	(42)	0	0	0	0	42
Capital Grants and contributions applied to capital	2,636	423	0	0	0	(3,059)
Lease Re-categorised						0
Income in relation to donated assets						0
Revenue expenditure funded from capital under statute	(2,605)	0	0	0	0	2,605
Amounts of non-current assets written off on disposal or sale	0	(1,179)	0	0	0	1,179
Derecognition of non-current assets written off on disposal or sale	(214)	(5,639)	0	0	0	5,853

Transfer to MRR	0	2,423	0	(2,423)	0	0
Use of Major Repairs Reserve to finance new capital expenditure	0	0	0	2,439	0	(2,439)
Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:						
Statutory provision for the financing of capital investment	803	0	0	0	0	(803)
Voluntary provision for the financing of capital investment	0	635	0	0	0	(635)
Capital Grants and contributions unapplied credited to the CIES						0
Employers Contribution to pension schemes	2,971	0	0	0	0	(2,971)
Adjustments primarily involving the Capital Grants unapplied Account						
Applications of grants to capital financing from the Capital Grant Unapplied Account	55	0	0	0	(55)	0
Capital Expenditure from the unapplied capital grants account	0	0	0	0	1,141	(1,141)
Use of Earmarked Capital Reserve to fund capital expenditure	460	3,693	0	0	0	(4,153)
Adjustments primarily involving the Capital Receipts Reserve						
Transfers of cash sale proceeds credited as part of the gain/loss on disposal to the CIES	0	1,502	(1,502)	0	0	0
Use of Capital Receipts Reserve to finance new capital expenditure	0	0	1,355	0	0	(1,355)
Contribution from the Capital Receipts Reserve towards administrative costs of non-current assets disposals	0	(27)	27	0	0	0
Adjustments primarily involving the Deferred Capital Receipts						
Transfer of deferred sale proceeds credited as part of the gain/loss on disposal to the CIES.	0	0	0	0	0	0
Adjustments primarily involving the Financial Instruments Adjustment						
Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	67	13	0	0	0	(80)
Adjustments primarily involving the Pension Reserve						
Reversal of items relating to retirement benefits debited or credited to the CIES	(1,795)	0	0	0	0	1,795
Adjustments primarily involving the Collection Fund						
Amount by which council tax income credited to the CIES is different from council tax and business rates income calculated for the year in accordance with statutory requirements	867	0	0	0	0	(867)
Adjustments primarily involving the Accumulated Absence Account						
Amount by which officer remuneration charged to CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirement	(62)	0	0	0	0	62
Total Adjustments	**(87)**	**(1,501)**	**(120)**	**16**	**1,086**	**606**

6. Capital

6a. Property, Plant & Equipment

The table below analyses capital expenditure, disposals, revaluations, and depreciation charged on the non-current assets of the Council.

Movements in 2024/25	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Right of Use	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation									
At April 2024	**192,880**	**57,203**	**8,932**	**1,118**	**3,308**	**10,879**	**11,394**	**0**	**285,714**
Donated Assets	0	0	0	0	0	0	0	197	**197**
Additions	9,554	1,671	1,318	34	77	0	3,068	1,014	**16,736**
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	12,882	(5,596)	0	0	0	635	0	0	**7,921**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(2,235)	(1,295)	0	0	0	42	0	(464)	**(3,952)**
Derecognition - Disposals	(1,860)	0	(393)	0	0	0	0	0	**(2,253)**
Derecognition - Other	(7,209)	(1,126)	(72)	0	0	0	0	0	**(8,407)**
Other movements in Cost or Valuation	0	295	29	1	0	0	(90)	0	**235**
At 31 March 2025	**204,012**	**51,152**	**9,814**	**1,153**	**3,385**	**11,556**	**14,372**	**747**	**296,191**
Accumulated Depreciation & Impairment									
At April 2024	**0**	**(429)**	**(4,679)**	**0**	**0**	**0**	**0**	**0**	**(5,108)**
Depreciation Charge	(2,259)	(2,217)	(820)	0	0	0	0	0	**(5,296)**
Depreciation written out to the Revaluation Reserve	0	838	0	0	0	0	0	0	**838**
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,238	1,295	0	0	0	0	0	0	**3,533**
Derecognition - Disposals	21	0	393	0	0	0	0	0	**414**
Derecognition - Other	0	0	41	0	0	0	0	0	**41**
At 31 March 2025	**0**	**(513)**	**(5,065)**	**0**	**0**	**0**	**0**	**0**	**(5,578)**
Net Book Value									
At 31 March 2025	**204,012**	**50,639**	**4,749**	**1,153**	**3,385**	**11,556**	**14,372**	**747**	**290,613**
At 31 March 2024	**192,880**	**56,774**	**4,253**	**1,118**	**3,308**	**10,879**	**11,394**	**0**	**280,606**

The Property, Plant & Equipment 2023/24 comparative figures are illustrated below:

Movements in 2023/24	Council Dwellings	Other Land and Buildings	Vehicles, Plant, Furniture & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
Cost or Valuation	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**	**£000**
At April 2023	**190,494**	**57,242**	**8,907**	**1,052**	**3,304**	**10,987**	**5,452**	**277,438**
Additions	7,253	419	551	66	4	0	6,143	**14,436**
Revaluation Increases/(decreases) recognised in the Revaluation Reserve	4,715	225	0	0	0	(87)	0	**4,853**
Revaluation increases/(decreases) recognised in the Surplus/Deficit on the Provision of Services	(3,172)	(324)	0	0	0	(21)	0	**(3,517)**
Derecognition - Disposals	(1,179)	0	(319)	0	0	0	0	**(1,498)**
Derecognition - Other	(5,231)	(620)	(207)	0	0	0	0	**(6,058)**
Assets reclassified (to)/from Held for Sale	0	0	0	0	0	0	0	**0**
Other movements in Cost or Valuation	0	261	0	0	0	0	(201)	**60**
At 31 March 2024	**192,880**	**57,203**	**8,932**	**1,118**	**3,308**	**10,879**	**11,394**	**285,714**
Accumulated Depreciation & Impairment								
At April 2023	**0**	**(343)**	**(4,210)**	**0**	**0**	**0**	**0**	**(4,553)**
Depreciation Charge	(2,232)	(2,247)	(994)	0	0	0	0	**(5,473)**
Depreciation written out to the Revaluation Reserve	0	1,837	0	0	0	0	0	**1,837**
Depreciation written out to the Surplus/Deficit on the Provision of Services	2,218	324	0	0	0	0	0	**2,542**
Derecognition - Disposals	14	0	319	0	0	0	0	**333**
Derecognition - Other	0	0	206	0	0	0	0	**206**
At 31 March 2024	**0**	**(429)**	**(4,679)**	**0**	**0**	**0**	**0**	**(5,108)**
Net Book Value								
At 31 March 2024	**192,880**	**56,774**	**4,253**	**1,118**	**3,308**	**10,879**	**11,394**	**280,606**
At 31 March 2023	**190,494**	**56,899**	**4,697**	**1,052**	**3,304**	**10,987**	**5,452**	**272,885**

Depreciation The following useful lives have been used in the calculation of depreciation:

- Council Dwellings – 50 to 70 years
- Buildings - Up to 95 years
- Vehicles, Plant, Furniture & Equipment - 3 to 25 years

6b. Investment Properties

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

2023/24		2024/25
£000		**£000**
406	Balance at start of the year	399
(7)	Net gain /(loss) from fair value adjustments	15
399	**Balance at end of year**	**414**

Fair value hierarchy: All of the Council's investment property portfolio has been assessed as Level 3 (unobservable inputs) for valuation purposes. Fair values are described under the accounting policies section. There were no transfers between levels 1, 2 and 3 during the year. In 2024/25 the valuer carried out a desk top review of all investment properties. The level 3 fair values of investment property has been determined using the Investment Method of Valuation. The valuers have used a desktop valuation relying on data sourced from the Council's property records. Valuations have taken account of the following factors: existing lease terms and rentals taken from the tenancy schedule, independent research into market evidence including market rentals and yields, and then adjusted to reflect the nature of each business tenancy or void and the covenant strength for existing tenants. There has been no change in the valuation techniques used during the year for investment properties. The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Investment Properties	31 March 2025	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
	£'000				
Land	134	Market & Income Approach	Adjusted market evidence of rental lettings and sales of similar properties and investment yields	Rental rate c.£0.21 -£75 per sqft and Yields of 9%-11%	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value.
Building	280				

In estimating the fair value of the Council's investment properties, the highest and best use of the properties is deemed to be their current use.

6c. Assets held for sale

The Council does not have any non-current assets classified as assets held for sale.

6d. Valuation information

Under statute the Council carries out a rolling programme that ensures that all Property measured at current value or fair value as appropriate is revalued at least every five years. In addition to this requirement, the council now revalue all its high value assets annually; the total value of assets in 2025 was £41.5million. The Council's de minimis policy excludes the requirement to formally revalue assets with a current carry value of below £10,000, however, these assets are still subject to an internal desk top review. The Council also annually values all surplus and investment properties. The valuers have referenced the Valuation Office Rating Manual (VOARM) in producing Depreciated Replacement Cost valuations. Council dwellings valuations are based on beacons. The valuations for the individual beacon and variant properties for all asset groups are assessed as part of the revaluation review reflecting on; market evidence sourced, local market changes and trends.

All external valuations were carried out by Capita PLC, the Council's valuing agents. Valuations of land and buildings were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The effective date of each revaluation was 31 March 2025.

The significant assumptions applied in estimating the valuations are:

- that good title can be shown, and all valid planning permissions and statutory approvals are in place,
- that the property is connected and has a right to use mains services and that sewers, main services and roads giving access to it have been adopted,
- that an inspection of those parts not inspected would not reveal defects that would affect the valuation,
- that the testing of electrical or other services would not reveal defects that would cause the valuation to alter, and
- that there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation.

The valuation report, individual valuations and annual assessment for indications of impairment have been undertaken by Capita; Chris Wilkinson MRICS, (Head of Estates), Jill Angus(Associate Director), David Gray(Senior Surveyor), and Michael Boaden (Senior Surveyor), (Members of the Royal Institute of Chartered Surveyors and RICS Registered Valuers, all with RICS accredited BSc/MSc degree). One asset was subject to an impairment review: Glossop Leisure Centre, following identification of reinforced autoclaved aerated concrete (RAAC) within the structure. Estimated remedial costs have been incorporated into the valuation report.

Following the adoption of IFRS 13, surplus assets assessment is now made at fair value, highest and best use at level 3 (under fair value hierarchy- see accounting policy 23 for fair value explanations). There were no transfers between levels 1, 2 and 3 during the year. In addition to the formal 5 year valuation these assets are reviewed by the valuer each year individually. The table below sets out the basis for the level 3 unobservable inputs applied in the valuation process:

Surplus Assets	31 March 2025	Valuation Technique Used to Measure Fair Value	Unobservable Inputs	Range (weighted average used)	Sensitivity
	£000				
Land	11,532	Market & Income Approach	Adjusted market evidence of rental lettings and sale of similar properties and investment yields	Rental rate c.£28,500 - £1,038,500 per hectare	Significant changes to the individual inputs in rental growth; vacancy levels and investment yields could affect the reported value.
Building	24				

Vehicles, plant, furniture, and equipment are carried at depreciated historic cost as a proxy for current value. The Table below shows the profile of valuations supporting the Gross Book Value reported as at 31 March 2025.

	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Equipment	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	ROU	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Carried at Historic cost		612	9,815	1,153	3,385		14,373	0	**29,338**
Valued at Current Value as at:									
31 March 2025	204,012	46,814				11,556		747	**263,129**
31 March 2024		435							**435**
31 March 2023		271							**271**
31 March 2022		1,785							**1,785**
31 March 2021		1,236							**1,236**
Total Net Book Value	**204,012**	**51,153**	**9,815**	**1,153**	**3,385**	**11,556**	**14,373**	**747**	**296,194**

The value of the Council's dwelling stock above is net of the nationally set vacant possession discount factor of 42% – see note 4 of the HRA supplementary statement.

6e. Capital expenditure and financing

The amount of capital expenditure incurred in the year was £19million. Details are shown in the table below, together with the resources that have been used to finance it. Where capital expenditure is to be financed in future years by charges to revenue as assets are used by the Council, the expenditure results in an increase in the Capital Financing Requirement (CFR) – this is a measure of the capital expenditure incurred historically by the Council that has yet to be financed.

2023/24		2024/25
£000		£000
84,517	**Opening Capital Financing Requirement**	**87,973**
	Capital Investment	
14,437	Property, Plant and Equipment	15,720
0	Intangible Assets	0
2,605	Revenue Expenditure Funded from Capital under Statute	2,160
0	Donated Assets (Right of Use)	197
0	Finance Lease (Right of Use)	1,014
17,042		**19,091**
	Sources of Finance	
(1,355)	Capital Receipts	(1,924)
(6,640)	Government grant and other contributions	(4,042)
	Sums set aside from revenue:	
(460)	Capital General Fund Reserves	0
(1,254)	Housing Revenue Balances	(2,524)
(2,439)	Use of Major Repairs Reserve	(2,625)
(1,438)	Minimum Revenue Provision	(1,622)
0	Donated Assets (Right of Use)	(197)
(13,586)		**(12,934)**
87,973	**Closing Capital Financing Requirement**	**94,130**
	Explanation of movements in year:	
4,894	Increase in underlying need to borrow (supported by government financial assistance)	7,779
0	Finance Leases Repaid	(86)
(1,438)	Minimum Revenue Provision	(1,536)
3,456	**Increase/ (Decrease) in Capital Financing Requirement**	**6,157**
17,042	Net capital investment in year excluding ROU added to Balance Sheet	19,091

Minimum Revenue Provision (MRP) The Council is obliged to make an annual charge to revenue for unfinanced capital expenditure. The charge is known as Minimum Revenue Provision (MRP). The requirement is based on a simple duty for an Authority to make an amount of MRP, which it considers to be prudent. In 2024/25, the Council made MRP of £1.6million

6f. Information on assets held

The main assets held by the Council are:

31 March 2024	Non Current Asset	31 March 2025
(Number)		(Number)
3,818	Council Dwellings	3,801
581	HRA Garages	581
1	The Springs Shopping Centre	1
4	Sports Centres and Pools	4

3	Offices and Admin Buildings	3
4	Depots	4
24	Car Parks	24
20	Public Conveniences	20
7	Principal Parks	7
29	Recreation / Play Areas	29
4	Cemeteries	4
7	Industrial / Commercial Sites	7
5	Markets	5
3	Historic Buildings	3
4,510		**4,493**

6g. Construction contracts and capital commitments

At 31 March 2025, the Council has entered contracts for the construction or enhancement of property, plant and equipment in 2025/26 and future years budgeted to cost £3.2 million. Similar commitments at 31 March 2024 were £1.492 million. The major commitments are:

Scheme	Estimated Values	Period Investment will Take Place
	£000	
Waste & Recycling Strategy	812	2025/26
Fleet Management	391	2025/26
Buxton Regeneration	2,033	2025/26

6i. Assets held under leases - authority as the lessor

The Council leases out assets under operating leases, acting as a lessor of commercial property, shops and market stalls. Income from these sources in 2023/24 totalled £0.790million (£0.980million in 2024/25). The future minimum lease payments receivable at current levels under operating leases in future years are:

31 March 2024		**31 March 2025**
£000		**£000**
745	Not later than one year	916
2,108	Later than one year and not later than five years	2,385
4,353	Later than five years	5,055
7,206		**8,356**

6i. Assets held under leases - authority as the lessee

In 2024/25 the authority adopted accounting standard IFRS 16 Leases under the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. The main impact of the new requirement is that for arrangements previously accounted for as operating leases (i.e. without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the balance sheet at 1 April 2024. Leases for items of low value and leases that expire on or before

31 March 2025 are exempt from the new arrangements. The weighted average of the incremental borrowing rates used to discount liabilities was 5.27%.

This has resulted in the following additions to the balance sheet:

- £0.747million Property, plant and equipment (right-of-use assets)
- £0.878million Non-current creditors (lease liabilities)
- £0.050million Current creditors (lease liabilities)

The 2023/24 financial statements included a disclosure for operating lease commitments at 31 March 2024, the table below shows those comparative figures. The Council held land and property under operating leases in 2023/24 – the rental paid against these leases amounted to £0.060million. The minimum lease payments under operating leases in future years were:

31 March 2024	
£000	
60	Not later than one year
91	Later than one year and not later than five years
855	Later than five years
1,006	

7. Cash and cash equivalents

31 March 2024		31 March 2025
£000		£000
3,523	Bank Current Accounts	5,250
4,776	Money Market Funds	3,823
0	Short-term deposits	1,000
8,299	**Cash and Cash Equivalents Current Assets**	**10,073**
0	Bank Overdraft	(5)
0	**Cash and Cash Equivalents Current Liabilities**	**(5)**
8,299	**Total Cash and Cash Equivalents**	**10,068**

8. Debtors

An analysis of the bodies and individuals owing money to the Council is as below:

Published	Restated		
31 March 2024	31 March 2024		31 March 2025
£000	£000		£000
960	960	Central Government bodies	2,668
1,948	1,948	Other Local Authorities	1,402
10,528	8,471	Other entities and individuals	11,930
(1,624)	(1,624)	LESS Bad Debt Provisions	(1,421)
11,812	**9,755**	**Total Short Term Debtors**	**14,579**

An analysis of the impairment allowances by class of debtor being:

31 March 2024		31 March 2025
£000		£000
(321)	Non Domestic Rates Payers	(348)
(291)	Council Tax Payers	(324)
(205)	HRA	(73)
(771)	Housing Benefits	(578)
(36)	General Fund & HRA Services	(98)
(1,624)	**Total Short Term Debtors**	**(1,421)**

9. Creditors

An analysis of the bodies and individuals to whom the Council owes money is as below:

Published	Restated		
31 March 2024	31 March 2024		31 March 2025
£000	£000		£000
(3,168)	(3,168)	Central Government bodies	(2,490)
(3,846)	(3,846)	Other local authorities	(4,023)
(10,829)	(8,772)	Other entities and individuals	(10,677)
(17,843)	**(15,786)**	**Total Short Term Creditors**	**(17,190)**

10. Provisions

A Provision is made based on the best estimate of the potential liability arising from future backdated changes to the NNDR rating list, including appeals against rateable values lodged with the Valuation Office Agency. The liability is shared with all preceptors in the same proportions as retained business rates (50% central government, 40% billing authority (the Council), 9% Derbyshire County Council, 1% Derbyshire Fire Authority).

31 March 2024		31 March 2025
£000	**NNDR Appeals Provision (Billing Authority Share)**	£000
(1,182)	Provision Brought Forward	(141)
480	Refunds charged to provision during the year	30
561	(Increase)/ decrease in provision	(51)
(141)	**NNDR Appeals Provision Carried Forward**	**(162)**

11. Capital grants received in advance

An analysis of the Capital Grants Received in advance.

2023/24	Receipts in Advance	2024/25
£000		£000
2,267	**Balance at 1 April**	**2,763**
	Grants Received in Year:	
100	S106 Planning Obligations	185
1,818	Other	1,257
0	Transfer to Revenue	(542)
(1,422)	Transfers to Capital	(1,752)
0	Repaid	(29)
2,763	**Balance at 31 March**	**1,882**

12. Usable reserves

This note sets out the amounts included in Usable Reserves.

Balance At 01 April 2023	Transfers out 2023/24	Transfers In 2023/24	Balance At 31 March 2024		Transfers out 2024/25	Transfers In 2024/25	Balance At 31 March 2025
£'000	£'000	£'000	£'000		£'000	£'000	£'000
2,003	**(1,175)**	**1,734**	**2,562**	**General fund contingency reserve**	**(1,098)**	**790**	**2,254**
0	0	90	90	ANL	0	10	100
0	0	275	275	AES	(78)	93	290
2,003	**(1,175)**	**2,099**	**2,927**	**Total**	**(1,176)**	**893**	**2,644**
298	(298)	0	**0**	**Business rates (s31)**	0	0	**0**
3	(51)	48	**0**	**Covid-19 support**	0	0	**0**
				General Fund Earmarked Reserve:			
460	(460)	0	0	Capital investment	0	250	250
3,000	0	383	3,383	Levelling Up	0	300	3,683
250	(250)	0	0	Covid-19 recovery	0	0	0
0	0	0	0	LGR	0	100	100
133	(133)	0	0	Elections	(85)	85	0
250	0	0	250	Inflation	0	50	300
409	0	0	409	Insurance	0	0	409
20	0	33	53	Community	0	0	53
200	0	300	500	Efficiency and rationalisation	0	0	500
85	(62)	0	23	Localising council tax benefit	(23)	0	0
750	(93)	93	750	IT strategy & infrastructure	(80)	0	670
25	0	175	200	Regeneration Growth Project Support	0	243	443
103	0	160	263	Local plan	0	134	397
100	0	0	100	Voluntary sector emergency	0	0	100

400	0	0	400	Future leisure	0	0	400
360	0	0	360	Climate change	0	0	360
50	0	0	50	Parks strategy	0	0	50
51	(45)	0	6	Organisational development	(6)	0	0
48	0	0	48	AES vehicle maintenance	(48)	0	0
40	0	0	40	Property condition surveys	0	0	40
93	0	510	603	The Springs	(46)	0	557
60	(28)	0	32	Tree safety	(32)	25	25
14	(14)	0	0	Corporate plan	0	0	0
33	0	0	33	Community match funding	0	0	33
100	0	0	100	Glossop Halls	0	0	100
0	0	89	89	Supporting People	(13)	0	76
1,012	(235)	372	1,149	Other earmarked reserves	(306)	966	1,809
8,347	**(1,669)**	**2,163**	**8,841**	**Total**	**(639)**	**2,153**	**10,355**
				HRA reserves			
15,055	(2,066)	0	12,989	Housing Revenue Account	0	991	13,980
207	(2,439)	2,423	191	Major Repairs Reserve	(2,625)	2,434	0
15,262	**(4,505)**	**2,423**	**13,180**	**Total HRA**	**(2,625)**	**3,425**	**13,980**
				Capital reserves			
7,932	(1,355)	1,475	8,052	Capital Receipts Reserve	(1,924)	2,468	8,596
1,580	(1,141)	55	494	Capital Grants Unapplied	(196)	3,701	3,999
9,512	**(2,496)**	**1,530**	**8,546**	**Total capital reserves**	**(2,120)**	**6,169**	**12,595**
35,124	**(9,845)**	**8,215**	**33,494**	**Total usable reserves**	**(6,560)**	**12,640**	**39,574**

General fund contingency reserve: temporarily holds balances to be fed back into the short term budgetary process.

Business rates (s31) ring-fenced: central government compensates local authorities for the cost of business rates reliefs, including retail relief and supporting small businesses. The grant to local authorities is recorded in year in the general fund, whereas the relief awarded impacts on the collection fund deficit to be distributed in future year where reliefs were not anticipating at the point of budget setting. In this situation grant funds are put aside from the general fund at the end of the year to be drawn down in future years to offset the impact of the collection fund deficit distribution.

Covid-19 support ringfenced: balance of unallocated discretionary funding for covid grant schemes.

General Fund earmarked reserves are established on a short term basis and provide funds for Council initiatives:

- ANL and AES: the Council's share of the balance sheet reserves held by the joint operation companies (Note 2: Interests in other companies)

- Capital investment: earmarked to provide funding for the Council's Capital Strategy
- Levelling Up: support for the Council's bids to central government
- LGR: to help meet costs of developing and delivering LGR
- Elections: to spread the costs of elections over a full term
- Inflationary pressures: to smooth the effect of volatile or significant inflation
- Insurance fund: to support any residual MMI liabilities (note 15), to meet the costs of claims which fall below a minimum claim level or for a peril that is uninsured, or to fund risk management activity per the Council's risk management strategy
- Community: to support community needs in the district
- Efficiency and rationalisation: to enable delivery of the efficiency programme
- Localising council tax benefit: to support the cost of introducing the current scheme
- IT strategy & infrastructure: to support the costs of implementing the strategy
- Regeneration growth: to support the regeneration programmes
- Local plan: to support the implementation of the local plan
- Voluntary sector emergency: to support significant need in the sector
- Future leisure: to support the ongoing leisure transformation projects
- Climate change: to support delivery of climate change projects
- Parks strategy: to support development costs in connection with the Parks Strategy
- Organisational development: to support the costs of implementing the strategy
- AES vehicle maintenance: to smooth fluctuations in costs impacted by the age profile of the fleet
- Property condition surveys: the fund a review of the condition of the Council's buildings to inform capital expenditure requirements
- The Springs: earmarked net balance of The Springs activity
- Tree safety: to support significant costs associated with tree safety
- Corporate plan: to cover costs of development
- Community match funding: to support partner organisations in financial difficulty
- Glossop Halls: to support the opening of Glossop Halls
- Supporting people: to support the Carelink service against external funding reductions
- Other earmarked reserves: the balance of grants and contributions from third parties at the year-end to be used for the specific purposes for which they were awarded

Housing Revenue Account: resources available to meet future running costs for Council houses.

13. Unusable reserves

The total unusable reserves included on the balance sheet are shown in the table below:

2023/24			2024/25
£000		Note	£000
80,723	Revaluation Reserve	13a	86,869
112,861	Capital Adjustment Account	13b	110,307
(2,782)	Financial Instruments Adjustment Account	13c	(2,675)
(13,061)	Pensions Reserve	13d	(11,257)
353	Collection Fund Adjustment Account	13e	205
(170)	Accumulated Absences Account		(122)
177,924	**Total Unusable Reserves**		**183,327**

13a. Revaluation reserve

The revaluation reserve contains the gains made by the Council arising from increases in the value of its Property, Plant and Equipment and intangible assets. The balance is reduced when assets with accumulated gains are: revalued downwards or impaired and the gains are lost, used in the provision of services and the gains are consumed through depreciation, or disposed of and the gains are realised. The reserve contains only revaluation gains accumulated since 1 April 2007, the date that the reserve was created. Accumulated gains arising before that date are consolidated into the balance on the Capital Adjustment Account.

2023/24		2024/25		
£000	Revaluation Reserve	GF	HRA	Total
		£000	£000	£000
76,394	**Balance at 1 April**			**80,723**
7,311	Upward revaluations of assets	6,251	12,995	19,246
(638)	Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	(10,275)	(212)	(10,487)
6,673	Surplus or (deficit) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services			**8,759**
(2,105)	Difference between fair value depreciation and historical cost depreciation	(1,431)	(699)	**(2,130)**
(239)	Accumulated gains on assets sold/scrapped/Other Movements		(483)	**(483)**
(2,344)	Amount written off to the Capital Adjustment Account			**(2,613)**
80,723	**Balance at 31 March**			**86,869**

13b. Capital Adjustment Account

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisations are charged to the CIES (with

reconciling postings from the revaluation reserve to convert current value figures to an historic cost basis). The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement. The account contains accumulated gains and losses on investment properties and gains recognised on donated assets that have yet to be consumed by the Council. The account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the revaluation reserve was created to hold such gains.

2023/24	**Capital Adjustment Account**	**2024/25**		
		GF	**HRA**	**Total**
£000		**£000**	**£000**	**£000**
113,185	**Balance at 1 April**			**112,861**
	Reversal of items relating to capital expenditure debited or credited to the CIES			
(5,473)	Charges for depreciation of non-current assets	(2,862)	(2,434)	(5,296)
(811)	Impairment	0	(335)	(335)
(884)	Revaluation losses on Property, Plant and Equipment	(466)	(1,287)	(1,753)
601	Impairment Reversal - Revaluation Gain	44	1,625	1,669
(42)	Amortisation of intangible assets	(37)	0	(37)
(2,605)	Revenue expenditure funded from capital under statute	(2,160)	0	(2,160)
(1,179)	Amounts of non-current assets written off on disposal or sale	0	(1,838)	(1,838)
(5,853)	Derecognition of non-current assets	(753)	(7,613)	(8,366)
(16,246)				**(18,116)**
2,344	Adjusting amounts written out of the Revaluation Reserve	1,431	1,182	2,613
(13,902)	Net written out amount of the cost of non-current assets consumed in the year			**(15,503)**
	Capital financing applied in the year:			
1,355	Use of capital Receipts Reserve to finance new capital expenditure	215	1,709	1,924
2,439	Use of Major Repairs Reserve to finance new capital expenditure	0	2,625	2,625
3,059	Capital grants and contributions credited to the CIES that have been applied to capital financing	2,673	1,173	3,846
1,141	Applications of grants to capital financing from the Capital Grant Unapplied Account	196	0	196
460	Use of Earmarked Capital Reserve to finance new capital expenditure	0	0	0
803	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	987	0	987
635	Voluntary provision for the financing of capital investment charged against the General Fund and HRA balances	0	635	635
3,693	Use of HRA Balances to finance new capital	0	2,524	2,524
13,585				**12,737**
(7)	Movements in the market value of Investment Properties debited or credited to the CIES	15	0	15
0	Movement in the Donated Assets credited to CIES	197	0	197
112,861	**Balance at 31 March**			**110,307**

13c. Financial Instruments Adjustment Account

The Financial Instruments Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for income and expenses relating to certain financial instruments and for bearing losses or benefiting from gains per statutory provisions. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the CIES when they are incurred, but reversed out of the general fund balance to the account in the MRIS. Over time, the expense is posted back to the general fund balance in accordance with statutory arrangements for spreading the burden on council tax. In the Council's case, this period is the unexpired term outstanding on the new loan.

2023/24	Financial Instrument Adjustment Account	2024/25
£000		£000
(2,861)	**Balance at 1 April**	(2,782)
0	Premiums incurred in the year and charged to the CIES	0
79	Proportion of premiums incurred in previous financial years to be charged against the General Fund Balance in accordance with statutory requirements	79
0	Amount by which finance costs charged to the CIES are different from finance costs chargeable in the year in accordance with statutory requirements	28
(2,782)	**Balance at 31 March**	(2,675)

13d. Pensions reserve

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the 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 any benefits earned to be financed as the employer makes contributions to the pension fund (or eventually pays any pensions for which it is directly responsible). The debit balance on the pensions reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24	Pension Reserve	2024/25
£000		£000
(1,372)	**Balance at 1 April**	(13,061)
(12,865)	Remeasurement of the net defined benefit liability	354
(1,795)	Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	(2,293)
2,971	Employer's pension contributions and direct payments to pensioners payable in the year	3,009
(13,061)	**Balance at 31 March**	(11,991)

13e. Collection Fund Adjustment Account

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax and non-domestic rates income in the CIES as it falls due from council tax payers and business rates payers compared with the statutory arrangements for paying across amounts to the general fund from the collection fund.

2023/24	Collection Fund Adjustment Account	2024/25
£000		£000
(514)	**Balance at 1 April**	**353**
867	Amount by which council tax and business rates income credited to the CIES is different from council tax and business rate income calculated for the year in accordance with statutory requirements	(148)
353	**Balance at 31 March**	**205**

14. Financial instruments

14a. Categories of financial instruments

Under accounting requirements, the carrying value of the financial instruments value is shown in the balance sheet which includes the principal amounts borrowed or lent, accrued interest and further adjustments for stepped interest loans; this is measured by an effective interest rate calculation, being accrued interest receivable under the instrument adjusted for the amortisation of any premiums or discounts reflected in the purchase price. The Council's assets and liabilities are classified under fair value through profit and loss and amortised cost and are separated between current and non-current assets and liabilities where the payments or receipts are due within or beyond one year.

Non-current	Current		Non-current	Current	Total
31 March 2024			31 March 2025		
£000	£000		£000	£000	£000
		Financial assets carried at fair value through profit and loss			
	4,776	Money Market Funds		3,823	3,823
		Financial assets carried at amortised cost			
	0	Cash deposits		1,000	1,000
	3,523	Bank current accounts		5,250	5,250
	7,641	Fixed term deposits		2,702	2,702
	10,302	Trade debtors*		11,309	11,309
58		Long term debtors	154		154
58	**26,242**	**Total financial assets**	**154**	**24,084**	**24,238**

* Trade Debtors vary from the Balance Sheet values as the following are excluded: statutory debtors of £4.691m (£3.134m 23/24) and the impairment allowance of £1.421m (£1.624m 23/24).

Non-current	Current		Non-current	Current	Total
31 March 2024		31 March 2025	31 March 2025		
£000	£000		£000	£000	£000
		Financial liabilities carried at amortised cost			
(58,830)	(5,411)	Fixed term borrowing	(58,802)	(5,878)	(64,680)
	0	Bank overdraft		(5)	(5)
	(11,022)	Trade creditors*		(11,250)	(11,250)
(129)		Other liabilities	(1,236)	(49)	(1,285)
(58,959)	**(16,433)**	**Total financial liabilities**	**(60,038)**	**(17,182)**	**(77,220)**

* Trade Creditors vary from the Balance Sheet values as statutory creditors of £5.890m (£6.820m 23/24) are excluded.

Reclassification: There has been no reclassification of financial assets or liabilities during the year.

Fair value: Basis for recurring fair value measurements:

- 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 level 1 that are observable for the asset, either directly or indirectly.
- Level 3 inputs: unobservable inputs for the asset or liability.

Fair value of financial assets: Some of the Council's financial assets are measured at fair value on a recurring basis and are described in the following table, including the valuation techniques used to measure them:

31 March 2024		Financial Assets carried at Fair Value through Profit and Loss	Fair value hierarchy	31 March 2025	
Carrying amount	Fair value			Carrying amount	Fair value
£000	£000			£000	£000
4,776	4,776	Money Market Funds	Level 2	3,823	3,823

There were no transfers between input levels 1 and 2 during the year and there has been no change in the valuation technique used during the year. Because of the instant access and low volatility net asset value nature of the money market funds, fair value equals carrying value.

Fair value of assets and liabilities that are not measured at fair value (but for which fair value disclosures are required): except for the financial assets carried at fair value (described in the table above), all other financial assets and liabilities represented by amortised cost and long-term debtors and creditors are carried in the balance sheet at amortised cost. Their fair values can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- Where an instrument has a maturity of less than 12 months or is a trade or other debtor or creditor the fair value is taken to be the carrying amount or the billed amount.
- For loans from the Public Works Loan Board (PWLB), new borrowing rates from the PWLB have been applied to provide the fair value under PWLB redemption procedures.
- For other market debt and investments, prevailing market rates have been used to provide the fair value, i.e. the rate available for an instrument with the same terms from a comparable lender.
- No early repayment or impairment is recognised.
- For the valuation and disclosure of fair values of financial assets and liabilities the rates quoted were obtained from MUFG Corporate Markets (formerly Link Asset Services), the Council's Advisors, using Level 2 Valuations.
- There has been no change in the valuation technique used during the year for financial instruments.
- There were no transfers between input levels 1 and 2 during the year.

31 March 2024			Fair value hierarchy	31 March 2025	
Carrying amount	Fair value			Carrying amount	Fair value
£000	**£000**	**Financial Assets carried at Amortised Cost**		**£000**	**£000**
0	0	Cash Deposits		1,000	1,000
3,523	3,523	Bank Current Accounts		5,250	5,250
7,641	7,641	Fixed term Investments	Level 2	2,702	2,702
10,302	10,302	Trade Debtors		11,309	11,309
58	58	Long-Term Debtors		154	154
21,524	**21,524**	**Total Assets**		**20,415**	**20,415**
		Financial Liabilities held at Amortised Cost			
(50,387)	(42,792)	Fixed Term Borrowing PWLB Maturity	Level 2	(50,387)	(39,315)
(8,661)	(7,246)	Fixed Term Borrowing Market Loans	Level 2	(8,632)	(6,341)
(5,193)	(5,193)	Fixed Term Local Authority Loans	Level 2	(5,661)	(5,661)
0	0	Bank Overdraft		(5)	(5)
(11,022)	(11,022)	Trade Creditors		(11,250)	(11,250)
(129)	(129)	Other Liabilities		(1,285)	(1,285)
(75,392)	**(66,382)**	**Total Liabilities**		**(77,220)**	**(63,857)**

The fair value of the financial liabilities is £13.363million less than the carrying amount because the Council's portfolio of loans includes a number of fixed rate loans where the interest rate payable is less than the rates available for similar loans at the balance sheet date. This shows a notional future gain (based on economic conditions at 31 March 2025) arising from a commitment to pay interest to lenders below current market rates.

The Council has a continuing ability to borrow at concessionary rates from the Public Works Loan Board (PWLB) rather than from markets. The fair value of the PWLB loans in comparison to the carrying value on the balance sheet measures the estimated economic effect of the terms that would be offered for market transactions undertaken at the balance sheet date compared with the existing terms agreed with the PWLB. The difference between the fair value and the carrying amount represents the notional additional interest that the Council will pay over the remaining terms of the loans against what would be paid if the loans were at prevailing rates. The fair value is measured using the new borrowing rates available from the PWLB. On this basis, the fair value of the PWLB loans with a carrying amount of £50.4million would be £39.3million. However, if the Council were to seek to realise the notional projected gain by repaying the loans to the PWLB, the PWLB would raise a penalty charge for early redemption in addition to charging a premium for the additional interest that would not be paid. The exit price for the PWLB loans including the penalty charge would be £44.1million.

The Market loans carrying value on the balance sheet includes an adjustment of £25,000. This is in relation to a loan which included an initial lower interest rate payable for the first two years of the loan period. The adjustment equalises the interest payable over the entire loan period.

14b. Income, Expense, Gains and Losses

The total gains and losses recognised in the CIES in relation to financial instruments are illustrated below. The figures include the interest receivable and payable on investments and borrowings. Because of the instant access and low volatility net asset value nature of the money market funds measured at fair value through profit and loss, there is zero gain or loss to be recognised in the CIES aside from the interest receivable.

2023/24			2024/25	
Surplus/deficit on the provision of services	**Other comprehensive income & expenditure**		**Surplus/deficit on the provision of services**	**Other comprehensive income & expenditure**
£000	**£000**		**£000**	**£000**
448		Financial assets measured at fair value through profit and loss: Interest receivable and similar income	434	
607		Financial assets measured at amortised cost: Interest receivable and similar income	532	
(2,513)		Financial liabilities measured at amortised cost: Interest payable and similar charges	(2,778)	
(1,458)	**0**	**Total net gain/ (losses)**	**(1,812)**	**0**

14c. Risk analysis and expected credit loss

The Council's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the resources

available to fund services. Risk management within the Council is overseen by the Audit & Regulatory Committee in accordance with the Risk Management Strategy approved by the Executive. The Council's treasury team implements the approved Treasury Management Strategy and maintains written Treasury Management Practices (TMP's) covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash. The Council also has a Treasury Management Policy in place, which defines the policies and objectives of its treasury activities. The policy statement refers to the identification, monitoring and control of risk as the prime criteria by which the effectiveness of the Council's treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on the risk implications for the Council. Exposure to financial risks is discussed in more detail below:

- **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.
- **Refinancing risk** – the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms.
- **Market risk** – the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates.

Credit Risk: Credit risk arises from deposits with banks and financial institutions, as well as credit exposures to the Council's customers. The risk is minimised through the Annual Investment Strategy. The Council's credit risk management practices are set out throughout the Treasury Management Strategy Statement (TMSS) including the Annual Investment Strategy. With particular regard to determining whether the credit risk of the financial instruments has increased significantly since recognition. The TMSS requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The TMSS also considers maximum amounts and time limits with a financial institution located in each category.

The Council uses the creditworthiness service provided by MUFG Corporate Markets (formerly Link Asset Services). This service uses a sophisticated modelling approach with credit ratings from all three rating agencies, Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not solely rely on the current credit ratings of counterparties but also uses the following as overlays: credit watches and outlooks from credit rating agencies, CDS spreads to give early warning of likely changes in credit ratings, and sovereign ratings to select counterparties from countries with appropriate creditworthiness. The full TMSS was approved by Full Council in February 2024. Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Council's maximum exposure to credit risk in relation to investments in financial institutions of £12.8million cannot be assessed generally, as the risk of any institution failing to make repayments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all the Council's deposits, but there was no evidence at 31 March 2025 that this was likely to crystallise.

Amounts arising from expected credit losses (ECL)

ECL Value at 31 March 2024	Investments at Amortised Cost	ECL Test	ECL Category	ECL Value at 31 March 2025	Increase/ (decrease) in ECL
£000				**£000**	**£000**
	Investments at fair value through profit and loss				
0	Money Market Funds	Historic Risk of Default	12 month expected credit losses	0	0
	Investments at amortised cost				
1,012	Trade receivables/ contract assets no financing: Trade Debtors non-statutory Bad Debt provision	Simplified Model	Lifetime Expected Credit Losses - simplified approach	750	(262)
0.001	Deposits with banks/ financial institutions	Historic Risk of Default	12mth Expected Credit Losses	0.000644	(0.000037)
	Loans				
250	Service loans to third parties	Assessment of credit risk	12m Expected Credit losses	250	0
0	Car Loans	Collective Assessment	12m Expected Credit losses	0	0
1,262	**Total**			**1,000**	**(262)**

Liquidity Risk

Investments: The Council manages its liquidity position through the risk management procedures including the setting and approval of prudential indicators and the approval of the TMSS as well as through a comprehensive cash flow management system, as required by the CIPFA Treasury Management Code of Practice. This seeks to ensure that cash is available when needed. The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the Public Works Loans Board (PWLB) and money markets for longer-term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

Refinancing & Maturity Risk: The Council maintains a debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure of replacing

financial instruments as they mature. The risk relates to both the maturing of longer term financial liabilities and longer term financial assets. The maturity structure of fixed term financial assets at the start date and at the balance sheet date of these instruments is shown in the table below:

31 March 2024			31 March 2025	
Carrying Amount	**Average Interest Rate**	**Type**	**Carrying Amount**	**Average Interest Rate**
£000			**£000**	
7,500	**5.50%**	**Fixed term investments & Notice Accounts**	**3,500**	**4.68%**
		Original maturity profile:		
7,500	5.50%	Less than 365 Days	3,500	4.68%
		Remaining maturity profile:		
7,500	5.50%	Less than 365 Days	3,500	4.68%

The Council has limits in place to ensure that a significant proportion of its borrowing does not mature for repayment at any one time in the future to reduce the financial impact of re-borrowing at a time of unfavourable interest rates. The maturity structure of financial liabilities at the start date and at the balance sheet date of these instruments is shown in the table below.

31 March 2024			31 March 2025	
Carrying Amount	**Average Interest Rate**	**Type**	**Carrying Amount**	**Average Interest Rate**
£000			**£000**	
50,277	3.87%	PWLB fixed term borrowing	50,277	3.87%
8,500	4.25%	Market Loans - fixed term borrowing	8,500	4.25%
5,000	4.40%	Local Authority fixed term borrowing	2,500	5.35%
63,777	**3.96%**	**Total borrowing**	**61,277**	**4.04%**
		PWLB original maturity profile:		
7,496	3.16%	Between 11 and 20 years	7,496	3.16%
7,496	3.47%	Between 21 and 30 years	7,496	3.47%
7,496	3.52%	Between 31 and 40 years	7,496	3.52%
27,789	4.26%	Between 41 and 50 years	27,789	4.26%
		PWLB remaining maturity profile:		
3,748	3.01%	Between 1 and 5 years	3,748	3.01%
3,748	3.30%	Between 6 and 10 years	3,748	3.30%
7,496	3.47%	Between 11 and 20 years	7,496	3.47%
23,889	4.21%	Between 21 and 30 years	23,889	4.21%
11,396	3.88%	Between 31 and 40 years	11,396	3.88%
		Market Loans original maturity profile:		
3,000	3.99%	Between 41 and 50 years	3,000	3.99%
5,500	4.39%	Greater than 50 years	5,500	4.39%
		Market Loans remaining maturity profile:		

3,000	3.99%	Between 31 and 40 years	3,000	3.99%
5,500	4.39%	Between 41 and 50 years	5,500	4.39%
		Local Authority Loans original maturity profile:		
5,000	4.40%	Less than 1 year	5,500	5.35%
		Local Authority Loans remaining maturity profile:		
5,000	4.40%	Less than 1 year	5,500	5.35%

Market Risk: The Council is exposed to interest rate movements on its borrowing and investments. Movements in interest rates can have a complex impact on the Council. For example, a rise in interest rates would have the following effect:

- Investments at variable rates – the interest income credited to the CIES would increase.
- Investment at fixed rates – the fair value of the assets will fall (no impact on revenue balances or the balance sheet as all investments carried at carrying value).
- Borrowing at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances or the balance sheet as held at amortised cost).

The Council carries out its borrowing and investment function within the parameters set in its Treasury Management Strategy, which establishes interest rate exposure. The Council uses the services of a Treasury Advisor, MUFG Corporate Markets (formerly Link Asset Services), who issue regular interest rate forecasts to aid decision making when placing investments and setting the annual investment income budget for the following year. Forecasts are updated and reported to the Audit & Regulatory Committee, which allows any significant changes in interest rates to be reflected in current budget projections. At 31 March 2025, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£'000
Impact on Other Comprehensive Income & Expenditure: Increase in interest receivable on variable rate investments	(150)
Increase in Fair Value of Fixed Rate Borrowing	5,139

The impact of a 1% fall in interest rates would be as above but with the movements being reversed.

Price Risk: The Council does not invest in equity shares and is therefore not exposed to losses arising from movements in the prices of shares.

Foreign Exchange Risk: The Council has no financial assets or liabilities denominated in foreign currencies and thus no exposure to loss arising from movements in exchange rates.

15. Contingent liabilities and assets

The disclosures made here are based on the IAS37 definitions of contingent assets and liabilities quoted in the Code:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence of one or more uncertain future events not wholly within the organisation's control; or
- a present obligation that arises from past events but is not recognised because:
  - it is not probable that a transfer of economic benefits will be required to settle the obligation, or
  - the amount of the obligation cannot be measured with sufficient reliability.

Contingent Liabilities

Municipal Mutual Insurance – Scheme of Arrangement

Prior to 1992 the Council was insured by Municipal Mutual Insurance (MMI). When MMI ceased accepting new business in 1992/93 the Council was entered into a Scheme of Arrangement (SOA) under Section 425 of the Companies Act 1985. The SOA was triggered on 13 November 2012 following the conclusion of long running legal proceedings. From that date Ernst & Young LLP became responsible for the management of the company's business, affairs and assets. An initial levy of 15% (£70,539) was paid in 2013/14. The levy was reviewed in 2015 with the result that a further payment equivalent to 10% (£48,387) was paid in 2016/17. An annual review of the levy rate is required under the terms of the Scheme, and this could lead to the rate being further amended in future, either up or down.

Under the terms of the SOA, the Council now must meet 25% of any new insurance settlements, relating to its claims, made by MMI. A further £9,619 has been paid in this way since these arrangements were put in place. An earmarked Insurance reserve, with a balance of £408,921, is available to mitigate the financial pressure created by the MMI levy and any other uninsured losses, which might occur in the future.

As at 31 March 2025, the Council's amount subject to levy under the SOA stood at £514,179 (£514,116 in 2023/24).

Housing Revenue Account – Disrepair Claims

There are around 17 claims outstanding for compensation due to Tenants if they can prove that the Council has been negligent in maintaining their rental property. The liability is to be determined but an estimate, based on all claims being proven, would be a cost to the Council in the region of £102,000.

Contingent Assets There are no contingent assets.

16. Events after the balance sheet date

The unaudited Statement of Accounts was authorised for issue on 30th June 2025, by Martin Owen, Executive Director Resources & Chief Finance Officer.

Where events taking place before this date provided information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information. Events after this date are not reflected in the financial statements or notes. Enquiries with the Council's Senior Management Team have confirmed that there are no other outstanding legal issues, insurance claims or ombudsman complaints, which are likely to have a significant impact on these financial statements.

17. Cash flow statement

17a. Net cash flows from operating activities

Published	Restated		
2023/24	**2023/24**		**2024/25**
£000	**£000**		**£000**
(2,236)	**(2,236)**	**Net Surplus or (Deficit) on the Provision of Services**	**1,636**
		Adjust net surplus or deficit on the provision of services for non-cash movements	
5,473	5,473	Depreciation	5,296
6,947	6,947	Impairment and downward valuations	8,785
42	42	Amortisation	37
161	161	Increase/(Decrease) in Interest Creditors	(33)
4,280	2,223	Increase/ (decrease) in Creditors	8,404
(115)	(115)	Increase/ (decrease) in Interest and Dividend Debtors	(220)
(6,176)	(4,119)	Increase/ (decrease) in Debtors	(4,676)
(5)	(5)	Increase/ (decrease) in Inventories	(38)
(1,176)	(1,176)	Pension Liability	(716)
(1,041)	(1,041)	Contributions to/ (from) Provisions	21
0	0	Donated Assets	(197)
1,179	1,179	Carrying amount of non-current assets sold [property plant and equipment, investment property and intangible assets]	1,838
7	7	Movement on Investment Properties	(15)
9,576	**9,576**		**18,486**
		Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
(3,114)	(3,114)	Capital Grants credited to surplus or deficit on the provision of services	(7,547)
3,000	3,000	Net adjustment from the sale of short and long term investments	5,028
(1,475)	(1,475)	Proceeds from the sale of property plant and equipment, investment property and intangible assets	(2,467)
(1,589)	**(1,589)**		**(4,986)**
5,751	**5,751**	**Net Cash Flows from Operating Activities**	**15,136**

17b. Operating Activities (relating to Interest)

2023/24		2024/25
£000		£000
1,052	Interest received	576
(2,352)	Interest paid	(2,845)

17c. Investing Activities

2023/24		2024/25
£000		£000
(14,460)	Purchase of property, plant and equipment, investment property and intangible assets	(15,893)
(5,500)	Purchase of short-term and long-term investments	0
(623)	Other payments for investing activities	(110)
1,475	Proceeds from the sale of property, plant and equipment, investment property and intangible asset	2,467
0	Proceeds from short-term and long-term investments	0
4,233	Other receipts from investing activities	6,823
(14,875)	**Net cash flows from investing activities**	**(6,713)**

17d. Financing Activities

2023/24		2024/25
£000		£000
5,000	Cash receipts or short and long-term borrowing	5,472
3,246	Billing Authorities - Council Tax and NNDR Adjustments	(7,126)
(3,000)	Repayments of short and long-term borrowing	(5,000)
5,246	**Net cash flows from financing activities**	**(6,654)**

Supplementary statements

Housing revenue account income and expenditure statement

2023/24	HRA Income and Expenditure Statement	2024/25	
£000		£000	
	Expenditure		
6,363	Repairs and Maintenance	6,120	
2,410	Supervision and Management	2,883	
86	Rents, Rates, Taxes and Other Charges	113	
3,346	Depreciation, Impairment and revaluation losses of Non-Current Assets	2,431	
54	Debt Management Costs	0	
39	Movement in the allowance for bad debts	(48)	
12,298	**Total Expenditure**		**11,499**
	Income		
(15,395)	Dwelling Rents	(16,855)	
(254)	Non Dwelling Rents	(266)	
(437)	Charges for Services and Facilities	(461)	
(121)	Contributions towards expenditure	(643)	
(16,207)	**Total Income**		**(18,225)**
(3,909)	**Net Expenditure or Income of HRA Services as included in the whole authority CIES**		**(6,726)**
208	HRA Services share of Corporate and Democratic Core		125
674	HRA share of other amounts included in whole authority Net Expenditure of Continuing Operations but not allocated to specific services		609
(3,027)	**Net Income/Expenditure of HRA Services**		**(5,992)**
	HRA share of the operating income and expenditure included in the CIES		
5,343	(Gain) or loss on sale/disposal of HRA non-current assets		7,032
2,131	Interest payable and similar changes		2,178
(457)	HRA Interest and investment income		(371)
(423)	Capital grants and contributions receivable		(1,173)
3,567	**(Surplus)/Deficit for the year on HRA services**		**1,674**

2023/24	Movement on the HRA Statement	2024/25	
£000		£000	
15,055	**Balance on the HRA at the end of the previous reporting period**		**12,990**
(3,567)	Surplus or (Deficit) for the year on the HRA income and Expenditure Statement	(1,674)	
1,502	Adjustments between accounting basis and funding basis under the legislative framework	2,664	
(2,065)	Net increase or (Decrease) before transfers to or from reserves	**990**	
(2,065)	Increase or (Decrease) in year on the HRA		**990**
12,990	**Balance on the HRA at the end of the current year**		**13,980**

Notes to the Housing Revenue Account

1. Background

The Housing Revenue Account (HRA) is a record of revenue expenditure and income relating to the Council's housing stock. Its primary purpose is to ensure that expenditure on managing tenancies and maintaining dwellings is balanced by rents charged to tenants. Consequently, the HRA is a statutory account, ring-fenced from the rest of the general fund, so that rents cannot be subsidised from council tax (or vice versa). The ring-fence is controlled by Schedule 4 to the Local Government and Housing Act 1989, which specifies the debits and credits to be made to the HRA and excludes any other postings. The Localism Act in 2011 introduced a new Self Financing regime for the Housing Revenue Account along with a suite of self-financing determinations issued in February 2012 by the Department of Communities and Local Government. This suite of self-financing determinations includes the Item 8 Determination, which sets out capital accounting and capital finance entries under the 1989 Act.

The transactions relating to the HRA have been separated into the two statements reported above:

- The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with generally accepted accounting practices, rather than the amount to be funded from rents and government grants. Authorities charge rents to cover expenditure in accordance with the legislative framework; this may be different from the accounting cost. The increase or decrease in the year, on the basis on which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.
- Movement on the HRA Statement - the overall objectives are the same as those for the MIRS. The statement takes the outturn on the HRA Income and Expenditure Account and reconciles it to the surplus or deficit for the year on the HRA Balance, calculated in accordance with the requirements of the Local Government and Housing Act 1989.

2. Reconciling items for the Movement on the HRA Statement

2023/24	Note to Statement of Movement on HRA Balance	2024/25
£000		£000
	Adjustments between accounting basis and funding basis under the legislative framework	
13	Difference between interest payable and similar charges including amortisation of premiums & discounts determined in accordance with the code and those determined in accordance with statute	12
(922)	Difference between any other item of income and expenditure determined in accordance with the Code and those determined in accordance with statutory HRA requirements	3
(5,344)	Gain/(Loss) on Disposal of Assets	(7,032)
0	HRA share of contributions to or from Pension Reserve	20
3,693	Capital Expenditure funded by HRA	2,524
2,423	Transfer to Major Repairs Reserve	2,563
(1,365)	Transfer to Capital Adjustment Account	(754)
(1,502)	**Net additional amount required by statute**	**(2,664)**

3. Housing stock

2023/24						2024/25
Total		**Pre 1945**	**1945-1964**	**1965-1974**	**After 1974**	**Total**
	Traditional					
1,280	Houses and Bungalows	354	749	103	59	**1,265**
	Non Traditional					
1,401	Houses and Bungalows	4	327	932	138	**1,401**
	Flats					
966	Low Rise (1-2 storeys)	46	371	264	285	**966**
171	Medium Rise (3-5 storeys)	12	24	49	84	**169**
3,818	**Total**	**416**	**1,471**	**1,348**	**566**	**3,801**

4. Housing Revenue Account assets

Movements in 2024/25	Council Dwellings	Other Land and Buildings - HRA	Vehicle, Plant, Furniture & Equipment	Surplus Assets -HRA	Assets under Construction	Total HRA
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At April 2024	**192,880**	**3,108**	**744**	**614**	**44**	**197,390**
Adjustment to Opening Balance		(699)	184	700		185
At April 2024	**192,880**	**2,409**	**928**	**1,314**	**44**	**197,575**
Additions	9,554	403	39	0	37	10,033
Revaluation increase/(decrease) recognised in revaluation reserve	12,882	(149)	0	31	0	12,764
Revaluation increase/(decrease) recognised in surplus/deficit on provision of services	(2,235)	(27)	0	0	0	(2,262)
Derecognition: disposals	(1,860)	0	(10)	0	0	(1,870)
Derecognition: other	(7,209)	(403)	0	0	0	(7,612)
At 31 March 2025	**204,012**	**2,233**	**957**	**1,345**	**81**	**208,628**
Accumulated depreciation & impairment						
At April 2024	**0**	**1**	**(172)**	**0**	**0**	**(171)**
Depreciation charge	(2,259)	(46)	(129)	0	0	(2,434)
Depreciation written out to revaluation reserve	0	19	0	0	0	19
Depreciation written out to surplus/deficit on provision of services	2,238	27	0	0	0	2,265
Derecognition: disposals	21	0	10	0	0	31
Derecognition: other	0	0	0	0	0	0
At 31 March 2025	**0**	**1**	**(291)**	**0**	**0**	**(290)**
Net Book Value						
At 31 March 2025	**204,012**	**2,234**	**666**	**1,345**	**81**	**208,338**
At 31 March 2024	**192,880**	**3,109**	**572**	**614**	**44**	**197,219**

Movements in 2023/24	Council Dwellings	Other Land and Buildings - HRA	Vehicle, Plant, Furniture & Equipment	Surplus Assets - HRA	Assets under Construction	Total HRA
	£000	£000	£000	£000	£000	£000
Cost or Valuation						
At April 2023	**190,494**	**3,166**	**904**	**648**	**30**	**195,242**
Additions	7,253	408	0	0	14	7,675
Revaluation increase/(decrease) recognised in revaluation reserve	4,715	(39)	0	(34)	0	4,642
Revaluation increase/(decrease) recognised in surplus/deficit on provision of services	(3,172)	(19)	0	0	0	(3,191)
Derecognition: disposals	(1,179)	0	(160)	0	0	(1,339)
Derecognition: other	(5,231)	(408)	0	0	0	(5,639)
Other movements in Cost or Valuation	0	0	0	0	0	0
At 31 March 2024	**192,880**	**3,108**	**744**	**614**	**44**	**197,390**
Accumulated depreciation & impairment						
At April 2023	**0**	**0**	**(185)**	**0**	**0**	**(185)**
Depreciation charge	(2,232)	(44)	(147)	0	0	(2,423)
Depreciation written out to revaluation reserve	0	26	0	0	0	26
Depreciation written out to surplus/deficit on provision of services	2,218	19	0	0	0	2,237
Derecognition: disposals	14	0	160	0	0	174
Derecognition: other	0	0	0	0	0	0
At 31 March 2024	**0**	**1**	**(172)**	**0**	**0**	**(171)**
Net Book Value						
At 31 March 2024	**192,880**	**3,109**	**572**	**614**	**44**	**197,219**
At 31 March 2023	**190,494**	**3,166**	**904**	**648**	**30**	**195,242**

In the last 12 months the value of properties within High Peak's housing areas, have increased in value, the largest increases ranging from 17 to 20% were in parts of Gamesley and Whaley Bridge. The Vacant Possession Value (Open Market Value) of council dwellings as at 31 March 2025 was £485.749million. In accordance with government guidance, this value has been reduced to £204.012million following the application of the prescribed regional adjustment factor of 42% in recognition of their status as social housing. The lower figure shown in the accounts recognises the economic cost to the government of providing council housing at less than open market rents. The revaluation was in accordance with the government's resource accounting policy, at Existing Use Value Social Housing.

The balance sheet value also reflects sales of dwellings and depreciation. Council buildings, including council dwellings, are depreciated over the remaining useful life of the buildings.

2023/24		2024/25
£000		£000
2,232	Depreciation on Housing Revenue Account Dwellings	2,259
30	Depreciation on Housing Revenue Account Other Land and Property	30
161	Depreciation on Housing Revenue Account Vehicle, Plant, Furniture & Equipment	145
2,423	**Total**	**2,434**

5. Major Repairs Reserve (MRR)

The Major Repairs Reserve is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings. The reserve is only available for funding major repairs to the housing stock or for repayment of debt. Any sums unspent are carried forward for use in future years.

2023/24		2024/25
£000		£000
207	**Balance as at 1 April**	**191**
2,423	Amount transferred to the Major Repairs Reserve During the year	2,434
(2,439)	Financing in respect of capital expenditure on land, houses and other property within the Authority's HRA	(2,625)
191	**Balance as at 31 March**	**0**

6. HRA capital expenditure and financing

2023/24		2024/25
£000		£000
	Capital Expenditure	
1,543	Purchase of Dwellings	2,094
0	Purchase of Vehicles	38
6,132	Council House Repair & Modernisation	7,899
7,675		**10,031**
	HRA Capital Expenditure Financed by :	
0	Borrowing	2,000
423	Grants and Contributions	1,173
1,120	Usable Capital Receipts	1,709
3,693	Revenue Contributions	2,524
2,439	Major Repairs Reserve	2,625
7,675	**Total**	**10,031**

7. Housing capital receipts

2023/24		2024/25
£000		£000
1,502	Right to Buy Council Sales	2,456
0	Other Land and Building	0

1,502	**Total Receipts**	**2,456**

The Council previously was required to pay a portion of the receipts from the sale of council houses into a government housing pool on the basis that the original cost of the housing would have been partly paid by government grant. In March 2023 the government announced that Local authorities would be able to retain all their Right to Buy receipts from sales in 2022/23 and 2023/24 and gave a 5 year timeframe to spend this money.

8. HRA revenue funded from capital under statute

Revenue Funded from Capital Under Statute (REFCUS) is created when expenditure has been incurred on items that are not capitalised as non-current assets and have been financed from capital resources. REFCUS is written down to the HRA over an appropriate period, usually in the same year in which the expenditure has been incurred. There was no expenditure of this nature in 2024/25.

9. Housing Revenue Account subsidy

In April 2012, following government legislation (Localism Act 2011), a new self-financing regime for the HRA was introduced. As a result the Housing subsidy system was terminated and the Council took on £37.481million in new loans to settle its liability to the government. No further payments in respect of housing subsidy will therefore be made by the Council. Under the self-financing regime the Council now maintains a rolling thirty year financial plan for its social housing stock to ensure that the stock portfolio remains financially viable.

10. Gross rent income

This is the total rent income due for the year after allowance is made for voids etc. During the year, void properties equated to 1.625% of the gross rent debit. Average rents were £84.91 (exclusive of other charges) per week in 2024/25, an increase of £6.53 or 1.08% over the previous year.

11. Rent arrears and provisions for bad debts

During the year 2024/25 gross rent arrears as a proportion of gross debit reduced from 1.44% of the amount due to 0.90%. Former and current tenants' arrears of £33,650 were written off during the year. The bad debt provision was decreased by £42,614 during the year. Balances at 31 March are:

2023/24		**2024/25**
£000		**£000**
242	Rent Arrears	167
149	Provision for Bad Debt- Rents	73

Collection fund account

The Collection Fund Account is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate collection fund. The statement shows the transactions of the billing Authority in relation to the collection from taxpayers and distribution to local authorities and the government of council tax and non-domestic rates (also known as business rates).

2023/24				2024/25		
Council Tax	Business Rates	Total		Council Tax	Business Rates	Total
£000	£000	£000	**Income**	£000	£000	£000
(65,757)	(27,468)		Income due from council tax and business rates payers	(70,469)	(30,313)	
	(935)		Transitional Protection Payments		(390)	
(151)			Hardship Fund Grant			
			Flood Relief Funding income paid to collection fund	(7)		
(65,908)	**(28,403)**	**(94,311)**	**Total Income**	**(70,476)**	**(30,703)**	**(101,179)**
			Expenditure			
			Preceptors			
	13,628		Central Government		15,342	
46,394	2,453		Derbyshire County Council	49,337	2,762	
8,369			Derbyshire Police Authority	8,890		
2,694	273		Derbyshire Fire & Rescue Authority	2,811	307	
7,426	10,902		High Peak Borough Council	7,924	12,274	
		92,139				**99,647**
			Distribution of prior year surplus/ (deficit)			
	665		Central Government		171	
499	120		Derbyshire County Council	63	30	
89			Derbyshire Police Authority	11		
28	13		Derbyshire Fire & Rescue Authority	4	3	
81	532		High Peak Borough Council	10	137	
		2,027				**429**
			Charges to the Collection Fund			
(274)	105		Write off/(on) of uncollectable amounts	233	36	
23	150		Increase/ (decrease) in impairment allowance	304	67	
	(1,200)		Refunds charged to appeals allowance		(74)	
	(1,402)		Increase/ (decrease) in appeals allowance		127	
	137		Cost of Collection allowance		139	
	24		Interest paid on refunds		9	
		(2,437)				**841**
65,329	**26,400**	**91,729**	**Total Expenditure**	**69,587**	**31,330**	**100,917**
(579)	(2,003)	(2,582)	Movement on Fund Balance in year	(889)	627	(262)
95	1,260	1,355	(Surplus)/ deficit on fund brought forward	(484)	(743)	(1,227)
(484)	**(743)**	**(1,227)**	**(Surplus)/ deficit on fund carried forward**	**(1,373)**	**(116)**	**(1,489)**

Notes to the collection fund account

1. Non-domestic rates (NDR)

Central Government sets the non-domestic rate multiplier and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount, adjusted by any applicable reliefs or exemptions.

2023/24		2024/25
72,165,466	Total Non- Domestic Rateable Value at Year End	79,469,372
51.2p	National Non-Domestic Rate Multiplier	54.6p

2. Council tax base

Council tax income derives from charges raised according to the value of residential properties that have been classified into 8 bands, based on valuations as at 1 April 1991. Individual charges are calculated by estimating the amount of income required from the collection fund by County Council, Police Authority, Fire Authority and this Council, and dividing this total figure by the Council Tax base. The council tax base for the year was calculated as follows:

Valuation band	Proportion of band D charge	Number of dwellings in valuation list		Number of band D equivalent dwellings	
		2023/24	2024/25	2023/24	2024/25
Band A	6/9	8,597	8,629	3,444	3,372
Band B	7/9	13,242	13,316	8,071	8,014
Band C	8/9	9,339	9,416	7,215	7,246
Band D	9/9	5,040	5,079	4,567	4,586
Band E	11/9	3,976	4,031	4,534	4,567
Band F	13/9	2,171	2,187	2,926	2,943
Band G	15/9	847	851	1,317	1,316
Band H	18/9	47	47	76	72
Total		**43,259**	**43,556**	**32,150**	**32,116**
Deduction for non-collection				(760)	(321)
Additional properties and adjustments during the year				0	0
Council Tax Base (Band D equivalent)				**31,390**	**31,795**

3. The fund balance

Prior to the end of each year, the year-end surplus or deficit on the collection fund for both council tax and business rates is estimated in order that it can be distributed amongst the billing and precepting authorities along with the precepts for the coming year. The declaration must be made on 15 January each year for council tax and 31 January for business rates. The estimates declared for the 2023/24 year were a £89,000 surplus for council tax and a £341,000 surplus for business rates, both of which have been distributed in 2024/25. For council tax, the estimated surplus was apportioned amongst the preceptors in proportion to the value of their respective demands and precepts made on

the Collection Fund for 2023/24. The estimate business rates deficit was apportioned using the prescribed proportions 50% (central government), 40% (billing authority), 9% (county council), and 1% (fire authority).

31 March 2024			2024/25 Precept		2024/25 distribution of estimated surplus/ (deficit)		31 March 2025	
Council tax	Business rates		Council tax	Business rates	Council tax	Business rates	Council tax	Business rates
£000	£000	**Precepting Authorities**	£000	£000	£000	£000	£000	£000
	14,293	Central Government		15,342		171		15,513
46,893	2,573	Derbyshire County Council	49,337	2,762	64	30	49,401	2,792
8,458		Derbyshire Police Authority	8,890		11		8,901	
2,722	286	Derbyshire Fire & Rescue Authority	2,811	307	4	3	2,815	310
58,073	**17,152**		**61,038**	**18,411**	**79**	**204**	**61,117**	**18,615**
		District & Town/ Parish Councils						
6,715	11,434	High Peak Borough Council	6,921	12,274	10	137	6,931	12,411
276		New Mills Town Council	286				286	
198		Chapel-en-le-Frith Parish Council	375				375	
317		Parish Councils	342				342	
7,507	**11,434**		**7,924**	**12,274**	**10**	**137**	**7,934**	**12,411**
65,580	**28,586**	**Total**	**68,962**	**30,685**	**89**	**341**	**69,051**	**31,026**

On the 2024/25 collection fund, the accounts record an in-year surplus of £887,000 for council tax and a deficit of £625,000 for business rates. The balance at 31 of March 2025 has been disaggregated for the purpose of these accounts to attribute relevant amounts to the precepting authorities' debtor and creditor accounts and those of the billing council as follows:

2023/24 cumulative surplus/ (deficit)			2024/25 in year surplus/ (deficit)		2024/25 cumulative surplus/ (deficit)	
Council tax	Business rates		Council tax	Business rates	Council tax	Business rates
£000	£000		£000	£000	£000	£000
	372	Central Government		(313)		59
346	67	Derbyshire County Council	635	(56)	981	11
63		Derbyshire Police Authority	114		177	
18	7	Derbyshire Fire & Rescue Authority	36	(6)	54	1
56	297	High Peak Borough Council	102	(250)	158	47
483	**743**	**Balance at 31 March**	**887**	**(625)**	**1,370**	**118**

The Council Tax cumulative surplus amounts attributable to the county council, police authority and fire & rescue authority, and the business rates cumulative surplus amounts

attributable to central government, the county council and fire & rescue authority above are shown as creditors in the 2024/25 balance sheet.

4. Council tax & non-domestic rates income reported on the CIES

The CIES includes income from council tax & non-domestic rates in 'Taxation and Non-Specific Grant Income & Expenditure'; this is further detailed in note 3c in the Notes to the Financial Statements. A reconciliation between the income reported in the collection fund statement and notes and that shown in note 3c follows:

2023/24			2024/25	
Council Tax	**Business Rates**		**Council Tax**	**Business Rates**
£000s	**£000s**		**£000s**	**£000s**
(7,573)	**(2,677)**	**Note 3c Taxation and Non-Specific Grant Income**	**(8,036)**	**(2,372)**
		Collection fund		
(7,426)	(10,902)	HPBC Precept	(7,924)	(12,274)
(81)	(532)	HPBC Share of (Surplus)/ Deficit Distributed in the Year	(10)	(137)
(66)	(801)	HPBC Share of actual (Surplus)/ Deficit recorded at 31 March	(102)	250
	723	Contribution to Derbyshire Business Rates Pool*		595
	8,835	NDR Tariff **		9,185
		S31 Prior Year Adjustment		9
(7,573)	**(2,677)**	**Total**	**(8,036)**	**(2,372)**

* Under the Business Rates Retention system, the NDR levy is a charge on a proportion of growth above the Business Rates Funding Baseline in the year. This is a charge to the General Fund and as such does not feature in the Collection Fund Statement. As a member of a Business Rates Pool the Council does not have to pay this levy to Central Government, but instead pays a contribution to the Derbyshire Business Rates Pool. This figure includes and update to the estimated draft contribution to the pool for the previous year.

** The NDR Tariff is the difference between the NDR Baseline and the Funding Baseline, which are set by Central Government as part of the Budget. It is paid to Central Government during the year out of the General Fund and as such does not feature in the Collection Fund Statement.

5. Community charge

Outstanding arrears in respect of community charge are still being collected and these amounts are credited to the Council's general fund directly.

Accounting policies

1. General Principles

The Statement of Accounts summarise the Council's transactions for a financial year and the position at the financial year-end. The Authority is required to prepare an annual Statement of Accounts by the Accounts and Audit Regulations 2015. Those Regulations require the Statement of Accounts to be prepared in accordance with proper accounting practices.

These practices primarily comprise CIPFA's Code of Practice on Local Authority Accounting in the United Kingdom, applicable to the financial year, supported by International Financial Reporting Standards (IFRS).

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

2. Accruals of Income and Expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed – where there is a gap between the date supplies are received and their consumption; they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.
- The resources available are concentrated on identifying and accruing individual transactions of £10,000 and above.
- An Accumulated Absences creditor balance is maintained to reflect the value of time owed to employees for accrued holidays, TOIL (time off in lieu) and flexitime. This balance is based on an historic value subject to annual review and amendment where there have been significant changes in staff numbers or working patterns.

3. Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial instruments repayable without penalty on notice of not more than 24 hours.

Cash equivalents are highly liquid investments that mature in no more than 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 Council's cash management.

4. Prior Period Adjustments, Changes in Accounting Policies and Estimates and Errors

Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for prospectively, i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance.

Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

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

5. Charges to Revenue for Non-Current Assets

Services, support services and trading accounts are charged an accounting estimate of the cost of holding assets during the year. This comprises:

- depreciation attributable to the assets used by the relevant service;

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

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

Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund Balance [Minimum Revenue Provision (MRP)], by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

6. Employee Benefits

Benefits Payable during Employment

Short-term employee benefits are those due to be settled wholly within 12 months of the year-end. They include such benefits as salaries, paid annual leave and paid sick leave, bonuses and non-monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Authority. An accrual is made for the cost of holiday entitlements (or any form of leave, e.g. time off in lieu) earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement to the accumulated absences account so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Authority to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service segment or, where applicable, to a corporate service segment at the earlier of when the Authority can no longer withdraw the offer of those benefits or when the Authority recognises costs for restructuring.

Where termination benefits involve the enhancement of pensions, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or pensioner in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end.

Post-Employment Benefits

Employees of the Authority are members of The Local Government Pensions Scheme, administered by Derbyshire County Council.

The scheme provides defined benefits to members (retirement lump sums and pensions), earned as employees worked for the Authority.

The Local Government Pension Scheme

The Derbyshire Pension Fund is part of the Local Government Pension Scheme, and is accounted for as a defined benefit scheme.

- The liabilities of the Derbyshire Pension Fund attributable to the Authority are included in the Balance Sheet on an actuarial basis using the projected unit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of future earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate determined by the actuary (based on the indicative rate of return on high quality corporate bonds).
- The assets of the Derbyshire Pension Fund attributable to the Authority are included in the Balance Sheet at fair value:
    - quoted securities – current bid price
    - unquoted securities – professional estimates
    - unitised securities – current bid price
    - property – market value.

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

- Service cost comprising:

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked.
    - Past service cost – the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years – debited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs.
    - Net interest on the net defined benefit liability (asset) – i.e. the net interest expense for the Authority – the change during the period in the net defined benefit liability (asset) that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability (asset) at the beginning of the period – taking into account any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payments.
- Remeasurements comprising:
    - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability (asset) – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
    - Actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
    - Contributions paid to the Derbyshire Pension Fund – cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

In relation to retirement benefits, statutory provisions require the General Fund balance to be charged with the amount payable by the Authority to the pension fund or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards.

In the Movement in Reserves Statement, this means that there are transfers to and from the Pensions Reserve to remove the notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits based on cash flows rather than as benefits are earned by employees.

Discretionary Benefits

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

7. Events after the Reporting Period

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

- those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted to reflect such events.
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where 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.

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 are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement, for interest payable, are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised.

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

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 Authority has a policy of spreading the gain or loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. 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 are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

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

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

Financial Assets Measured at Amortised Cost

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

Any gains and losses that arise on the derecognition of an asset are credited or debited to the Financing and Investment Income and Expenditure line in the CIES.

Expected Credit Loss Model

The Authority recognises expected credit losses on all its financial assets held at amortised cost, on either of a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Authority.

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

Finance Assets Measured at Fair Value through Profit or Loss (FVPL)

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services.

Fair value measurement of financial assets

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

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

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

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

9. Government Grants and Contributions

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

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

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

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

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

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

10. Intangible Assets

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

Internally generated assets are capitalised where it is demonstrable that the project is technically feasible and is intended to be completed (with adequate resources being available) and the Authority will be able to generate future economic benefits or deliver service potential by being able to sell or use the asset. Expenditure is capitalised where it can be measured reliably as attributable to the asset and is restricted to that incurred during the development phase (research expenditure cannot be capitalised).

Expenditure on the development of websites is not capitalised if the website is solely or primarily intended to promote or advertise the Council's goods or services.

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

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

11. Interests in Companies and Other Entities

The Authority has a material interest in Alliance Environment Services Ltd (AES) with Staffordshire Moorlands District Council and Ansa; in Alliance Norse Ltd with Staffordshire Moorlands District Council and Norse Commercial Services Ltd, and in Alliance Leisure Ltd (ALL) with Staffordshire Moorlands District Council. These arrangements are assessed as Joint Operations therefore there is no requirement to prepare group accounts. The Council does not have interest in any other any company or entity that has the nature of a subsidiary, associate or joint venture, so has no requirement to prepare group accounts.

12. Joint Operations

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators. In relation to its interest in a joint operation, the Authority as a joint operator recognises:

- its assets, including its share of any assets held jointly.
- its liabilities, including its share of any liabilities incurred jointly.
- its revenue from the sale of its share of the output arising from the joint operation.
- its share of the revenue from the sale of the output by the joint operation.
- its expenses, including its share of any expenses incurred jointly.

13. Inventories

Inventories are included in the Balance Sheet at the lower of cost and net realisable value. The cost of inventories is assigned using the First In First Out [FIFO] costing formula.

14. Investment Property

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income line and result in a gain for the General Fund Balance. However, revaluation and disposal gains and losses are not permitted by statutory arrangements to have an impact on the General Fund Balance. The gains and losses are therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account and (for any sale proceeds greater than £10,000) the Capital Receipts Reserve.

15. Leases

The Authority 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 Councils initially recognises lease liabilities measured at the present value of lease payments, discounting by apply the Council's incremental borrowing rate wherever the interest rate implicit in the lease cannot be determined. Lease payments included in the measurement of the lease liability include:

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measure 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 Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

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

Subsequent measurement

The right-of-use asset is subsequently measured using the fair value model. The 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 Council 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 the 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 Council is reasonably certain to exercise and any termination options that the Council is reasonably certain not to exercise).

Lease expenditure

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

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

The Authority as Lessor

Leases are classified as finance leases where the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the property, plant and 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. At the commencement of the lease, the carrying amount of the asset in the balance sheet (whether property, plant and equipment or assets held for sale) is written off to the other operating expenditure line in the comprehensive income and expenditure statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the comprehensive income and expenditure statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

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

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are therefore appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Operating Leases

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

16. 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 accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the Authority and the cost of the item can be measured reliably. Expenditure that maintains but does not add to an asset's potential to deliver future economic benefits or service potential (i.e. repairs and maintenance) is charged as an expense when it is incurred.

Measurement

Assets are initially measured at cost, comprising:

- the purchase price
- any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management
- the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

The Authority does not capitalise borrowing costs incurred whilst assets are under construction.

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

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the Taxation and Non-Specific Grant Income and Expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the Donated Assets Account. Where gains are credited to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund Balance to the Capital Adjustment Account in the Movement in Reserves Statement.

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

- infrastructure, community assets and assets under construction – depreciated historic cost.
- dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH).
- surplus assets – the measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- all other assets – current value, determined as the amount that would be paid for the asset in its existing use (existing use value – EUV).

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

Where non-property assets that have short useful lives or low values (or both), depreciated historic cost basis is used as a proxy for current value. Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year-end, but as a minimum every five years.

Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service

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

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

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

Impairment

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

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

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

Depreciation

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

Deprecation is calculated on the following bases:

- dwellings and other buildings – straight-line allocation over the useful life of the property as estimated by the valuer
- vehicles, plant, furniture and equipment – a percentage of the value of each class of assets in the Balance Sheet, as advised by a suitably qualified officer.
- It is not charged in the year of acquisition but a full year's depreciation is charged in the year of disposal.

Where a Property, Plant and Equipment asset has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately (see Componentisation below).

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

Disposals and Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered principally through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. The asset is revalued immediately before reclassification and then carried at the lower of this amount and fair value less costs to sell. Where there is a subsequent decrease to fair value less costs to sell, the loss is posted to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement. Gains in fair value are recognised only up to the amount of any losses previously recognised in the Surplus or Deficit on Provision of Services. Depreciation is not charged on Assets Held for Sale.

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

Assets that are to be abandoned or scrapped are not reclassified as Assets Held for Sale.

When an asset is disposed of or decommissioned, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Assets Held for Sale) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal.

Receipts from disposals (if any) are credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal). Any revaluation gains accumulated for the asset in the Revaluation Reserve are transferred to the Capital Adjustment Account.

Amounts received for a disposal in excess of £10,000 are categorised as capital receipts. The balance of receipts remains within the Capital Receipts Reserve, and can then only be used for new capital investment or set aside to reduce the Council's underlying need to borrow (the capital financing requirement). Receipts are appropriated to the Reserve from the General Fund Balance in the Movement in Reserves Statement.

The written-off value of disposals is not a charge against Council Tax, as the cost of non-current assets is fully provided for under separate arrangements for capital financing. Amounts are appropriated to the Capital Adjustment Account from the General Fund Balance in the Movement in Reserves Statement.

Componentisation

A formal Componentisation policy has been adopted in accordance with the requirements of International Reporting Standards effective from 2010/11. The policy applies to all categories of Property, Plant and Equipment which meet the following criteria:

- individual assets and groups of similar assets, whether held at historic cost or current cost, with a gross carrying value of £800,000 and above will be considered for the purposes of componentisation,

- items below this level will be disregarded as the impact upon the total cost of service is not considered material,
- assets that are above the £800,000 threshold will be 'componentised' where the cost of the component is significant in relation to the overall cost of the asset. A component will be deemed significant where it represents 20% of the total cost of the overall asset at the time of acquisition or construction and where the component element has a significantly different useful life and/or method of depreciation to the main asset.
- where assets comprise two or more components any change in overall valuation will not simply be applied to the overall asset but assigned to its component parts in accordance with any split provided by the valuer.

Derecognition

When a component is replaced or restored the old component should be "derecognised" (written off) to avoid double counting. Under the Code, derecognition is required to ensure the asset carrying values are not materially overstated. To this end the following principles will be applied when calculating derecognition values:

- General Fund Assets
  - the component does not need to have been separately identified under the above policy.
  - all spending on assets valued at over £800,000 will be considered for derecognition.
  - on assets valued at under £800,000, only capital spending greater than £160,000 (20%) will be considered for derecognition.
  - on all assets, capital spending lower than £160,000 will be treated as an enhancement without any derecognition unless it is determined that there would be no material increase in carrying value.
- Determining Derecognition Values
  - derecognition will be based on valuations of the replaced component provided by Property Services; or
  - where no valuations are readily available, replacement cost will be used, adjusted for appropriate levels of depreciation and impairment.

Note: all assets will be considered separately for an Impairment Review in accordance with the Code.

De Minimis

Where the gross value of a Property asset is £10,000 or less it is included on the Balance Sheet at its carrying value without further revaluation, depreciation or impairment. These assets are subjected to an annual internal review. Where this identifies the potential for a significant increase that would take carrying values above £10,000, a formal valuation will be triggered.

Where a Non-Property asset continues to be of economic value to the Authority but has been fully depreciated it will be recorded in the Balance Sheet at a carrying value of £0 irrespective of how many more useful years it is assessed to have.

17. Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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

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

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

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

When payments are eventually made, they are charged against the provision carried in the Balance Sheet.

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Authority a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either

it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured with sufficient reliability.
Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Authority a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority. Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

18. Reserves

Reserves equate to the residual value of the Council's assets after deducting all its liabilities. They are reported on the Balance Sheet under two categories:

Usable Reserves

The Authority sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating 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.

Unusable Reserves

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, local taxation, retirement and employee benefits and do not represent usable resources for the Authority. They are of two kinds:

a) those that hold unrealised gains and losses. Arising from changes in Asset or Liability valuation, where gains/ losses will only be released once the Asset/ Liability is disposed of
b) adjustment accounts that carry a balance reflecting the timing difference between income and expenditure as recognised under accounting standards and that required under statute.

These reserves, explained in the relevant policies and Statement notes, are Revaluation Reserve [(a) capital], Capital Adjustment Account [(b) capital], Pensions Reserve [(b) employees], Accumulated Absences Account (b), Collection Fund Adjustment Account (b).

19. Revenue Expenditure Funded from Capital under Statute

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

20. VAT

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

21. Heritage Assets

Heritage Assets are assets with historical, artistic, scientific, technological, geophysical or environmental qualities held and maintained for their contribution to knowledge and culture.
The Council holds a range of Heritage Assets:

- Civic Regalia – comprises the various chains of office associated with the ceremonial functions of the Council and the office of Mayor (including deputies and consorts).
- Art Collection – comprises several pieces of art on display or in storage.
- Civic Memorabilia – items, commemorative in nature, that have been donated to the Council.
- Legal Documents – a number of historical legal documents.
- Monuments, Memorials, Statues and Other Assets – the Council either owns or is custodian for a range of items (e.g. fountains, wells etc.) considered significant to the heritage of the district.

Heritage Assets are recognised and measured (including the treatment of revaluation gains and losses) in accordance with the Council's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to Heritage Assets, as detailed below.
Both the Civic Regalia and Art collections are held on the Balance Sheet at Insurance Value which is based on market value. It is considered that they have an indefinite life and therefore Depreciation is not charged.

In addition, both collections are annually reviewed in order to establish if carrying values remain current and if impairment is required.

For security reasons, the Council does not publicly reveal precise details of either its Civic Regalia or the Art Collection. Information on cost or value is not usually held on the remaining Heritage Assets and the Council considers that the cost of obtaining valuations tends not to be commensurate with the potential benefits to the users of the Statement of Accounts. Therefore these assets are rarely included on the face of the Balance Sheet. However, an annual review of such assets is undertaken to ensure that this assumption remains valid.

22. Council Tax and Non-Domestic Rates

Billing authorities act as agents, collecting Council Tax and Non-Domestic rates (NDR) on behalf of the major preceptors (including government for NDR) and, as principals, collecting Council Tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of Council Tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government 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 (CIES) and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account and included as a reconciling item in the Movement in Reserves Statement.

The Balance Sheet included 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 and prepayments and appeals.

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

23. Fair Value Measurement

The Authority measures some of its assets and liabilities at fair value at the end of the reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

When measuring the fair value of a non-financial asset, the Authority takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Authority uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities that the Authority can access at the measurement date.

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – unobservable inputs for the asset or liability.

24. Presentation of Items in Other Comprehensive Income & Expenditure

The Authority does not have any transactions in Other Comprehensive Income and Expenditure which are reclassified to the Surplus or Deficit on the Provision of Services and has therefore not split Other Comprehensive Income and Expenditure into those items that will, or will not, be reclassified subsequently to the Surplus or Deficit on the Provision of Services when specific conditions are met.

25. Long-term contracts

Long-term contracts are accounted for on the basis of charging the Surplus or Deficit on the Provision of Services with the consideration to the performance obligations satisfied based on the goods or services transferred to the service recipient during the financial year.

26. Overheads and support services

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

Glossary of financial terms

Accounting Period
This is the length of time covered by the accounts. It is normally a period of 12 months commencing 1 April. The end of the accounting period is the reporting date.
Accounting Policies
Accounting policies and estimation techniques are the principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements.
Accruals
The accruals basis of accounting requires the non-cash effects of transactions to be reflected in the financial statements for the accounting period in which they were earned or incurred, and not in the period in which any cash is received or paid.
Actuarial Gains and Losses
For a defined benefit pension scheme, the changes in actuarial deficits or surpluses that arise because:
Events have not coincided with the actuarial assumptions made for the last valuation; or
The actuarial assumptions have changed.
Amortised Cost
The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.
Asset
An asset is something that the Council owns that has a monetary value. Assets are either 'current' or 'non-current'. A current asset will be used by the end of the next financial year, whereas a non-current asset provides benefits for a period of more than one year.
Balance Sheet
A snapshot of the overall financial position of the Council at the reporting date.
Balances
Reserves held in Council funds at the reporting date.
Capital Adjustment Account
Provides a balancing mechanism between the cost of
non-current assets consumed and the capital financing set aside to pay for them.
Capital Charges
The depreciation charge covering non-current assets used in the provision of services.
Capital Expenditure
Spend on the acquisition of non-current assets or expenditure which adds to and does not merely maintain existing assets.
Capital Receipts
Income received from the sale of capital assets, a specified proportion of which may be used to finance new capital expenditure and the remainder is set aside and may only be used for paying off debt.
Carrying Value
The value at which an asset or liability is held on the Balance Sheet.
Cash Flow Statement
This statement summarises the inflows and outflows of cash arising from transactions with third parties for revenue and capital purposes.
Chartered Institute of Public Finance and Accountancy (CIPFA)
The professional accountancy body concerned with local authorities and the public sector.
Collection Fund
Fund indicating the level of Council Tax and Non-Domestic Rates received by the Council and the payments which are made from these funds including precepts to central government, other authorities and the Council's own demand.
Community Assets
Assets which the Council 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 (CIES)

Summarises the resources that have been generated and consumed in providing services and managing the Council during the year.

Consistency

Accounting concept applied in the preparation of the accounts, ensuring that the accounting treatment of like items within a period and from one period to the next is the same.

Contingent Assets & Liabilities

Possible asset or obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Authority.

Creditors (Payables)

Amounts owed by the Council for goods and services, where payments have not been made at the reporting date.

Current Assets

Items that can be readily converted into cash within a year.

Current Liabilities

Items due immediately or in the short-term.

Debtors (Receivables)

Amounts owed to the Council for goods and services, where the income has not been received at the end of the financial year.

Depreciated Replacement Cost (DRC)

A method of valuation which provides the current cost of replacing an asset with its modern equivalent asset less deductions for all physical deterioration and all the relevant forms of obsolescence and optimisation.

Depreciation

Measure of the wearing out, consumption, or other reduction in the useful economic life of a non-current asset, whether arising from use over time or obsolescence through technological or other changes.

Earmarked Reserves

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

Events after the Reporting Period

Events, both favourable and unfavourable, which occur between the reporting date and the date on which the Statement of Accounts is signed by the responsible financial officer.

Extraordinary Items

Material items, possessing a high degree of abnormality, which derive from events or transactions that fall outside the ordinary activities of the Authority and which are not expected to recur. They do not include exceptional items nor do they include any prior period items merely because they relate to a prior period.

Fair Value

The fair value of an asset 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.

Fees and Charges

Income arising from the provision of services.

Finance Lease

A lease that transfers substantially all of the risks and rewards of ownership of a non-current asset to the lessee from the lessor. Such a transfer of risks and rewards may be presumed to occur if at the inception of the lease the present value of the minimum lease payments, including any initial payment, amounts to substantially all of the fair value of the leased asset.

Financial Instrument

These are contracts that give rise to a financial asset of one entity and a financial liability of another. Examples include trade payables and receivables, borrowings, investments, loans and bank deposits.

Financial Year

A period of time to which a Statement of Accounts relates. The financial year of the Council runs from 1 April to 31 March.

General Fund (GF)

The main revenue fund of a billing Authority. Day-to-day spending on services is met from the fund.

Going Concern

The accounting concept that assumes the Council will remain in operational existence for the foreseeable future. This means in particular that the income and expenditure accounts and balance sheet assume no intention to curtail significantly the scale of operations.

Government Grants

Assistance by government, its agencies and similar bodies in the form of cash or transfer of assets to an Authority in return for past or future compliance with certain conditions relating to the activities of the Authority.

Heritage Asset

An asset with historical, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Impairment

The writing down in the value of an asset, owing to a change in value or use of resource.

Infrastructure Assets

Inalienable assets, expenditure on which is only recoverable by continued use of the asset created, i.e. there is no prospect of sale or alternative use. Examples of such assets are highways and footpaths.

Intangible Assets

Non-financial non-current assets that do not have physical substance but are identifiable and are controlled by the Authority through custom or legal rights. Examples of such assets are software licences.

International Financial Reporting Standards (IFRSs)

A suite of accounting standards used across the world and prepared by the International Accounting Standards Board (IASB). IFRS is the international equivalent of the Financial Reporting Standards (FRSs) formerly used in the UK. IFRSs apply to local Authorities and any departure from these must be disclosed in the published accounts.

Investment Properties

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

Joint Operation

Joint operations are arrangements where the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement. The activities undertaken by the Authority in conjunction with other joint operators involve the use of the assets and resources of those joint operators.

Joint Venture

Arrangement under which two or more parties have contractually agreed to share control, such that decisions about activities that significantly affect returns require the unanimous consent of the parties sharing control, and joint venturers have the rights to the net assets of the arrangement.

Liability

A present obligation of the Authority, settlement of which is expected to require the outflow of resources such as cash or the provision of a service.

Long-Term Debtors

Monies due to the Council which are unlikely to be recovered within a 12-month period, for example loans to third parties.

Long-Term Investments

An investment intended to be held for the medium- or long-term and will not be capable of realisation within a year of the reporting date.

Minimum Revenue Provision (MRP)

Minimum amount which must be charged to an Council's revenue account each year for the repayment of principal and set aside as a provision for credit liabilities.

Net Book Value

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

Net Current Replacement Cost

Cost of replacing or recreating the particular asset in its existing condition and in its existing use, i.e. the cost of its replacement or of the nearest equivalent asset, adjusted to reflect the current condition of the existing asset.

Net Realisable Value

Open market value of the asset in its existing use (or open market value in the case of non-operational assets), less the expenses to be incurred in realising lithe asset.

New Homes Bonus

A reward grant paid to Authorities based on the number of new homes built or brought back into occupation. A premium is paid for affordable homes included in these numbers.

Non-Current Assets

Asset that yields benefits to the Authority and the services it provides for a period of more than one year.

Non-Domestic Rates (NDR)

Amounts payable to local Authorities from Non-Domestic Rates properties distributed to Central Government; the County Council; Fire Authority; and the Council.

Non-Operational Assets

Non-current assets held by the Authority but not directly occupied, used, or consumed in the delivery of services. Examples are investment properties and assets that are surplus to requirements, pending sale or redevelopment.

Operational Assets

Non-current assets held and occupied, used or consumed by the Authority in the direct delivery of those services for which it has either a statutory or discretionary responsibility.

Precept

Demands made upon the collection fund by Central Government and other authorities (Derbyshire County Council, Derbyshire Fire & Rescue Authority, Derbyshire Police and Town & Parish Councils) for the services they provide.

Provisions

Amounts set aside where an event has taken place that gives the Authority a legal or constructive obligation that probably requires settlement by a transfer of economic benefits or service potential. The best estimate at the reporting date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

Prudence

An accounting concept that revenue is not anticipated, but is recognised only when it is realised in the form of cash or other assets; the ultimate cash realisation of which can be assessed with reasonable certainty.

Prudential Framework

The Prudential Framework replaced the credit approval mechanism previously used by central government to control borrowing for capital expenditure. Local authorities are now allowed to determine their own capital programmes according to prudent assessments of affordability. Authorities must set their spending plans in accordance with the CIPFA Prudential Code.

Reserves

Sums set aside to meet future expenditure on specific purposes.

Revaluation Reserve

A capital reserve that records net gains (if any) from revaluations of assets made after 1 April 2007.

Revenue Expenditure

Expenditure on the day-to-day running of the Council, including employee costs, running expenses and capital financing costs.

Revenue Expenditure Funded from Capital Under Statute (REFCUS)

Expenditure classified as capital for funding purposes which does not result in a non-current asset being carried on the Balance Sheet. This would include capital grants or renovation grants to private persons.

Revenue Support Grant (RSG)

Grant paid to local authorities by Central Government to help finance its general expenditure.

Right of Use asset

A lessee's right to use an asset over the life of a lease.

Section 106 (S106)

This section of the Town and Country Planning Act 1990 enables legal agreements between planning authorities and a developer where, on being granted a planning application, the latter may be obliged to provide additional funding for specified services.

Short-Term Investments

An investment that is capable of realisation within a year of the reporting date.

Usable Capital Receipts Reserve

Distinguishes the amounts in the reserve from any capital receipts that have been posted to the Capital Adjustment Account to reduce the Council's underlying requirement to borrow.

Useful Life

Period over which the Authority will derive benefits from the use of a non-current asset

Independent Auditor’s Report

Independent auditor's report to the members of High Peak Borough Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of High Peak Borough Council (the 'Authority') for the year ended 31 March 2025, which comprise the Movement in Reserves Statement, the Comprehensive Income & Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Collection Fund Account, the notes to the financial statements, the Notes to the Collection Fund Account, the Notes to the Housing Revenue Account and the Accounting Policies. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

- give a true and fair view of the financial position of the Authority as at 31 March 2025 and of its expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law, as required by the Code of Audit Practice (2024) ("the Code of Audit Practice") approved by the Comptroller and Auditor General. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the Authority in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the Executive Director (Resources) & Chief Finance Officer's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Authority to cease to continue as a going concern.

In our evaluation of the Executive Director (Resources) & Chief Finance Officer's conclusions, and in accordance with the expectation set out within the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 that the Authority's financial statements shall be prepared on a going concern basis, we considered the inherent risks associated with the continuation of services provided by the Authority. In doing so we had regard to the guidance provided in Practice Note 10 Audit of financial statements and regularity of public sector bodies in the United Kingdom (Revised 2024) on the application of ISA (UK) 570 Going Concern to public sector entities. We assessed the reasonableness of the basis of preparation used by the Authority and the Authority's disclosures over the going concern period.

In auditing the financial statements, we have concluded that the Executive Director (Resources) & Chief Finance Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Authority's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Executive Director (Resources) & Chief Finance Officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Governance Statement and the Statement of Accounts, other than the financial statements and our auditor's report thereon. The Executive Director (Resources) & Chief Finance Officer is responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Other information we are required to report on by exception under the Code of Audit Practice

Under the Code of Audit Practice published by the National Audit Office in November 2024 on behalf of the Comptroller and Auditor General (the Code of Audit Practice) we are required to consider whether the Annual Governance Statement does not comply with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, or is misleading or inconsistent with the information of which we are aware from our audit. We are not required to consider whether the Annual Governance Statement addresses all risks and controls or that risks are satisfactorily addressed by internal controls.

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

In our opinion, based on the work undertaken in the course of the audit of the financial statements, the other information published together with the financial statements in the Statement of Accounts for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

Under the Code of Audit Practice, we are required to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make a written recommendation to the Authority under section 24 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application to the court for a declaration that an item of account is contrary to law under Section 28 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or;
- we issue an advisory notice under Section 29 of the Local Audit and Accountability Act 2014 in the course of, or at the conclusion of the audit; or
- we make an application for judicial review under Section 31 of the Local Audit and Accountability Act 2014, in the course of, or at the conclusion of the audit.

We have nothing to report in respect of the above matters.

Responsibilities of the Authority and the Executive Director (Resources) & Chief Finance Officer

As explained more fully in the Statement of Responsibilities for the Statement of Accounts 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 Executive Director (Resources) & Chief Finance Officer. The Executive Director (Resources) & Chief Finance Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom

2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Executive Director (Resources) & Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Executive Director (Resources) & Chief Finance Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, the Local Government Act 1972, the Local Government and Housing Act 1989 and the Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012)).
- We enquired of management and the Audit and Regulatory Committee, concerning the Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Regulatory Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls**.** We determined that the principal risks were in relation to non-routine journal entries and key accounting estimates around the valuation of other land and buildings and council dwellings and the valuation of the net pension liability. Our audit procedures involved:
  - evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;
  - journal entry testing, with a focus on non-routine transactions within identified risk criteria including large year end and post year end journals, journals posted by senior finance staff, journals posted by new starters, journals containing key words, financial statements mapping journals and journals transferring amounts to and from other Councils;
  - challenging assumptions and judgements made by management in its significant accounting estimates in respect of valuation of other land and buildings, council dwellings and the net pension liability; and
  - assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.

We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including those relating to significant accounting estimates for the valuation of land and buildings, council dwellings and the net pension liability. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.

The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:

- understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation
- knowledge of the local government sector
- understanding of the legal and regulatory requirements specific to the Authority including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

In assessing the potential risks of material misstatement, we obtained an understanding of:

- the Authority's operations, including the nature of its income and expenditure and its services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement.
- the Authority's control environment, including the policies and procedures implemented by the Authority to ensure compliance with the requirements of the financial reporting framework.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Report on other legal and regulatory requirements – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Matter on which we are required to report by exception – the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources

Under the Code of Audit Practice, we are required to report to you if, in our opinion, we have not been able to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2025.

We have nothing to report in respect of the above matter.

Responsibilities of the Authority

The Authority is responsible for putting in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

Auditor's responsibilities for the review of the Authority's arrangements for securing economy, efficiency and effectiveness in the Authority's use of resources

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

We have undertaken our review in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024. This guidance sets out the arrangements that fall within the scope of 'proper arrangements'. When reporting on these arrangements, the Code of Audit Practice requires auditors to structure their commentary on arrangements under three specified reporting criteria:

- Financial sustainability: how the Authority plans and manages its resources to ensure it can continue to deliver its services;
- Governance: how the Authority ensures that it makes informed decisions and properly manages its risks; and
- Improving economy, efficiency and effectiveness: how the Authority uses information about its costs and performance to improve the way it manages and delivers its services.

We have documented our understanding of the arrangements the Authority has in place for each of these three specified reporting criteria, gathering sufficient evidence to support our risk assessment and commentary in our Auditor's Annual Report. In undertaking our work, we have considered whether there is evidence to suggest that there are significant weaknesses in arrangements.

Report on other legal and regulatory requirements – Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate for High Peak Borough Council for the year ended 31 March 2025 in accordance with the requirements of the Local Audit and Accountability Act 2014 and the Code of Audit Practice until we have received confirmation from the National Audit Office that the audit of the Whole of Government Accounts is complete for the year ended 31 March 2025. We are satisfied that this work does not have a material effect on the financial statements for the year ended 31 March 2025.

Use of our report

This report is made solely to the members of the Authority, as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014 and as set out in paragraph 85 of the Statement of Responsibilities of Auditors and Audited Bodies published by Public Sector Audit Appointments Limited. Our audit work has been undertaken so that we might state to the Authority's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard J J Anderson

Richard Anderson, Key Audit Partner

for and on behalf of Grant Thornton UK LLP, Local Auditor

Birmingham

18 December 2025