



CHESTERFIELD
BOROUGH COUNCIL



Statement of Accounts 2024/25

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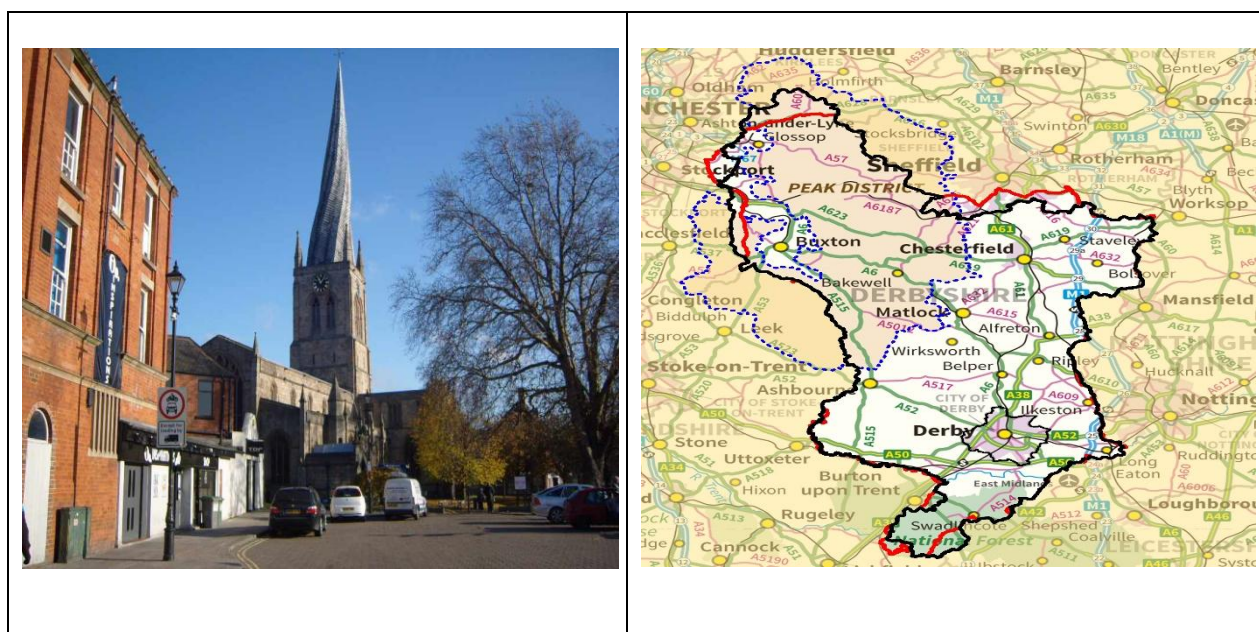
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NARRATIVE REPORT

ABOUT CHESTERFIELD BOROUGH COUNCIL

Chesterfield is a borough council in a two-tier area with seven other district councils and Derbyshire County Council. The Council has 40 elected members serving 16 wards and a population of 103,600 (Census 2021). Chesterfield is the second largest settlement in Derbyshire (Derby City is the largest). Chesterfield borough is relatively compact at 66 square kilometres and is mainly urban. In addition to Chesterfield, there are several other key neighbourhood centres; the largest being Staveley and Brimington. Staveley lies on the eastern side of the borough, approximately five miles from Chesterfield town centre – it is linked to the M1 and Chesterfield by the A619.

The market town of Chesterfield acts as the sub-regional centre for North Eastern Derbyshire and provides a range of retail, commercial, leisure and cultural facilities. The town is well located on the edge of the Peak District National Park and benefits from easy access to the surrounding cities of Sheffield, Derby and Nottingham.



Chesterfield Borough Council provides over 50 services to our residents for a Band D Council Tax of £190.81 – the second lowest in Derbyshire. Whilst the majority of our services are provided in-house, we also have a range of partnership and outsourced provision, with public/public partnership provision for Building Control and Internal Audit and public/private partnership provision for waste and recycling services with Veolia.

Alongside the standard district/borough council services we have worked hard to sustain key assets and facilities for the benefit of our residents, visitors, and businesses. These include:

- Our housing service which provides landlord services to just under 9000 households in the Borough (over 20% of the borough's housing stock)
- An industrial and commercial property portfolio worth over £130 million
- Three innovation centres and incubator offices to support new start-ups with on-site business and innovation advice and support

- Our two sports centres Queen's Park Sports Centre and the Staveley Healthy Living Centre, alongside other sports pitches/facilities, and green gyms
- Our award-winning parks and open spaces
- The Winding Wheel Theatre
- Stephenson Memorial Hall – home of the Pomegranate Theatre and Chesterfield Museum
- Chesterfield's outdoor markets and Market Hall

Political Leadership

The Council's policies are determined by its Politicians and implemented by the Corporate Leadership Team. Chesterfield has 16 wards and 40 councillors. Following the local election on 4 May 2023 the Labour Party remained in control with 28 councillors, with the Liberal Democrats having 12. In July 2024, Labour gained an additional seat via a by-election – moving to 29 councillors, however, in May 2025 there was another by-election which was won by the Liberal Democrats. This has moved back to the May 2023 position.

The Council has adopted the Leader and Cabinet model as its political management structure arising from the Local Government and Public Involvement in Health Act 2007. The Leader of the Council (Councillor Tricia Gilby) has responsibility for the appointment of Members of the Cabinet, the allocation of Portfolios and the delegation of Executive Functions. The Deputy Leader of the Council, Councillor Amanda Serjeant is also the Cabinet member for Finance and Asset Management.

Oversight and check and challenge is also performed by the Council's Scrutiny Select Committee – resilient council. This Overview and Scrutiny Committee reviews the Council's financial performance and budget position at regular intervals throughout the year. The Council also has an effective Standards and Audit Committee with both Internal Audit and External Audit represented.

Senior Leadership and Employees

The organisational management structure is headed by the Chief Executive Dr Huw Bowen. The Chief Executive is supported by the Senior Leadership Team, consisting of two Executive Directors (one post is currently vacant). The Senior Leadership Team is in turn supported by six Service Directors, who together with the Monitoring Officer form the Corporate Leadership Team.

Chesterfield Borough Council employees over 1014 people. The Council holds gold standard for Investors in People and Silver standard for the Ministry of Defence Employer Recognition Scheme. The Council has also developed a Workforce Strategy (our People Plan) which recognises the value and importance of Council staff in delivering services and achieving the Council's priorities.

Our 'valuing individual performance' scheme ensures that all employees have a quarterly meeting with their line manager to review their performance against the objectives agreed with them for the previous quarter and to reset their objectives for the next quarter (if needed). It is also a great opportunity for the line manager and employee to consider the employee's personal development needs and

discuss ideas for service improvement. This process is supported by regular team meetings.

Council Plan 2023-2027

The key document that frames the actions of the Council is the four year Council Plan. The Council Plan sets out the Council's Vision and Priorities, defining what we are trying to achieve and why.

A four-year Council Plan was developed and approved at Full Council in February 2023 and covers the period 2023 – 2027. The Council Plan is guided by the Council's Vision which is "Putting Our Communities First". There are also three corporate priorities that underpin the delivery of the Vision, they are:

- Making Chesterfield a thriving borough
- Improving quality of life for local people
- Building a more resilient council

To ensure that we stay on track for delivering on the plan we develop annual delivery plans. A Council Plan delivery plan for 2024/25 was approved by Cabinet in March 2024. The plan has 42 key activities to be delivered in year and also tracks 36 key performance measures.

The Council's performance management framework includes quarterly challenge sessions involving the Corporate Leadership Team and relevant portfolio holder – rising to monthly challenge sessions if performance management issues are identified. The Council's performance is also scrutinised on a half yearly basis by the Scrutiny Select Committee – Resilient Council and Cabinet. Our performance management framework aims to:

- Improve services to and outcomes for our communities
- Identify and rectify poor performance at an early stage
- Ensure the right information reaches the right people at the right time so that effective decisions are made, and action taken
- Enable evaluation, review and learning to help improve future performance
- Ensure everyone is clear about their individual roles and accountable for playing their part in delivering the Council's vision and priorities, and the Council Plan 2023 to 2027
- Demonstrate success and value for money
- Motivate and engage employees to prioritise service performance whilst recognising the need to allocate diminishing resources effectively.

Productivity Plan

In February 2024, the Local Government Finance Settlement statement for 2024/25 made reference to a new requirement for local authorities to develop and publish productivity plans. On 16 April 2024, the Minister for Local Government at the Department for Levelling Up, Housing and Communities wrote to local authority Chief Executives to give further details on the new productivity plan requirement.

The letter confirmed that the following themes should be considered the development of the plan:

- **Theme 1** - How you have transformed the way you design and deliver services to make better use of resources.
- **Theme 2** - How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources.
- **Theme 3** - Your plans to reduce wasteful spend within your organisation and systems.
- **Theme 4** - The barriers preventing progress that the Government can help reduce or remove.

Each theme also included a list of non-prescriptive questions to help local authorities to develop their plans. The Chesterfield Borough Council Productivity Plan follows the themes through and has used the questions supplied to inform our plan.

Chesterfield Borough Council's Productivity Plan for 2024/25 was approved by Full Council on 17 July 2024 and then published on our website and submitted to Government. The Chesterfield Borough Council productivity plan is available [here](#).

Sector Led Improvement

The Council employs a range of improvement tools to ensure our services offer value for money and we can evidence productivity. We actively engage with the Local Government Association sector led improvement offer including exposing our own organisation to regular peer challenges and encouraging our elected members and officers to act as peers when other councils are exposed to the offer. LG inform, APSE and Housemark are also used for benchmarking the council's services to check and challenge performance and to learn from high performing authorities.

A number of our officers and councillors are Local Government Association trained peers that assist authorities across the country with their peer challenge activity. Chesterfield Borough Council's last Peer Challenge took place in 2021. The report is available [here](#).

Local Government Reorganisation

In December 2024, the Government published its Devolution White Paper which described a national programme of devolution and reform to local government. This included a clear expectation that the 'two-tier system' of local government must be replaced.

In February 2025, Council Leaders in Derbyshire and Derby received a letter from the Minister of State for Housing, Communities and Local Government formally inviting Leaders to work with other Council Leaders in the area to develop a proposal for local government reorganisation. The letter included a deadline of Friday 21 March for initial proposals to be submitted and a final submission by Friday 28 November.

Chesterfield Borough Council has worked with the other Derbyshire Districts and Derby City Council to review options for local government reorganisation and develop an interim proposal for change, which was submitted by the 21 March 2025.

Local Government Funding Reforms

At a national level, the government has launched the Fair Funding Review 2.0, to review the distribution of core funding across local government. Whilst the outcomes of this review are not yet fully known, changes to funding formulas, council tax equalisation mechanisms, and business rates retention will be implemented from April 2026 and are considered have a significant impact on district councils. A detailed analysis of the perceived impacts and comparison against the council's existing MTFP future forecasts will be undertaken in the coming months as more detail becomes available.

FINANCIAL PERFORMANCE 2024/25

Budget Process

The Council has well-established and robust budget processes. These have been followed when compiling the 2024/25 budget and medium-term projections. A prudent approach was taken to the estimates and assumptions used in the preparation of the budgets. In constructing the budget estimates, priority was given to funding existing and emerging service pressures. These were subject to rigorous review, scrutiny and challenge by budget holders, Corporate Leadership Team, and members.

The Council approved the General Fund Revenue Budget for 2024/25 on 27 February 2024. The 2024/25 budget was constructed in accordance with the Council's budget principles and the Medium-Term Financial Plan (MTFP) and balanced with the use of £214k from the Budget Risk Reserve. This was to enable the Council to take a more strategic approach to reviewing its priorities and balancing its General Fund Revenue budget over the medium term.

The MTFP assumed the delivery of £3.079m of new savings that were approved as part of the 2024/25 budget-setting process. These savings were captured and coded within Service Budgets and named budget holders made accountable for their delivery. Savings implementation plans were also completed where appropriate and validation of these included as part of monthly budget monitoring exercises.

The 2024/25 budget was developed with an aim to achieve a managed underspend to ease financial pressures anticipated in 2025/26. The Council has faced continued challenges related to inflation, service demand pressures and funding. Despite these challenges, cost control and proactive financial management have resulted in an improved outturn position.

The principal funding sources to pay for the General Fund Services (i.e. excluding Council Housing) are Government grant, the retained share of Business Rates income, Council Tax, fees, charges and rental income from the Council's industrial & commercial property portfolio.

The 2024/25 Council Budget was set **at £13.5m** and financed as follows:

	Amount £'000	Proportion of total
Government Funding (Revenue Support Grant, retained business rates and other grants)	7,643	57%
Council Tax	5,809	43%
Total Budget (after savings target)	13,452	100%

Revenue Budget Outturn

The draft outturn position is a favourable variance of £1.867m against the Council's net General Fund revenue budget of £13.5m and represents a significant managed underspend.

Some of the underspends reflected in the outturn are one off in nature and have arisen from a managed underspend, where deliberate actions have been taken to reduce expenditure without impacting on service delivery. Other areas of underspending have been driven by better-than-expected outcomes from planned budget savings which have led to cost reductions and increased income projections.

Table 1: General Fund Forecast Variance 2024/25

Service/ Area	Period 9 Variance £'000	Outturn £'000	Difference between Period 9 and Outturn £'000
Chief Executives / Corporate	-264	-433	-169
Development Management and Conservation (Planning Fees)	-29	-195	-166
Property and Technical Services	113	254	141
Economic Growth	84	59	-25
Finance	-83	52	135
Customer Services/ Revenues/Benefits	-82	-134	-52
Digital and Technology	268	-88	-356
Human Resources/ Organisational Development/ Payroll	-68	-105	-37
Careline	156	204	48
Digital, Customer and HR	274	-123	-397
Housing	-52	-155	-103
Community Safety and Regulatory	103	86	-17
Environmental & Street Scene Services	-570	-813	-243
Cultural Services	-148	-239	-91
Leisure Services	-199	-278	-79
Town Centre Operations	1	-77	-78
Other	0	0	0
Leisure, Culture and Community Wellbeing	-813	-1,321	-508
Corporate Items	-56	55	111
Total variance	-910	-1,867	-957

The General Fund Working Balance was maintained at £1.5m during 2024/25.

Housing Revenue Account Outturn

The Council continues to be the major provider of rental accommodation in the Borough, with 8,798 dwellings. All income and expenditure relating to the landlord function of providing council housing must be accounted for within a ring-fenced account called the Housing Revenue Account (HRA). The ring-fencing means that the account cannot be used to subsidise other Council activities and similarly other activities cannot be used to subsidise the HRA.

The HRA for 2024/25 shows an increase to the HRA balance of £335k. The main variances are set out below:

- Rents income has reduced by £0.3m due to an increase in the level of void properties
- Supervision and Management costs have decreased by £1.0m due primarily to reduced employee costs from vacancies, and other operating costs.
- Repairs and Maintenance - an overspend of £0.1m has arisen primarily from increased in materials and costs partially offset by in year salary savings from vacancies and transport.

The HRA balance is in line with expectations, primarily by reducing the direct revenue financing of the capital programme and by removing the provision for the voluntary repayment of debt. However, the increase in costs set out in the HRA MTFP, central government controls on setting rents at lower than inflation levels, increased costs from

inflationary pressures and increased spending on the HRA Capital Programme, will have a detrimental impact on the HRA balance and reduce the ability to provide further direct revenue contributions to fund the capital programme.

Capital Spending in 2024/25

A summary of the capital expenditure and financing is shown in Note 24 to the core financial statements.

Capital expenditure on General Fund services totalled £15.5m. The main projects included:

- ◆ House Renovation, Disabled Facilities and Green Homes Grants - £2.4m
- ◆ Stephenson Memorial Hall refurbishment - £6.4m
- ◆ ICT development - £0.3m
- ◆ Parks/Play/ tennis Court area upgrades - £0.1m
- ◆ Staveley Town Deal - £1.6m
- ◆ Town Centre transformation - £2.8m

A large proportion of the General Fund Capital Programme was funded from grants and contributions (£13.9m) in 2024/25. The remainder was financed from borrowing (£0.5m), capital receipts (£0.6m) and reserves (£0.4m).

Capital expenditure on Council Housing, aimed particularly at maintaining dwellings at the decent homes standard, was £14.6m.

Our housing stock continues to see a number of 'Right to Buys' and these receipts are reinvested in line with government policy.

The approved capital programme for the next three years will be financed from borrowing, earmarked reserves, anticipated capital receipts and grants.

Pension Costs

The Balance Sheet shows the Pension Fund surplus as a Pension Reserve (£70.8m) which is matched by an equal and opposite entry on the other side of the balance sheet described as the Pension Scheme Assets/Liabilities. Changes in pension scheme valuations and the scheme assumptions can have a material effect on the reserve. A triennial revaluation of the Derbyshire County Council Local Government pension scheme was conducted in 2022/23. Note 16 provides more information along with pension assets and liability details.

The pension deficit will be addressed in future re-valuations of the fund and by the revision of employers' contributions. Changes to the scheme were introduced in April 2014 to make the scheme more affordable.

Staveley Town Deal

In October 2019, Staveley was one of 101 locations invited to bid into the Towns Fund. In March 2021, the Town Investment Plan for Staveley was approved by Government, securing funding of £25.2m to deliver a range of projects that will have a transformational impact on Staveley, driving economic growth, offering quality skills and employment opportunities, and improving the Town Centre, green spaces and canal network around Staveley.

The Staveley Town Deal Board provide strategic direction to the development and implementation of the Staveley Town Deal and work in partnership with Chesterfield Borough Council who act as the Accountable Body.

The allocation of the funding is overseen by the Staveley Town Deal Board and 10 projects have been approved for receipt of this grant subject to satisfactory business cases being received by the Board. Across the 10 projects there are 7 different sponsor organisations, a far greater diversity than is typically the case for other Town Deals. This council is the sponsor organisation for 3 of the projects and these have been included in our approved capital programme.

The Staveley Town Deal income and expenditure is accounted and administered independently from the Council's accounts and therefore, do not form part of the financial statements which appear later in this Statement of Accounts with the exception in respect of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position. This is in accordance with the principles set out in the Local Authority Accounting Code of Practice where the Council is acting as an intermediary and is therefore following the agent principle as set out in the Code.

Levelling up Funding

The Council submitted a £19.98m bid for round one of the Levelling Up Fund (LUF) in June 2021. The bid sought £11.4m of funding for projects to remodel and refurbish George Stephenson Memorial Hall extending the Pomegranate Theatre, reconfiguring and modernising Chesterfield Museum and introducing new gallery space, a café bar, education and community facilities. The remaining £8.5m was to be allocated to further regenerate Chesterfield's historic town centre, with investment centred on four key public spaces and the connections between them – Corporation Street, Rykneld Square, Market Square and New Square. The bid was confirmed as part of the Autumn Budget and Spending Review 2022 and work is well underway on delivery of the two projects.

Long Term Plan for Towns

The Long-Term Plan for Towns is a government initiative launched in October 2023 to provide long-term investment to towns across the UK, supporting economic growth, regeneration, and community priorities. Chesterfield was selected to receive funding through this programme, with a Town Board established in 2024 to bring together local businesses, community groups, and public sector partners to shape and oversee the delivery of the plan. The funding is designed to be used over a ten-year period to improve infrastructure, enhance public spaces, support local businesses, and create opportunities that will benefit residents and visitors alike.

Investment Zone

In December 2023, the Council approved in principle the inclusion of two parcels of land at Hartington and Staveley within the borough as part of the East Midlands Combined County Authority's submission for Investment Zone status, with both sites designated as Business Rates Retention areas. Investment Zone status provides the opportunity to secure tax incentives and additional capital and revenue funding to support economic growth and regeneration. The designation of these sites, with a focus on green industries and advanced manufacturing, will help deliver the Council's Growth Strategy by attracting new business investment, creating high-value jobs, and supporting the long-term redevelopment of former industrial areas such as the Staveley Growth Corridor. As

Business Rates Retention sites, the Council will retain 100% of business rates growth above an agreed baseline for 25 years, enabling reinvestment to drive economic prosperity for residents and businesses in Chesterfield.

Reserves & Balances

The Council reserves are set out in Note 11. The Council has set money aside in a number of earmarked reserves to meet planned future commitments. A reserve has been created to meet the risk in relation to Business Rates. The balance on this reserve is £3.2m.

The revenue working balance for the General Fund is £1.5m. The balance is prudently based on an assessment of the key income and expenditure risks facing the Council.

There is a balance of £6.6m on the Housing Revenue Account at the year-end which will be needed in future years to finance capital improvement works. The Council has a policy of maintaining a minimum £3.5m HRA working balance.

The Council does have an adequate level of reserves given the risks and investment needs it faces, but reserves are coming under increasing pressure and can only be used once. Further borrowing (alongside asset disposals) will be required to make capital and operational investments to transform services and grow new income sources. The focus will continue to be on reducing the base budget, by both reducing expenditure and increasing income.

Medium Term Outlook

General Fund

Like all local authorities, Chesterfield Borough Council continues to face significant financial challenges. The cumulative impact of reduced government funding since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.

In response to these challenges, the Council has already made significant savings over many years and taken steps to manage demand and deliver services in the most economic, efficient, and effective way.

The Council has well-established and robust budget processes. These have been followed when compiling the 2025/26 budget and medium-term projections. A prudent approach was taken to the estimates and assumptions used in the preparation of the budgets. In constructing the budget estimates, priority was given to funding existing and emerging service pressures. These were subject to rigorous review, scrutiny and challenge by budget holders, Corporate Leadership Team, and members.

The Council approved the General Fund Revenue Account budget for 2025/26 on 26 February 2025. The 2025/26 budget was constructed in accordance with the Council's budget principles and balanced with the use of £730k of the underspend from 2024/25. At the time of setting the 2025/26 budget there were notable underspends across a number of budget heads and consisted of underspends that were one off in nature and had arisen from a managed underspend, where deliberate actions have been taken to reduce expenditure without impacting on service delivery, and those that would recur. It was considered that c£730k of the underspend in 2024/25 could be used as a one-off contribution towards the 2025/26 budget gap.

In developing the budget, the aim was to deliver a balanced 2025/26 budget in line with legal requirements rather than to deliver a balanced medium-term financial plan in the face of so much uncertainty.

The Medium-Term Financial Plan (MTFP) assumes the delivery of £903k of new savings that were approved as part of the 2025/26 budget setting process. These savings were driven by better-than-expected outcomes from budget savings delivered in previous financial years which have led to sustained efficiencies, cost reductions and increased income projections. The additional ongoing savings include:

- Increased income from charging for Garden Waste. The original budget assumed that 13,290 (30%) households would participate in the scheme. The take up of this scheme has now increased to over 25,000 households and should result in an additional £558k of income in 2025/26.
- Leisure Centre operating model. Ongoing savings from a combination of cost efficiencies, flexible programming of activities and increased demand are expected to deliver a further £175k of income in 2025/26.
- Cultural Services operating model. On going savings of £100k from the review of Winding Wheel operations to achieve a cost neutral budget position and from savings on museum premises and staffing savings.
- Vacancy rates. The use of vacancy rates savings was introduced in 2023/24 and applied to most services with the exception of services previously classified as trading areas i.e., building cleaning and some areas of environmental services. Following a review of these areas it is recommended that a vacancy rate saving of £70k be applied from 2025/26.

The gaps over the MTFP are £2.5m in 2026/27 rising to £3.5m by 2027/28. It was acknowledged that the Council would not be in a position to set a balanced MTFP over the 4-year period. Instead, the Council focused on the delivery of ongoing, sustainable savings in 2025/26 that will go some way to addressing the gaps in future financial years.

Housing Revenue Account

The financial strategy for the HRA is to deliver a balanced and sustainable budget which is self-financing in the longer term, and which reflects both the requirements of tenants and the strategic vision and priorities of the Council.

The HRA is not permitted to run at an overall deficit and risks will continue to be identified and managed effectively. A minimum balance of £3.5m is maintained to avoid the risk of a negative balance in the event of an exceptional cost arising.

The HRA balance at the end of 2024/25 is in line with expectations, primarily by reducing the direct financing of the capital programme and can be maintained at or above the minimum set by Council of £3.5m over the period of the business plan. However, the increase in costs set out in the HRA MTFP, central government controls on setting rents at lower than inflation levels, increased costs from inflationary pressures and increased spending on the HRA Capital Programme, will have a detrimental impact on the HRA balance and reduce the ability to provide further direct revenue contributions to fund the capital programme.

Given the size and scale of the challenges a fundamental review of the HRA Medium Term Financial Plan and 30-year Business Plan is currently being undertaken and will be presented to Cabinet at an appropriate time later in the 2025/26 financial year.

Corporate Risks and Uncertainties

The Council has established procedures for managing risk. Operation level risks are managed at the service level through the service planning and monitoring arrangements.

The higher level, corporate risks, which can impact on the Council's ability to deliver its strategic priorities, are managed through the Corporate Risk Register arrangements. The Corporate Risk Register is approved and monitored at the highest levels within the Council, by the Corporate Leadership Team, the Cabinet, Standards & Audit Committee and the full Council.

Further Information

If you would like to receive further information about these accounts please contact the Head of Accountancy & Finance at the Town Hall, Rose Hill, Chesterfield, Derbyshire, S40 1LP. Interested members of the public have a statutory right to inspect the accounts. The dates on which the accounts are available for inspection are advertised annually on the Council's website.

Further information on non-financial performance data is available from the Service Director - Corporate.

**T Channell FCPFA
SERVICE DIRECTOR - FINANCE**

**Councillor S Blank
CHAIR OF STANDARDS AND AUDIT COMMITTEE**

INTRODUCTION TO THE STATEMENTS

The Statement of Accounts is prepared using the Code of Practice on Local Authority Accounting in the United Kingdom (the Code), which defines proper accounting practices for local authorities in England. The pages that follow are the Council's final accounts for 2024/25 and comprise:

Comprehensive Income & Expenditure Statement (CIES) – This reports the cost for the year of providing the services for which the Council is responsible rather than the amount to be funded from taxation. The taxation position is shown in the Movement in Reserves Statement.

Movement in Reserves Statement (MIRS) – provides a summary of the changes that have taken place in the 'reserves' section of the Balance Sheet over the financial year as a result of incurring expenditure and generating income, movements in the fair value of assets and movements in reserves that will affect the availability of resources to the authority.

Balance Sheet – This explains the Council's year-end financial position. It shows the balances and reserves at the Council's disposal and its long term indebtedness, the net current assets employed in its operations, and summarised information on the non-current assets held.

Cash Flow Statement – This summarises the inflows and outflows of cash arising from both revenue and capital transactions with third parties.

Statement of Accounting Policies – This explains the basis of the figures in the accounts. The accounts can be properly appreciated only if the policies, which have been followed in dealing with material items are explained.

Expenditure & Funding Analysis (EFA) – shows how annual expenditure is spent and funded and how it is split for decision making purposes between the council's portfolios.

Housing Revenue Account (HRA) – This reflects a statutory obligation to account separately for local authority housing provision. It shows the major elements of housing revenue expenditure – maintenance, administration and capital financing costs – and how these are met by rents and other income.

Collection Fund – This shows the transactions of the Council as a billing authority in relation to the collection from taxpayers and distribution to Local Authorities and the Government.

RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Authority's Responsibilities

The Authority is required

- To make arrangements for the proper administration of its financial affairs and to secure that one of its officers has responsibility for the administration of those affairs. In this authority, that officer is the Service Director – Finance.
- To manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- To approve the Statement of Accounts.

The Service Director - Finance Responsibilities

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

In preparing this Statement of Accounts, the Service Director - Finance has:

- Selected suitable accounting policies and applied them consistently;
- Made judgements and estimates that were reasonable and prudent;
- Complied with the Local Authority Code;
- Kept proper accounting records which were up-to-date;
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

SERVICE DIRECTOR - FINANCE CERTIFICATE

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

T Channell FCPFA
SERVICE DIRECTOR - FINANCE

CHESTERFIELD BOROUGH COUNCIL

ANNUAL GOVERNANCE STATEMENT 2024/25

Scope of Responsibility

Chesterfield Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

Chesterfield Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government Framework 2016 edition*. This Statement explains how the Council has complied with the code and meets the requirements of Accounts and Audit (England) Regulations 2015 which requires all relevant bodies to prepare an annual governance statement.

The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31st March 2025 and up to the date of approval of the Statement of Accounts.

The governance framework

The Council Plan 2023 -2027 was agreed by Council in February 2023. The Plan identifies the Council's key priorities and aspirations over a four year period.

The Council's vision is "Putting our communities first". Chesterfield Borough Council identifies and communicates the authority's vision of its purpose and intended outcomes for citizens and service users via its Council Plan and Vision statement.

The Council Plan consists of 3 priorities:

To make Chesterfield a thriving borough

To improve the quality of life for local people To build a more resilient council

The Council's values reflect the way the council wants to achieve its vision, these are: -

Customer focused: delivering great customer service, meeting customer needs,
Can do: striving to make a difference by adopting a positive attitude,
One council, one team: proud of what we do, working together for the greater good,
Honesty and respect: embracing diversity and treating everyone fairly.

Governance Arrangements

The Council consists of 40 elected Members. The Council has a Leader with Cabinet Model which includes the following roles:

- Leader and Cabinet member for Economic Growth
- Deputy Leader and Cabinet member for Finance and Asset Management
- Cabinet member for Climate Change, Planning and Environment
- Cabinet member for Town Centres and Visitor Economy
- Cabinet member for Health and Wellbeing
- Cabinet member for Housing
- Cabinet member for Governance
- Cabinet member for Customers and Business Transformation
- Leader of the Opposition (no portfolio)

Arrangements for Overview and Scrutiny are in place with two Scrutiny Select Committees one for Communities and Economic Growth and one for Resilient Council.

Chesterfield Borough Council has a formal Constitution in place that sets out how it operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. In addition, the Constitution sets out the roles and responsibilities of Members and Senior Managers.

- The Cabinet is the part of the authority which is responsible for most day to day decisions.
- The Overview and Scrutiny committees support the work of the Council utilising pre-decision scrutiny where possible.
- The Standards and Audit Committee are responsible for maintaining and promoting high standards of conduct and for considering the effectiveness of the Council's risk management arrangements and the control environment. The Committee also reviews reports from internal and external audit and other inspection agencies and seeks assurance that action has been taken where necessary.

The Council Plan is cascaded down through, managers, meetings, directorate plans, team plans, budgets, the medium- term financial plan and valuing individuals and performance quarterly reviews. This flow ensures that resources are utilised for the achievement of the Council Plan and vision.

Codes of Conduct / Standards

Formal Codes of Conduct are in place for Members and Officers and form part of induction procedures. To further enhance these high standards the Council has in place: -

- A Comments, Complaints and Compliments procedure,
- A Customer Services Charter,

Anti- Fraud, Bribery and Corruption policy

Chesterfield Borough Council expects that both Members and Officers will demonstrate the highest standards of behaviour in the conduct of public business.

In undertaking its functions and activities, the Council will not tolerate any form of fraud, corruption, bribery, abuse of position or other malpractice, whether it is attempted by persons or organisations within or external to the Council.

The Council is committed to working in an open, honest and fair way and:

- Maintains a policy and culture characterised by zero tolerance of fraud and malpractice
- Encourages and promotes the prevention of fraud, bribery and corruption or other malpractice.
- Promotes the detection of fraud, bribery, corruption or other malpractice.
- Maintains clear procedures for investigation and further action where necessary.

Whistleblowing Code

Chesterfield Borough Council is committed to the highest possible standards of openness, probity and accountability.

Employees are often the first to realise that there may be something seriously wrong within an organisation. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the organisation. They may also fear harassment or victimisation. The Council's whistleblowing policy and confidential reporting code enable individuals to disclose information about malpractice internally and to provide them with protection from subsequent victimisation, discrimination or disadvantage.

Statutory Responsibilities

Officer	Role
The Chief Executive	Designated Head of Paid Service, with the statutory responsibility for the overall review of the Council's staffing and operation. The Chief Executive is monitored for performance in the delivery of political priorities which are in turn monitored and measured across all staff.
The Monitoring Officer	The Monitoring Officer is responsible for all matters relating to the conduct of councillors and officers and to be responsible for the operation of the Council's Constitution. The Monitoring Officer is a member of the Corporate Leadership team and is suitably qualified.
The Chief Financial Officer	The Chief Financial Officer ensures compliance with S151 requirements. The Chief Financial Officer is professionally qualified and experienced to undertake their roles and responsibilities and is supported by an experienced and appropriately qualified finance team. The Chief Financial Officer is a member of the Corporate Leadership team and

	leads and directs a finance function that is fit for purpose. The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government.
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Financial Management

The Council has assessed its arrangements against the CIPFA Financial Management Code and is broadly compliant with these. Further work is being undertaken to embed the principles within the Code. CIPFA's Financial Management Code (**FM Code**) was published in October 2019 and provides guidance for good and sustainable financial management in local authorities. The FM Code offers assurance that authorities are managing resources effectively, regardless of their current level of financial risk. The Code is structured around seven areas of focus:

- The Responsibilities of the Chief Finance Officer and Leadership team
- Governance and Financial Management style
- Medium to Long-term Financial Management
- The Annual Budget
- Stakeholder Engagement and Business Cases
- Financial Performance Monitoring
- External Financial Reporting

The best use of resources and value for money challenge and assurance are obtained by scrutiny reports and reviews, reviewing service performance, benchmarking and monitoring budgets.

Productivity Plan

As a condition of the 2024 to 25 Local Government Finance Settlement, all local authorities were required by Government to publish productivity plans by 19 July 2024. The council's plan, which was endorsed by Full Council on 17 July 2024.

The plan considered 4 themes:

Theme 1 - How you have transformed the way you design and deliver services to make better use of resources

This section described the wide range of activities undertaken since 2010 to reduce costs, increase income and increase productivity. The 2024/25 plan focused on the principles and activities identified within the Budget Strategy including:

- Identifying efficiencies
- Increasing income and establishing stronger commercial operating principles
- Reducing service offers / stopping services where appropriate
- Right-sizing the organisation
- Asset rationalisation and effective asset management

Theme 2 - How you plan to take advantage of technology and make better use of data to improve decision making, service design and use of resources

During 2024/25 we continued to implement projects that enabled us to replace our legacy ICT systems. The programme of work focused on replacement of systems

that are built on outdated technology platforms or infrastructure and which will enable us to address the heightened risks from security vulnerabilities which are more prevalent in older technology.

We are using a digital platform which is underpinned by Salesforce technology to support our digital transformation activity. This provides us with flexibility and scalability to adapt to changing business requirements and allows us to incorporate new functionality far easier than is available in our legacy systems. We have recently been able to respond to a wide variety of new burdens grant requirements quickly and easily using our digital platform.

Theme 3 - Your plans to reduce wasteful spend within your organisation and systems

The section described the robust budget management and control mechanisms in place. A particular success during 2024/25 was the introduction of budget holders reviewing their budgets on a monthly basis (line by line) to identify savings and income gains. Where there are no impacts or limited impacts on service delivery and other key factors such as staffing, these can be taken forward at pace and efficiencies achieved quickly. Other elements including quarterly budget challenge sessions were also highlighted.

Theme 4 - The barriers preventing progress that the Government can help reduce or remove.

Key barriers highlighted included:

- The need to reform local government funding
- Avoidance of complex and fragmented funding regimes
- Request for multi-year settlements

£3.079 million of savings were included in the Medium-Term Financial Plan for delivery in 2024/25. Savings were RAG rated in terms of deliverability as part of formal monitoring and it is expected that £2.916m of these will have been delivered during 2024/25.

Internal Audit Assurance

Internal Audit is provided on a Consortium basis for Bolsover District Council, North East Derbyshire District Council and Chesterfield Borough Council. For the financial year 2024/25 the Internal Audit Consortium operated in accordance with the Public Sector Internal Audit Standards (PSIAS) and conformed to the requirements of the CIPFA statement on the Role of the Head of Internal Audit 2019. The Head of the Internal Audit Consortium is a senior manager, professionally qualified and leads an appropriately resourced and experienced audit team. The latest external review of internal audit confirmed that the Consortium is compliant with the PSIAS.

Internal Audit Opinion 2024/25

The Head of the Internal Audit Consortium is responsible for the delivery of an annual audit opinion that can be used by the council to inform its governance system. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control.

"In my opinion reasonable assurance can be provided on the overall adequacy and effectiveness of the council's framework for governance, risk management and control for the year ended 2024/25. Sufficient work has been completed and assurances ascertained to be able to provide an unlimited opinion on the systems of governance, risk management and control in place. This year 24 reports have been issued 8 substantial, 10 reasonable, 6 limited

and 0 inadequate assurance reports have been issued. Managers have either already implemented or are in the process of implementing the audit recommendations made.

Assurance can never be absolute. In this context “reasonable assurance” means that arrangements are in place to manage key risks and to meet good governance principles, but there are some areas particularly in respect of the limited and inadequate assurance reports where improvements are required.

External Audit Assurance

Our external auditor is Forvis Mazars LLP. In accordance with their statutory requirements, their annual audit includes examining and certifying whether the financial statements are “true and fair” and assessing our arrangements for securing value for money in the use of resources.

The significant delays in the external audit of local authority accounts are a well-known national issue. A series of backstop dates up until 2027/28 have been issued which are intended to clear the backlog of unaudited accounts. In his statement the Minister recognises that the measures are likely to result in a number of ‘disclaimed’ or ‘modified’ audit opinions with auditors likely to ‘issue hundreds of ‘disclaimed’ audit opinions, and disclaimed opinions will likely continue for some bodies for a number of years.’

As a result of the backstop arrangements, Forvis Mazars determined that there was insufficient time to complete audit procedures for the year ended 31 March 2024 and as a result, they issued a disclaimer of opinion on the Council’s financial statements.

As the accounts for the year ended 31 March 2023 and 31 March 2024 included a disclaimed audit opinion, the audit for the year ended 31 March 2025 is impacted by the government’s ‘rebuilding assurance’. The detailed guidance on the level of work required to rebuild assurance where disclaimed opinions are issued in prior years has not yet been agreed at a national system level. In February 2025 the Ministry of Housing Communities and Local Government (MHCLG) replaced the Financial Reporting Council as the ‘local audit’ system leader. Forvis Mazars have stated that “we expect MHCLG to issue a prescriptive approach to auditors for gaining assurance over opening balances where auditors have issued disclaimed opinions. Until such guidance is issued we cannot produce a detailed plan for what rebuilding assurance looks like for the Council’s audit”.

Risk Management

Chesterfield Borough Council has a risk management strategy, a risk management group and risk is considered as part of all Cabinet reports. The Strategic risk register is regularly reviewed and service risk registers are in the process of being reviewed and updated. The risk management process includes horizon scanning to identify new threats and opportunities at an early stage.

Performance Management

The Council Plan 2023 - 2027 was agreed by Council in February 2023. The plan identifies the Council’s key priorities and aspirations over a four-year period. In order to track and challenge progress across the four years, annual delivery plans are developed. The delivery plans are reported to and monitored by Cabinet and the Corporate Leadership Team.

Business Transformation

The Council has a programme of change which is focused around key strategic areas. These include change initiatives focused on budget savings, housing transformation, customer services improvements and ICT improvements.

Training and staff Development

To ensure compliance with relevant laws and regulations, internal policies and procedures Chesterfield Borough Council has a comprehensive induction package and provides training for staff and Members on a regular basis. Staff training needs are identified through employee valuing individuals and performance (VIP) reviews and continuous professional development is encouraged. Apprenticeship training schemes are available for new employees and for the existing workforce. Member training requirements are identified via the Member Development Group and the Member Development, Support and Parental Leave Policy. There is an online learning tool that includes a comprehensive bank of training modules for both members and officers.

Partnerships

The Council works with many partnerships to deliver its aims. Where the Council has entered partnership arrangements it seeks to ensure that these promote the Council's vision, its purpose and intended outcomes for citizens and service users and that they are subject to appropriate governance and performance management arrangements.

The Council works actively in a number of partnerships aimed at creating a thriving borough and improving quality of life outcomes through a range of activities across the borough. At a county level, these partnerships include, the Integrated Care Partnership, the Derbyshire Health and Wellbeing Board and the Safer Derbyshire partnership. At a Chesterfield borough level the Council makes a significant contribution to the Health and Wellbeing Partnership, Community Safety Partnership, Local Place Alliance, Destination Chesterfield and the Skills and Employment partnership. The activities are progressed with local partners, across the public, private and community and voluntary sector.

Building Control are part of a limited company (The Derbyshire Building Control Partnership). There are a series of legal agreements that support the company including a shareholder agreement and a service level agreement. A separate Board has been set up to govern the company. The company continues to perform well.

The Council also works closely with the East Midlands Combined County Authority, which had its inaugural meeting on 20 March 2024, at the Chesterfield Town Hall. The mayoral election took place on 2 May 2024. Key work areas have focussed on economic growth, inward investment, people and skills and the development of a UKSPF investment plan.

Economic Development

There is a large amount of economic development in the Borough aimed at increasing economic prosperity, creating jobs and revitalising the heart of Chesterfield.

During the year, major regeneration work has continued to transform Stephenson Memorial Hall the home to the Pomegranate Theatre and Chesterfield Museum. Work has also been underway on Revitalising the heart of Chesterfield public realm and public art programme with the first phase of the Market Place complete.

Improvements are also well underway in Staveley, as part of a range of projects being delivered for the benefit of local people and businesses under the multi-million pound Staveley Town Deal. Town centre regeneration with a new Pavilion Building as home to the library and a new market square, support for residents to learn new skills, and exciting new leisure opportunities linked to the Chesterfield Canal restoration are among the projects underway. Additionally, the programme is supporting Derbyshire Rail Industry Innovation Vehicle, a new development underway at Barrow Hill.

Additionally, hundreds of businesses, community groups and residents have been benefitting from £2.693 million of external funding which the Council was allocated from the government's UK Shared Prosperity Funding (UKSPF). Our aspirations were set out in our investment plan under the three key themes of the UKSPF initiative - communities and place; supporting local business, and people and skills.

Chesterfield has been included as a priority area in the Government's Plan for Neighbourhoods programme. £20 million of government funding is due to be released over the next 10 years. A Board has been established and governance assurance and accountability arrangements have been developed and are in place. Work has started on the preparation of plans and business cases for the first projects to be delivered from April 2026.

Communication

Chesterfield Borough Council has a variety of means of communicating with all sections of the community and stakeholders including an internal and external Communication and Engagement Strategy, the Council's website, the publication of "Your Chesterfield" three times a year and an annual Community Engagement Programme.

We continue to improve our website accessibility and use a wide range of social media channels to increase communication channels.

Housing

Chesterfield Council owns and manages approximately 8,728 social rented homes and 298 leasehold flats, and governance arrangements in place include a Strategic Housing Board comprising the Chief Executive, Executive Director and senior managers, which oversees performance and landlord compliance information. A range of tenant engagement groups are also in place to ensure customers are at the heart of planning housing service improvements.

In order to fulfil the requirements of the Social Housing Regulator and the Housing Ombudsman, and to ensure detailed and effective oversight and scrutiny of all social landlord activities. In April 2024 Cabinet approved the establishment of a new Housing Advisory Board comprising Members, tenants and senior officers

A recent inspection of our housing services by the Regulator of Social Housing saw us achieve the second highest positive rating possible. The grade means that while there are some areas for improvement, overall, there is a positive level of 'assurance' that we are achieving the consumer standards set by the regulator.

The Council has recently launched a new three year Housing Strategy which outlines how all local residents have the opportunity to access a quality home that meets their needs. Our new housing strategy sets out our ambitions from 2024 to 2027 and highlights the activities and initiatives that we will deliver to ensure everyone in the community can access good

quality, affordable and well managed homes. The strategy has been developed in line with consultation feedback received from tenants, residents and elected members, and focuses on seven key priorities.

Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Corporate Leadership Team within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments made by the external auditors and other review agencies and inspectorates.

The processes that have been applied in maintaining and reviewing the effectiveness of the governance framework include:

- Internal audit reviews of the governance, risk and control arrangements in place in accordance with the agreed internal audit plan.
- Monitoring Officer reviews and monitoring of the operation of the Council's Constitution.
- The work of the Risk Management Group.
- The Chief Financial Officer providing the Council and the leadership team, with financial reports and financial advice covering the whole range of Council activities.
- Reviews by external agencies such as the Council's external auditor and the Social Housing Regulator.
- The work of the Council's Standards and Audit Committee.
- The annual review of the Local Code of Corporate Governance.
- Reports received and considered by Cabinet in relation to the outcome of reviews by the external auditor and other review agencies.

A Review of 2023/24 Governance Issues

As part of formulating the 2024/25 Annual Governance Statement a review of progress against the issues raised in 2023/24 has taken place. Positive progress has been made and is summarised in the table below.

No.	Issue Identified 2023/24 (as part of April 2024 AGS)	Action taken during 2024/25 to address the issue
1.	<p>Financial Sustainability</p> <p>Like all local authorities, Chesterfield Borough Council continues to face significant financial challenges. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.</p>	<p>The Council has well-established and robust budget processes. These have been followed when compiling the 2024/25 budget and medium-term projections.</p> <p>A prudent approach was taken to the estimates and assumptions used in the preparation of the budgets. In constructing the budget estimates, priority has been given to funding existing and emerging service pressures. These were subject to rigorous review, scrutiny and</p>

<p>In response to these challenges, the Council has already made significant savings over many years and taken steps to manage demand and deliver services in the most economic, efficient, and effective way.</p> <p>The financial impact of Covid-19 and the cost-of-living crisis on Council services has been and continues to be significant, resulting in new cost pressures and reductions in income, particularly in areas such as car parking, markets and town centre retail units. Income remains significantly below pre-pandemic levels and may never fully recover. These challenges are exacerbated by the uncertainty of future financial settlements for local government and how available funding will be shared. Local authorities continue to be provided with one-year financial settlements, which provide little financial certainty and security.</p> <p>HRA The Council is required to keep a separate account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The account is ring-fenced and does not receive any subsidy from the Government or from Council Tax, and nor is it allowed to subsidise the General Fund.</p> <p>As a result of the introduction of self-financing in April 2012 the Council is required to produce a 30-year HRA Business Plan that is financially viable, delivers a reasonable standard of housing for tenants and maintains homes to at least the minimum Decent Homes Standard.</p> <p>Government rent policy has resulted in significant reductions in the resources available to the Council's Housing Service in recent years. The mandated rent cap of 7% in 2023/24 (which was 4.1% less rent policy), had the cumulative impact of removing £1.5m of annual income (after voids) in perpetuity, with an estimated loss over the business</p>	<p>challenge by budget holders, Corporate Leadership Team and members.</p> <p>The Council approved the General Fund Revenue Budget for 2024/25 on 27 February 2024. The 2024/25 budget was constructed in accordance with the Council's budget principles and balanced with the use of £214k from the Budget Risk Reserve.</p> <p>In developing the budget, the focus was to deliver a balanced 2024/25 budget in line with legal requirements rather than to deliver a medium-term financial plan in the face of so much uncertainty.</p> <p>The Medium-Term Financial Plan (MTFP) assumed the delivery of £3.079m of new savings that were approved as part of the 2024/25 budget setting process. Progress on the delivery of the 2024/25 savings have been assessed as part of the monthly budget monitoring process. Savings have been RAG rated in terms of deliverability.</p> <p>HRA The increase in costs set out in the MTFP, lower than inflationary increases in income and the need for increased spending on the Capital Programme, has and will continue to have a detrimental impact on HRA balances and reduce the HRA's ability to provide a direct revenue contribution towards capital spending. This will necessitate the requirement for additional borrowing (if within the parameters of the Business Plan) or for spending to be scaled back either on service provision or on the Capital Programme.</p> <p>Given the uncertainty of Government policy direction as well as the wider economic climate, future investment decisions will be very challenging, given these are significant, long-term investments and how critically important it is for the Council to be able to ensure the long-term viability of the HRA</p> <p>As part of the budget process for 2024/25, the Business Plan was refreshed based on revised assumptions to take account of the increased</p>
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	<p>plan period in terms of income of £61m. This is in addition to the impact of the four-year rent reductions imposed by Government between 2016 and 2020, which further reduced the amount of income available to the 30-year Business Plan.</p> <p>The HRA has been significantly impacted by the rapid increase in inflation. This has resulted in additional costs relating to pay awards, utilities and contracts, due to material, fuel, and labour cost increases, both in the current financial year, as well as across the MTFP.</p>	<p>cost pressures, the cost-of-living challenges facing tenants, the enhanced focus on compliance and regulation, and the time for planned transformation activities to deliver the required efficiencies. Whilst the working balance is above the minimum requirement the Business Plan is showing signs of distress over the medium-term.</p>
2	<p>Asset Management</p> <p>The Council needs to continue to improve the way in which it manages its assets. The Mentor system that is used to collect rents on the Council's commercial property portfolio is long overdue for replacement.</p>	<p>A restructure of Property and Technical Services has been carried out. The Corporate Property Team has been reconfigured and resourced to focus on delivery of estate management and maintenance and decarbonisation of the property portfolio. The Mentor system will be replaced in 2025.</p>
3	<p>Workforce Capacity and Capability</p> <p>The Council needs to continue to manage workforce capacity and capability to be able to deliver the Council Plan and meet the budget challenges identified.</p> <p>2023/24 has continued to see recruitment difficulties in many parts of the organisation. This includes recruitment of suitably experienced and qualified officers into Human Resources. Finance, Legal and Property and Technical services.</p> <p>Sickness levels have increased within the organisation during 2023/24. Whilst this increase is in line with national trends around sickness which are being experienced across the public and private sectors post covid, sickness is now higher than pre covid trends.</p>	<p>A new Head of Human Resources and Payroll is now in post.</p> <p>The Council's new People Plan is in development alongside a comprehensive action plan.</p> <p>Consultation with employee groups is being undertaken to support the development of the People Plan.</p> <p>External training and support for continuous professional development continues to be provided, including support for employees to achieve specialist qualifications such as IRRV relating to revenues collection and CIPD relating to human resources.</p> <p>Apprenticeships continue to be utilised across most Directorates.</p> <p>A programme of placements, internships and work experience opportunities for students is being explored, working alongside Derby University and Chesterfield College.</p>

		Sickness levels have reduced from the 2023-24 position, with 4.92% of time lost to sickness during the year. Further wellbeing training and development initiatives will be implemented during 2025.
4	<p>Procurement</p> <p>Work is still underway to further improve procurement processes.</p> <p>The Procurement Act 2023 received Royal Assent in October 2023, with an anticipated 'go-live' date of October 2024. The new legislation significantly impacts public procurement meaning all contracting authorities will need to make substantial changes to the way goods, services and works are procured and contracts are managed to ensure compliance with the new Act.</p> <p>The Procurement Service cannot currently prevent non-compliant spending due to Unit 4 (the accounting system) requiring development. Although an improved situation, some Services are still not involving the Procurement Unit with major spends, Further training of budget officers will be required in respect of the new Procurement Act.</p>	<ul style="list-style-type: none"> • The Procurement Improvement Plan has been developed and is being worked upon. • The Head of Procurement regularly attends Corporate Leadership Team to provide updates on procurement and the new Procurement Act. • All Procurement Officers have undertaken Transforming Public Procurement training to Advanced Practitioner Level and training has been provided to all tier 4 officers in respect of the changes and how this will impact procurement activity. Service areas have been kept informed about the implementation of the new legislation via procurement meetings and internal communications. • External suppliers have been kept informed of the changes to procurement legislation by direct communication and via the Council's website. • An upgrade to Unit 4 (the main accounting system) is in planning, small system improvements have been undertaken but the remainder will be dependent the system upgrade. • The E Procurement system has been updated to support the new workflows and publishing requirements under the Procurement Act. • A reporting dashboard has been created through Power BI to identify contract and non-contract spend. • Off contract spend identified informs potential future procurement activity with a view to demonstrate compliance and improve value for money. • Procurement have undertaken an audit of the contracts register and worked closely with service areas to capture accurate contract information, documentation and ensure that the procurement pipeline is up to date.
5	Health and Safety	

	<p>Good progress has been made however:</p> <ul style="list-style-type: none"> - There are still policies that require reviewing and updating. - The restructure is not yet in place. 	<p>Policy review work has continued during the year.</p> <p>The restructure of the service was implemented during the 1st quarter of the financial year providing greater resource to enable the service to become proactive, providing a business partnering approach to service directorates and implementing regular monitoring and improvement activity. The recent internal audit of health and safety has resulted in reasonable assurance that effective controls are in place.</p>
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Where our Governance needs to improve

Whilst there are many areas of the Governance Framework that are operating satisfactorily, the work of internal audit and discussions with the Corporate Leadership Team have identified that there are some areas where action can be taken to improve the governance arrangements in place. Whilst progress has been made on the 2023/24 significant governance issues identified work is still ongoing to drive forward further improvement and so some of these areas have been raised again.

The areas identified below either present significant future challenges and/or require further targeted improvements.

No.	Issue Identified 2024/25	Actions to be taken 2025/26 to address the issue
1.	<p>Financial Sustainability</p> <p>Like all local authorities, Chesterfield Borough Council continues to face significant financial challenges. The sustained period of austerity since 2010, the ongoing risks and uncertainties over future funding arrangements, the budgetary impacts of the Covid-19 pandemic, the cost-of-living crisis and a sustained period of exceptionally high inflation, have all impacted on the Council's financial position.</p>	<p>The Council has well-established and robust budget processes. These have been followed when compiling the 2025/26 budget and medium-term projections. A prudent approach has been taken to the estimates and assumptions used in the preparation of the budgets. In constructing the budget estimates, priority is given to funding existing and emerging service pressures. These have been subject to rigorous review, scrutiny and challenge by budget holders, Corporate Leadership Team, and Portfolio Holders.</p> <p>The aims of the Budget Strategy are to find deliverable cost reductions and additional income to set a balanced budget for 2025/26, and one that continues to support delivery of the Council Plan.</p>

		<p>The strategic principles embedded within the MTFP, aim to establish a framework for aligning the revenue and capital spending proposals with the Council's key priorities.</p> <p>Savings proposals have been subject to robust challenge and the MTFP assumes that they will be delivered in full. In this regard, savings delivery plans are robustly managed. These delivery plans are to give the Council and the S151 Officer the necessary assurance that the savings included within the budget estimates are robust, credible and deliverable. The Corporate Leadership Team will assume accountability for achieving the commitments set out in the delivery plans.</p> <p>Whilst there is no legal requirement to set a balanced MTFP, this is considered good practice. However, the Government is still consulting on fair funding reforms, which are expected to consider how Government funding is best redistributed to areas of need</p> <p>The 2026/27 budget process will, require an early focus to allow maximum time for the development and delivery of further budget savings.</p> <p>The council's Corporate Leadership Team has already been working with Portfolio Holders on several 'big ticket' initiatives including exploring opportunities to move to new delivery models and create new income streams, consider advances in digital transformation (including artificial intelligence) and energy generation, and maximise the benefits of further investment in our sports centres and cultural venues.</p> <p>Effective budget monitoring and forecasting is critical to understanding emerging budget pressures and ensuring that appropriate plans are implemented to manage and mitigate in-year financial risks. In-year financial management processes have been enhanced and strengthened across the Council. Budget holders are responsible for ensuring that services are delivered within budget and for taking early management actions to resolve emerging financial issues. They are also responsible for ensuring external income is</p>
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		maximised for their service and seeking out new opportunities to generate income.
2.	<p>Housing Revenue Account</p> <p>The Council is required to keep a separate account for its activities as a housing landlord. This is called the Housing Revenue Account (HRA). The account is ring-fenced and does not receive any subsidy from the Government or from Council Tax, and nor is it allowed to subsidise the General Fund.</p> <p>As a result of the introduction of self-financing in April 2012 the Council is required to produce a 30-year HRA Business Plan that is financially viable, delivers a reasonable standard of housing for tenants and maintains homes to at least the minimum Decent Homes Standard.</p> <p>Government rent policy has resulted in significant reductions in the resources available to the Council's Housing Service in recent years. The mandated rent cap of 7% in 2023/24 (which was 4.1% less rent policy), had the cumulative impact of removing £1.5m of annual income (after voids) in perpetuity, with an estimated loss over the business plan period in terms of income of £61m. This is in addition to the impact of the four-year rent reductions imposed by Government between 2016 and 2020 and ending of rent convergence, which further reduced the amount of income available to the 30-year Business Plan.</p> <p>The HRA has been significantly impacted by the rapid increase in inflation. This has resulted in additional costs relating to pay awards, utilities and contracts, due to material, fuel, and labour cost increases, both in the current financial year, as well as across the MTFP.</p> <p>The internal audit review of housing voids resulted in a Limited assurance opinion.</p>	<p>Given the size and scale of the challenges the CFO advises that a fundamental review of the HRA MTFP and 30-year Business Plan be undertaken during the first quarter of 2025/26, to review the assumptions informing their construct, the finances needed to maintain the Council's housing stock at least to the minimum Decent Homes Standard and achieve compliance with new regulatory standards, and identify the savings and efficiencies that will need to be made over the medium term to achieve a balanced, risk-adjusted and financially resilient Housing Revenue Account.</p> <p>The position across the timeframe of the MTFP remains challenging and the Council will have to make difficult decisions to ensure the long-term viability and robustness of the HRA, including reviewing the efficiency of services but also how investment is prioritised.</p> <p>Actions will include:</p> <ul style="list-style-type: none"> • Continue work to reduce the number of void properties • Continue work to reduce the volume of disrepair claims • Complete the review of trades employees' terms and conditions • Complete the review of the Housing Property Services management and office structure • Implement dynamic resource scheduling technology to improve the responsiveness and cost efficiency of the responsive repairs service • Undertake a line-by-line review of all housing revenue expenditure and identify / implement efficiency savings • Review the nature and extent of the housing capital programme, and carry out a value for money assessment of the procurement approach

		<ul style="list-style-type: none"> • Present a further report to Cabinet later in the year that describes the financial impact of the review of trades employees' terms and conditions, and an update on the actions listed above.
3.	Asset Management The Council needs to continue to improve the way in which it manages its assets. The Mentor system that is used to collect rents on the Council's property portfolio is long overdue for replacement.	<p>The largest 8 properties in the CBC portfolio will have surveys carried out by MACE in spring 2025. This will enable the Council to develop asset management plans for these strategic assets. The remaining portfolio will have surveys carried out over a 12-18 month period.</p> <p>The Mentor system will be replaced in 2025.</p>
4.	Workforce Capacity and Capability The Council needs to continue to manage workforce capacity and capability to be able to deliver the Council Plan and meet the budget challenges identified. Staff will need to be supported in the face of Local Government Reorganisation (LGR) and understanding what that means for them. . 2024/25 has continued to see recruitment difficulties in many parts of the organisation. This includes recruitment of suitably experienced and qualified officers into Human Resources, Finance, Internal Audit, Legal and Property and Technical services. Many of the Council's HR policies are out of date and are in the process of being reviewed and updated.	<p>The Council's new People Plan 2025 – 2027 will set out our workforce strategy and supporting action plan. It will focus on five key priorities including attracting, retaining and developing our people, building a healthy and engaged workforce, getting ready for local government reorganisation, building a high performing workforce that delivers great services and becoming a data driven council. A range of initiatives will be implemented to support these priority areas.</p> <p>The Council continues to work with the Local Government Association who are funding a national recruitment campaign focused on working in local government and more locally is working with schools, colleges and universities to attract interest from younger people to work in local government.</p> <p>A wide variety of recruitment routes are being utilised to attract experience into the organisation.</p> <p>The Human Resources manager is working closely with Trade Union colleagues to refresh HR policies during 2025-2026.</p>
5.	Procurement The Procurement Act 2023 went live in February 2025. The new legislation significantly impacts public procurement meaning all contracting authorities should have made substantial changes to the way goods, services and works	<p>The e-procurement system (ProContract) will be upgraded to Source to Contract to improve procurement and contract management as well as leverage opportunities to streamline Purchase to Pay further.</p>

	<p>are procured and contracts managed to ensure compliance with the new Act.</p> <p>Work is still required to ensure that all Council spend is compliant with the Procurement Act and that new processes and documentation are fully embedded throughout the Council.</p>	<p>Training will be delivered to Service areas on the use of Source to Contract, to ensure contract performance can be monitored to meet the needs of the Procurement Act 2023</p> <p>Work will continue on implementing the procurement improvement plan.</p> <p>Total Mobile (new housing system) is being developed to interface with Unit 4 (the main accounting system) aiming to provide more comprehensive management information and streamlining process by reducing duplication.</p> <p>More in depth Procurement training will take place for relevant Officers and Procurement will continue to work with HR to develop bite size training modules on a range of procurement related topics.</p> <p>The team structures for Procurement and Accounts Payable Services will be reviewed to ensure there is adequate resource and the right skills and capacity in place to manage compliance and drive further improvements.</p> <p>The draft Procurement Strategy will be finalised and approved by Members and a Social Values Policy will be developed.</p>
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Concluding Remarks

Cabinet and the Standards and Audit Committee have considered and reviewed the effectiveness of the governance framework and have advised that the arrangements continue to be regarded as fit for purpose and in accordance with the governance framework.

During 2024/25 significant progress has been made in tackling the areas of governance that were identified as requiring additional focus in 2023/24. These areas have been reviewed and updated, with a number continuing from previous years where significant future challenges are still evident and/or they require further targeted improvements.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Dr H Bowen
Chief Executive

Councillor P Gilby
Leader of Chesterfield Borough Council

Date:

On behalf of Chesterfield Borough

MOVEMENT IN RESERVES STATEMENT

This Statement shows the movement from the start of the year to the end on the different reserves held by the authority, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'.

The Movement in Reserves Statement shows how the movements in year of the authority's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax or rents for the year.

The 'Net Increase/Decrease' line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments.

MOVEMENT IN RESERVES STATEMENT

	General Fund Balance £000	Housing Revenue Account £000	Capital Receipts Reserve £000	Capital Receipts In Advance £000	Major Repairs Reserve £000	Capital Grants Unapplied £000	Total Usable Reserves £000	Unusable Reserves £000
Balance at 31st March 2023 carried forward (notes 11, 39 & 40)	20,964	6,657	6,943	-	-	9,971	44,535	400,123
Total Comprehensive Income & Expenditure	2,097	(1,296)	-	-	-	-	801	34,685
Adjustments between accounting basis & funding basis under regulations (note 10)	(2,472)	896	890	-	-	949	263	(263)
Net Increase/ (Decrease) in 2023/24	(375)	(400)	890	-	-	949	1,064	34,422
Balance at 31st March 2024 carried forward (notes 11, 39 & 40)	20,589	6,257	7,833	-	-	10,920	45,599	434,545
Total Comprehensive Income & Expenditure	9,905	11,180	-	-	-	-	21,085	72,540
Adjustments between accounting basis & funding basis under regulations (note 10)	(4,598)	(10,822)	776	(101)	955	3,702	(10,088)	10,088
Net Increase/ (Decrease) in 2024/25	5,307	358	776	(101)	955	3,702	10,997	82,628
Balance at 31st March 2025 carried forward (notes 11, 39 & 40)	25,896	6,615	8,609	(101)	955	14,622	56,596	517,173

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

This Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both the Expenditure and Funding Analysis and the Movement in Reserves Statement.

The Comprehensive Income & Expenditure Statement brings together all the activities of the authority, summarises all the resources that the authority has consumed in providing those services and consolidates all the gains and losses experienced during the financial year.

The Statement has two sections.

The first section provides information on the costs of local authority services, net of specific grants and income from fees and charges to give the 'Surplus or Deficit on the Provision of Services'. This represents the increase or decrease in the net worth of the authority as a result of incurring expenses and generating income.

The second section, 'Other Comprehensive Income & Expenditure' shows any changes in net worth for any other reason: eg as a result of movements in the value of non-current assets or actuarial gains or losses on pension liabilities.

COMPREHENSIVE INCOME & EXPENDITURE STATEMENT

2023/24			Portfolio	2024/25		
Expenditure	Income	Net Expenditure		Expenditure	Income	Net Expenditure
£000	£000	£000		£000	£000	£000
340	(121)	219	Leader of the Council	666	(343)	323
2,168	(366)	1,802	Deputy Leader of the Council	1,167	(1,377)	(210)
6,227	(4,910)	1,317	Cabinet Member for Economic Growth	822	(6,373)	(5,551)
7,003	(6,607)	396	Cabinet Member for Town Centre and Visitor Economy	3,720	(5,665)	(1,945)
19,845	(12,070)	7,775	Cabinet Member for Health and Well Being	18,549	(12,007)	6,542
3,431	(2,700)	731	Cabinet Member for Housing	3,303	(4,048)	(745)
4,604	(1,776)	2,828	Cabinet Member for Governance	7,783	(5,114)	2,669
33,212	(28,807)	4,405	Cabinet Member for Business Transformation & Customers	37,494	(23,763)	13,731
76,830	(57,357)	19,473	COST OF GENERAL FUND SERVICES	73,504	(58,690)	14,814
32,397	(40,328)	(7,931)	Local Authority Housing (HRA)	33,292	(44,472)	(11,180)
109,227	(97,685)	11,542	COST OF SERVICES	106,796	(103,162)	3,634
5,811		5,811	Other operating expenditure (Note 12)	2,809		2,809
6,415	(6,230)	185	Financing & investment income & expenditure (Note 13)		(3,309)	(3,309)
	(18,340)	(18,340)	Taxation & non-specific grant income (Note 14)		(24,219)	(24,219)
		(802)	(Surplus)/Deficit on Provision of Services			(21,085)
		(14,784)	(Surplus)/deficit on revaluation of Property, Plant & Equipment			(35,982)
		-	(Surplus)/deficit on revaluation of available for sale financial assets			
		(19,901)	Actuarial (gains)/losses on pension liabilities			(36,558)
		(34,685)	Other Comprehensive Income & Expenditure			(72,540)
		(35,487)	Total Comprehensive Income & Expenditure			(93,625)

BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the authority. The net assets of the authority (assets less liabilities) are matched by reserves held by the authority. Reserves are reported in two categories.

The first category of reserves are usable reserves, i.e. those reserves that the authority may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (e.g. the capital receipts reserve that may only be used to fund capital expenditure or repay debt).

The second category of reserves is those that the authority is not able to use to provide services. This category of reserves includes reserves that hold unrealised gains and losses (e.g. the revaluation reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

BALANCE SHEET AS AT 31ST MARCH 2025

2023/24 £000	Balance Sheet	2024/25 £000	Notes
429,423	Council Dwellings	458,373	
90,915	Other Land & Buildings	90,926	
4,129	Vehicles, Plant, Furniture & Equipment	4,657	20
10,015	Infrastructure Assets	9,978	20
4,127	Community Assets	4,446	20
10,087	Assets Under Construction	23,830	
272	Surplus Assets Not Held for Sale	266	
548,968	Property, Plant & Equipment	592,476	
2,899	Heritage Assets	2,899	22
37,860	Investment Properties	36,922	25
-	Intangible Assets	-	
31,459	Net Pension Scheme Assets	70,589	16
3,833	Long Term Debtors	3,783	
625,019	Long Term Assets	706,669	
-	Assets Held for Sale - Investment Properties	-	
-	Short Term Investments	-	
281	Inventories	288	
19,849	Short Term Debtors	16,158	30
13,462	Cash & Cash Equivalents	17,531	31
33,592	Current Assets	33,977	
-	Short Term Liabilities	(188)	
(12,610)	Short Term Borrowing	(10,610)	35
(34,663)	Short Term Creditors	(28,374)	33
(2,016)	Short Term Provisions	(826)	34
(1,429)	Cash Overdrawn		
(50,718)	Current Liabilities	(39,998)	
(123,753)	Long Term Borrowing	(121,140)	35
(3,297)	Long Term Provisions	(2,892)	34
(273)	Other Long Term Liabilities	(1,185)	35
(425)	Capital Grants Receipts in Advance	(1,662)	18
(127,748)	Long Term Liabilities	(126,879)	
480,145	Net Assets	573,769	
45,598	Usable Reserves	56,596	11 & 39
434,547	Unusable Reserves	517,173	40 - 45
480,145	Total Reserves	573,769	

CASH FLOW STATEMENT

The Cash Flow statement shows the changes in cash and cash equivalents of the authority during the reporting period.

The statement shows how the authority generates and uses cash and cash equivalents by classifying cash flows as operating, investing and financing activities.

The amount of net cash flows arising from operating activities is a key indicator of the extent to which the operations of the authority are funded by way of taxation and grant income or from the recipients of services provided by the authority.

Investing activities represent the extent to which cash outflows have been made for resources which are intended to contribute to the authority's future service delivery.

Cash flows arising from financing activities are useful in predicting claims on future cash flows by providers of capital (i.e. borrowing) to the authority.

CASH FLOW STATEMENT

2023/24 £000	Cash Flow Statement	2024/25 £000
(802)	Net (surplus)/deficit on provision of services	(21,085)
(30,381)	Adjustments to net (surplus)/deficit on provision of services for non-cash movements (Note 47)	(19,380)
11,171	Adjustments for items included in net (surplus)/deficit on provision of services that are investing and financing activities (Note 48)	812
(20,012)	Net cash flows from Operating Activities (Note 49)	(39,653)
17,911	Investing Activities (Note 50)	29,844
2,943	Financing Activities (Note 51)	4,311
842	Net increase/decrease in cash and cash equivalents	(5,498)
(12,875)	Cash and cash equivalents at beginning of reporting period	(12,033)
(12,033)	Cash and cash equivalents at end of reporting period (Note 31)	(17,531)

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1.1 GENERAL PRINCIPLES

The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year end 31st March 2025.

The Accounts and Audit Regulations 2015 require the authority to produce an annual Statement of Accounts to be prepared in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 (the Code), supported by International Financial Reporting Standards (IFRS).

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

1.2 ACCRUALS OF EXPENDITURE & INCOME

Income and expenditure in general are accounted for in the year in which they become due whether or not the cash has been actually received or paid in the year.

Exceptions to this principle relate to electricity and similar quarterly payments which are charged at the date of the meter reading rather than being apportioned between years and wages payments for which only full week's pay is recorded. This policy is applied consistently each year and does not have a material effect on the year's accounts.

Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor is included in the Balance Sheet.

1.3 CASH & CASH EQUIVALENTS

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are any other instrument repayable within a 24 hour period.

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

1.4 INTERNAL INTEREST

Internal interest is credited to the various funds on the basis of their respective cash flow positions. The rate of interest used is the average Sterling Overnight Index.

1.5 OVERHEADS

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

1.6 **EMPLOYEE BENEFITS**

Benefits Payable During Employment

Short term employee benefits are those due to be settled within 12 months of the year-end and include salaries, paid annual and sick leave and bonuses, 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, earned by an employee but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the salary level 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' so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs, but then reversed out through the Movement in Reserves Statement.

Termination Benefits

These 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 accepts voluntary redundancy and are charged on an accruals basis to the appropriate service in the Comprehensive Income & Expenditure Statement at the earlier of when the Authority can no longer withdraw the offer of those benefits or when it recognises costs for a restructuring.

Post Employment Benefits

Employees of the council may be members of the Local Government Pension Scheme administered by Derbyshire County Council. The scheme provides defined benefits to members (retirement lump sums and pensions) earned as employees worked for the council.

The Local Government Pension Scheme

The liabilities of the pension scheme attributable to the council are included in the balance sheet on an actuarial basis using the projected unit method – ie an assessment of 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, projected earnings etc.

The assets of the pension scheme attributable to the council are included in the balance sheet at their fair value:

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

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

- Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income & Expenditure Statement to the revenue accounts of 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 & Expenditure Statement
- Net interest on the net defined benefit liability (i.e. net interest expense for the Authority) – the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line in the Comprehensive Income & 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 at the beginning of the period - taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments
- Remeasurements comprising:
 - The return on plan assets – excluding amounts included in net interest on the net defined benefit liability – charged to the Pensions Reserve as Other Comprehensive Income & 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 & Expenditure
- Contributions paid to Derbyshire County Council pension fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense

In relation to retirement benefits, statutory provisions require the General Fund Balance to be charged with the amount payable by the Council to the pension fund in the year. In the Movement in Reserves Statement, this means that there are appropriations 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 any amounts payable to the fund but unpaid at the year end.

1.7 REVENUE RECOGNITION

Revenue is defined as income arising as a result of the Council's normal operating activities and where income arises from contracts with service recipients. It is recognised when or as the Council has satisfied a performance obligation by transferring a promised good or service to the service recipient.

Revenue is measured as the amount of the transaction price which is allocated to that performance obligation.

1.8 VALUE ADDED TAX

Value added tax (VAT) is only included in the Council's accounts to the extent that it is not recoverable from HM Revenue & Customs.

1.9 EVENTS AFTER THE BALANCE SHEET DATE

These are events that occur between the end of the reporting period 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 these events
- Those indicative of conditions arising after the reporting period – the Statement of Accounts is not adjusted, but where the event would have a material effect, disclosure is made in the notes on the nature of the event with an estimate of the financial effect

Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.

1.10 INVENTORIES

The majority of inventories are included in the Balance Sheet at cost, although the last invoice price has been used in some instances as a proxy for cost.

1.11 RESERVES

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

Certain reserves are kept to manage the accounting processes for non-current assets, financial instruments, retirement and employee benefits and do not represent usable resources for the Council. These reserves are explained in the relevant accounting policy.

1.12 PROVISIONS

Provisions are made 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, and a reliable estimate of the obligation can be made.

Provisions are charged as an expense to the appropriate service in the Comprehensive Income and Expenditure Statement in the year that the Authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation.

When payments are eventually made, they are charged to the provision in the Balance Sheet. The provision is reviewed at the end of each financial year and any reduction in provision is reversed and credited back to the relevant service.

1.13 INVESTMENT PROPERTY

Investment properties are those held solely to earn rentals or for capital appreciation. They 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. Investment properties will be measured at highest and best use.

These properties are not depreciated but are revalued annually according to market conditions at the year end and any gains or losses on revaluation, or disposal, are included in the Financing & Investment Income line in the Comprehensive Income and Expenditure Statement. These are subsequently reversed out of the General Fund Balance in the Movement of Reserves Statement and transferred to the Capital Adjustment Account.

Rentals from investment properties are credited to the Financing & Investment Income line and result in a gain for the General Fund.

1.14 PROPERTY, PLANT & EQUIPMENT

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accruals basis. Expenditure is capitalised, provided that the asset yields benefits to the authority and the services it provides. This excludes expenditure on routine repairs and maintenance which is charged direct to service revenue accounts. Capital expenditure below £25,000 on land and property assets and below £10,000 on vehicles, plant and equipment is classed as de-minimis.

Assets are initially measured at cost. The cost of assets other than by purchase is deemed to be its fair value. This is the amount that would be received on disposing of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Donated assets are measured initially at fair value. The difference between fair value and consideration paid is credited to the Taxation and Non-specific Grant Income line of the Comprehensive Income & 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 & 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 are included in the balance sheet at depreciated historic cost.
- dwellings are included in the balance sheet at current value, on the basis of existing use for social housing
- all other assets are valued at current value, on the basis of existing use

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

Non property assets with short useful lives or low values are valued on a depreciated historical cost basis 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 balance sheet date, but as a minimum every five years.

Increases arising from the re-valuation are credited to the revaluation reserve to recognise unrealised gains. Exceptionally, gains may be credited to the Comprehensive Income & Expenditure Statement where they arise from the reversal of a loss previously charged to a service revenue account.

Where decreases in value are identified, they are accounted for as follows:

- 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 the 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 in the Comprehensive Income and Expenditure Statement

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

Intangible Assets

Expenditure on assets that do not have physical substance but are controlled by the Council (eg software licences) is capitalised when it is expected that future economic benefits or service potential will flow from the intangible asset to the authority.

Intangible assets are initially measured at cost. Amounts are only revalued where the fair value can be determined by reference to an active market. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service in the Comprehensive Income and Expenditure Statement.

Non-current Assets Held for Sale

When it becomes probable that the carrying amount of an asset will be recovered through a sale transaction rather than through its continuing use, it is reclassified as an Asset Held for Sale. Immediately before the initial classification of an asset as held for sale, the carrying amount of the asset is measured in accordance with the relevant section of the Code.

If there is a decrease in value, 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 for 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.

Council house 'Right to Buy' applications are not classed as Assets Held for Sale, as the probability of these sales are uncertain until completion takes place and are outside the authority's control.

Disposals

When an asset is disposed of or decommissioned, the value of the asset in the balance sheet is written off to the Other Operating Expenditure line in the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal. Receipts in excess of £10,000 are categorised as capital receipts. Receipts from disposals are credited to the same line on the Comprehensive Income & Expenditure Statement as part of the gain or loss on disposal (ie netted off against the carrying value of the asset at the time of disposal). Any revaluation gains in the revaluation reserve are transferred to the capital adjustment account.

A proportion of receipts from housing disposals have to be repaid to Government. The balance of receipts is credited to the Capital Receipts Reserve and can only be used to fund new capital investment or set aside to reduce the council's underlying need to borrow. 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 fixed assets is fully provided for in separate arrangements for capital financing. Amounts are appropriated to the capital adjustment account from the General Fund Balance in the Movement in Reserves Statement.

1.15 DEPRECIATION & IMPAIRMENT

Depreciation is provided 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 with no determinable finite useful life (i.e. freehold land and heritage assets) and assets that are not yet available for use (i.e. assets under construction).

Depreciation charges are calculated as follows:

- dwellings and other buildings - using the straight line method over the useful life of the asset (which can be determined at the time of acquisition or revaluation).
- Vehicles - depreciated by 25% on a reducing balance basis.
- Plant and equipment - depreciated on a straight line basis.

Where an asset has major components with different estimated useful lives, these are depreciated separately.

An individual asset or asset group is considered for splitting into components if:

- the current value of the asset is material (i.e. over £1m)
- the value of an individual component is more than 15% of total asset value
- the component life is significantly different to the life of the main asset

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.

Impairment – The value of assets are reviewed at the end of each year for evidence of reductions in value. Where impairment is identified and possible losses 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 and accounted for as follows:

- where there is a balance of revaluation gains for the asset in the revaluation reserve, the carrying amount is written down against that balance (up to the amount of 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 in the Comprehensive Income and Expenditure Statement

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

1.16 HERITAGE ASSETS

The Authority has seven classes of heritage assets. They are recognised and measured in accordance with the Authority's accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets. All heritage assets identified have indefinite lives and will therefore not be subject to depreciation.

The carrying amount of heritage assets are reviewed when there is evidence of impairment. Any impairment is recognised and measured in accordance with the Authority's general policy on impairment. Any proceeds from disposals are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts.

The de-minimis level for individual heritage assets is £50,000 (excluding assets that have already been recognised). For practical reasons, Mayoral Regalia, Civic Plate, Paintings and Porcelain and the Museum Collection will be treated as one group and a lower de-minimis level of £10,000 will therefore be applied to additions/disposals which impact on this group.

1.17 CHARGES TO REVENUE FOR NON-CURRENT ASSETS

Service revenue accounts, support services and trading accounts are charged with the following amounts to record the real cost of holding non-current assets used in the provision of services during the year.

- 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 they can be written off

- amortisation of intangible fixed assets attributable to the service.

The authority is not required to raise council tax to cover depreciation, revaluation and impairment losses or amortisations. 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 in accordance with statutory guidance). This is referred to as the Minimum Revenue Provision (MRP).

Depreciation, revaluation and impairment losses and amortisations are therefore replaced by the MRP, by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

1.18 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure incurred during the year that may be capitalised under statutory provisions but does not result in the creation of a non-current asset, has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year.

Where the cost of this expenditure is met from existing capital resources or borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account reverses out the amounts charged so there is no impact on the level of council tax.

1.19 GOVERNMENT GRANTS AND CONTRIBUTIONS

Government grants and other 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 have been satisfied. Money received by the authority for which conditions have not been satisfied is carried in the Balance Sheet as creditors. Once conditions are satisfied, the grant is credited to the relevant service (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (non ring-fenced 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. When applied, it is posted to the Capital Adjustment Account.

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). This levy will be charged on residential and retail developments with appropriate planning

consent. The income generated by this levy will be used to fund infrastructure projects to support the development of the area.

CIL is received without outstanding conditions and so is recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions outlined above. CIL charges will generally be used to fund capital expenditure. However, 15% of the levy will be retained for neighbourhood development.

1.20 LEASES

The Council as a Lessor

a) 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 or Equipment, or Asset 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 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 is 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.

b) Operating Leases

Where the Council 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 of the lease term on the basis as rental income.

1.21 **FINANCIAL INSTRUMENTS**

Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Council becomes a party to the contractual provisions of a financial instrument. They are initially measured at fair value and carried at their amortised cost. Annual charges to the Financing and Investment Income & Expenditure line in the Comprehensive Income & Expenditure Statement for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. This means that the amount in the Balance Sheet is the outstanding principal repayable and interest charged to the Comprehensive Income & Expenditure Statement is the amount payable for the year in the loan agreement.

Financial Assets

Financial assets are classified based on a classification and measurement approach that reflects the business model for holding the financial assets and their cashflow characteristics. There are three main classes of financial assets measured at:

- Amortised cost
- Fair value through profit or loss (FVPL), and
- Fair Value through other comprehensive income (FVOCI)

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

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 & Expenditure Statement for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. This means 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.

The authority may also make loans to the voluntary sector at less than market rates (soft loans). When soft loans are made, a loss is recorded in the CIES for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Any gains and losses arising on derecognition of an asset are credited/debited to the Financing and Investment Income line in the Comprehensive Income & Expenditure Statement.

Expected Credit Loss Model – the authority recognises expected credit losses on all of its financial assets held at amortised cost, either on a 12-month or lifetime basis. 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 basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss 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.

The fair value measurements of the financial assets are based on the following techniques:

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

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

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

Any gains and losses arising on derecognition of an asset are credited or debited to the Financing and Investment Income line in the Comprehensive Income & Expenditure Statement.

1.22 INTEREST IN COMPANIES AND OTHER ENTITIES

If the Council has material interests in companies and other entities that have the nature of subsidiaries, associates and joint ventures, it is required to prepare group accounts.

There were no group accounts identified for 2024/25.

1.23 JOINTLY CONTROLLED OPERATIONS

Jointly controlled operations are activities undertaken by the Authority in conjunction with other organisations which involve the use of assets and resources of one or more of the parties but which does not establish a separate entity.

The Council has a joint operation with Bolsover District Council and North East Derbyshire District Council who together operate the Chesterfield & District Joint Crematorium. The Council recognises on its balance sheet, its share of the assets that it controls and liabilities incurred and its share of the expenditure and income earned from the operation on its Comprehensive Income & Expenditure Statement. Note 53 provides further details.

1.24 CONTINGENT ASSETS/LIABILITIES

Contingent assets/liabilities are not recognised in the accounting statements but, where they exist, they are disclosed by way of a note to the accounts.

1.25 PRIOR PERIOD ADJUSTMENTS

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 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 and relevant information on the Authority's financial position. Any change is applied retrospectively 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 adjusting opening balances and comparative amounts for the prior period.

1.26 FAIR VALUE MEASUREMENT

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments at fair value at each reporting date. Fair value is defined as 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. It assumes that the transaction takes place either:

- In the principal market for the asset or liability, or
- In the absence of the principal market, in the most advantageous market for the asset or liability

The Council measures the fair value of an asset or liability on the same basis that market participants would use when pricing the asset or liability, assuming that market participants would act in their economic best interest. When measuring the fair value

of a non-financial asset, the Council takes into account a market participant's ability to generate economic benefits by using or selling the asset in its highest and best use.

The Council 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 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 in Level 1 that are observable for the asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for the asset or liability

1.27 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 proportionally the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

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

The balance sheet includes the authority's share of the end of year balances in respect of council tax and NDR relating to arrears, impairment allowances, prepayments and appeals.

Where debtor balances are identified as impaired because there is a likelihood arising from a past event that payments due will not be made, the asset is written down and a charge made to the Collection Fund. The impairment loss is measured as the difference between the carrying amount and the revised future cashflows.

2. ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT HAVE NOT YET BEEN ADOPTED

The Code requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code.

The Code also requires that changes in accounting policy are to be applied retrospectively unless transitional arrangements are specified, this would result in an impact on disclosures spanning two financial years.

Accounting changes that are introduced by the 2025/26 Code are as follows.

- a) The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) (Amendments to IAS 21) issued in August 2023. The amendments seek to clarify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking, as well as require the disclosure of information that enables users of financial statements to understand the impact of a currency not being exchangeable.
- b) Insurance Contracts (IFRS 17) issued in May 2017. IFRS 17 replaces IFRS 4 and sets out principles for recognition, measurement, presentation and disclosure of insurance contracts.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code includes adaptations and interpretations of IAS 16 Property, Plant & Equipment and IAS 38 Intangible Assets. These include setting out three revaluation process 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. Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) issued in September 2022. The amendments to IFRS 16 add subsequent measurement of sale and leaseback transactions.

These changes are not expected to have a material impact on the Council's single entity statements or group statements.

3. CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, the Authority has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are:

- There is a high degree of uncertainty about future levels of funding for local government. However, the Authority has determined that this uncertainty is not yet sufficient to provide an indication that the assets of the Authority might be impaired as a result of a need to close facilities and reduce levels of service provision.
- The authority is the accountable body for the Staveley Towns Deal funding.

The authority has reviewed its arrangements and concludes that it is acting as agent for the Town Deal. Income and expenditure is accounted and administered independently from the Council's accounts with the exception in respect of cash collected or expenditure incurred by the agent on behalf of the principal, in which case there is a debtor or creditor position. This is in accordance with the principles set out in the Local Authority Accounting Code of Practice where the Council is acting as an intermediary and is therefore following the agent principle as set out in section 2.6.2.1 of the Code.

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 Authority 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 Balance Sheet at 31st March 2025, for which there is a significant risk of material adjustment in the forthcoming year are as follows:

Item	Uncertainties	Effect if Actual Results Differ From Assumptions
Pensions liability	Estimation of the net liability to pay pensions depends on a number of complex judgements including mortality rates, expected return on fund assets and future salary rate increases. A firm of actuaries are engaged by the pension fund administrator to advice on the assumptions to be applied.	These assumptions interact in complex ways. During 2024/25, the actuaries advised that the net pensions liability had increased by £40.1m because of actuarial losses arising from changes in financial assumptions.
Arrears	At 31 st March 2025, the Authority had a balance of short term debtors of £16.0m. A review of significant balances based on age profile and likelihood of recovery, suggested that an impairment provision of £3.5m was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a 1% increase in the level of impairment provision would require an additional amount of £158k to be found.
Property, Plant & Equipment	Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that this level of spending on repairs and maintenance can be sustained, bringing into doubt the useful lives assigned to assets.	If the useful life of assets is reduced, depreciation increases and the carrying amount of the asset falls. It is estimated that the annual depreciation charge for buildings, including council houses, would increase by £1m for every

		year that useful lives had to be reduced.
Fair value measurement	<p>When the fair value of financial assets and liabilities cannot be measured based on quoted prices in active markets (Level 1 inputs), valuation techniques such as quoted prices for similar assets in active markets or discounted cash flow are used. Where possible, the inputs to the valuation are based on observable data, but where this is not possible, judgement is required in establishing fair values, including considerations such as uncertainty and risk. Changes in assumptions used could affect the fair value amount.</p> <p>Where Level 1 inputs are not available, the authority uses relevant experts to identify the most appropriate valuation technique to determine fair value. Information about the valuation techniques and inputs used in determining fair value is disclosed in the notes.</p>	<p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, vacancy levels (for investment properties) and discount rates, adjusted for regional factors, for investment properties and some financial assets.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement.</p>

5. **MATERIAL ITEMS OF INCOME AND EXPENSE**

The programme of capital expenditure on Council Housing remained high at £14.5m in 2024/25. This spending is aimed at maintaining dwellings at the decent homes standard. It is anticipated that this level of investment will continue next year.

6. **EVENTS AFTER THE BALANCE SHEET DATE**

The statement of accounts was authorised for issue on xxx by the Service Director - Finance, Theresa Channell FCPFA. This is also the date up to which events after 31st March 2025 have been considered.

7. **EXPENDITURE AND FUNDING ANALYSIS**

The objective of the Expenditure and Funding Analysis is to demonstrate to council tax payers how the funding available to the authority (ie government grants, rents, council tax and business rates) for the year has been used in providing services in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices.

It also shows how this expenditure is allocated for decision making purposes between the Council's portfolios. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income & Expenditure Statement.

Expenditure & Funding Analysis

2023/24 Net Expenditure Chargeable to the General Fund and HRA Balances £000	2023/24 Adjustment between Funding and Accounting Basis £000	2023/24 Net Expenditure in the Comprehensive Income and Expenditure Statement £000	Portfolio	2024/25 Net Expenditure Chargeable to the General Fund and HRA Balances £000	2024/25 Adjustment between Funding and Accounting Basis £000	2024/25 Net Expenditure in the Comprehensive Income and Expenditure Statement £000
237	(18)	219	Leader of the Council	355	(31)	324
1,839	(37)	1,802	Deputy Leader of the Council	(2,008)	1,796	(212)
(195)	1,512	1,317	Cabinet Member for Economic Growth	(5,676)	125	(5,551)
3,334	(2,938)	396	Cabinet Member for Town Centre and Visitor Economy	(2,684)	738	(1,946)
7,313	462	9,345	Cabinet Member for Health and Well Being	5,880	662	6,542
888	(157)	359	Cabinet Member for Housing	(604)	(140)	(744)
2,833	(5)	3,110	Cabinet Member for Governance	2,844	(175)	2,669
3,827	578	4,955	Cabinet Member for Business Transformation and Customers	4,753	307	5,060
(8,827)	896	1,636	Housing Revenue Account (HRA)	392	(11,572)	(11,180)
11,249	293	11,542	Net Cost of Services	3,252	(8,290)	(5,038)
(10,474)	(1,870)	(12,344)	Other Income and Expenditure	(8,917)	(7,311)	(16,228)
775	(1,577)	(802)	(Surplus)/Deficit	(5,665)	(15,601)	(21,266)
(27,621)			Opening General Fund and HRA Balance	(26,846)		
775			Movement	(5,664)		
(26,846)			Closing General Fund and HRA Balance	(32,510)		
(20,964)			Opening General Fund Balance	(20,588)		
376			Movement	(5,306)		
(20,588)			Closing General Fund Balance	(25,894)		
(6,657)			Opening HRA Balance	(6,258)		
399			Movement	(358)		
(6,258)			Closing HRA Balance	(6,616)		

**7A. NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS: ADJUSTMENTS
BETWEEN ACCOUNTING BASIS & FUNDING BASIS**

The note below shows the difference between the accounting basis and funding basis.

Adjustments between Funding and Accounting Basis 2024/25				
Portfolios	Adjustment for Capital Purposes £000	Net change for Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Leader of the Council		(31)		(31)
Deputy Leader of the Council	2,287	(532)	40	1,795
Economic Growth	400	(275)		125
Town Centre & Visitor Economy	889	(151)		738
Health & Wellbeing	1,320	(658)		662
Housing		(140)		(140)
Governance	134	(308)		(174)
Business Transformation and Customers	783	(476)		307
Housing Revenue Account	955		(10,822)	(9,867)
Net Cost of Services	6,768	(2,571)	(10,782)	(6,585)
Other income & expenditure from Expenditure & Funding Analysis	(1,971)		(1,533)	(3,504)
Difference between General Fund deficit and CIES deficit on Provision of Services	4,797	(2,571)	(12,315)	(10,089)

Adjustments between Funding and Accounting Basis 2023/24				
Portfolios	Adjustment for Capital Purposes £000	Net change for Pension Adjustments £000	Other Differences £000	Total Adjustments £000
Leader of the Council		(18)	-	(18)
Deputy Leader of the Council		(38)	1	(37)
Economic Growth	1,172	(137)	477	1,512
Town Centre & Visitor Economy	(2,809)	(130)	1	(2,938)
Health & Wellbeing	848	(392)	6	462
Housing	(146)	(11)	-	(157)
Governance	134	(139)	-	(5)
Business Transformation and Customers	861	(288)	5	578
Housing Revenue Account	893	(19)	22	896
Net Cost of Services	953	(1,172)	512	293
Other income & expenditure from Expenditure & Funding Analysis	(770)		(1,100)	(1,870)
Difference between General Fund deficit and CIES deficit on Provision of Services	183	(1,172)	(588)	(1,577)

Adjustments for Capital Purposes

Adjustments for capital purposes – this column adds in depreciation and impairment and revaluation gains and losses in the service line, and for:

- **Other operating expenditure** – adjusts for capital disposals with a transfer of income on disposal of assets and the amounts written off for those assets.
- **Financing and investment income and expenditure** – the 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.
- **Taxation and non-specific grant income and expenditure** – 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 during the year. It also includes capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pension Adjustments

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

- **For services** – this represents the removal of the employer contributions made by the authority as allowed by statute and the replacement with current service costs and past service costs.
- **For financing and investment income and expenditure** – the net interest on the defined benefit liability is charged to the CIES.

Other Differences

Other differences between amounts debited/credited to the CIES and amounts payable/receivable to be recognised under statute:

- **For financing and investment income and expenditure** – recognises adjustments to the General Fund for the timing differences for premiums and discounts
- **For taxation and non-specific grant income and expenditure** – represents the differences between what is chargeable under statutory regulations for council tax and business rate income 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 included in future surplus/deficit on the Collection Fund.

8. SEGMENTAL INCOME

The amount of income received from external sources is shown below on a segmental basis.

Portfolios	Income from Services	
	2024/25 £000	2023/24 £000
Leader of the Council	(342)	-
Deputy Leader of the Council	(1,377)	(2)
Economic Growth	(6,373)	(5,793)
Town Centre & Visitor Economy	(5,665)	(7,530)
Health & Wellbeing	(12,007)	(9,581)
Housing	(4,048)	(160)
Governance	(5,114)	(456)
Business Transformation and Customers	(32,434)	(25,937)
Housing Revenue Account	(44,472)	(43,098)
Total income analysed on a segmental basis	(111,832)	(92,557)

9. **EXPENDITURE AND INCOME ANALYSED BY NATURE**

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

Expenditure & Income Analysed by Nature	2024/25 £000	2023/24 £000
Expenditure		
Employee expenses	42,425	41,371
Other service expenses	29,448	42,981
Support service recharges	15,952	10,709
Depreciation, amortisation & impairment	19,477	17,465
Transfers to/from reserves	3,081	(1,775)
Interest payments	5,217	4,891
Precepts	589	555
Payments to Housing Capital Receipts Pool	-	-
Gain/loss on disposal of fixed assets	2,220	5,256
Total Expenditure	118,409	121,453
Income		
Fees, charges & other service income	(68,324)	(64,224)
Government grants	(39,864)	(37,530)
Recharges & other income	(15,952)	(10,709)
Interest & investment income	(5,932)	(867)
Income from business rates	(3,034)	(2,727)
Income from council tax	(6,388)	(6,198)
Total Income	(139,494)	(122,255)
(Surplus)/Deficit on Provision of Services	(21,085)	(802)

10. **ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS**

Income and expenditure charged to the General Fund and which must be taken into account in determining a local authority budget requirement and therefore its council tax is determined by statute and non-statutory proper practices rather than being in accordance with IFRS requirements.

Whilst the amounts which must be included in the Comprehensive Income and Expenditure Statement and the amounts required by statute and non-statutory practices to be included in the General Fund are largely the same, there are a number of differences.

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

2024/25	Usable Reserves					Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited/credited to Comprehensive Income & Expenditure Statement						-
Depreciation, impairment & revaluation losses of non-current assets	9,912					9,912
Non-current assets written off on disposal as part of gain/loss on disposal to CIES						-
Movement in market value of Investment Properties	1,290					1,290
Amortisation of intangible assets						-
Capital grants & contributions applied			(5,489)		(421)	(5,910)
Revenue expenditure funded from capital under statute	(74)					(74)
Insertion of items not debited/credited to Comprehensive Income & Expenditure Statement						
Statutory provision for financing of capital investment	(1,376)					(1,376)
Capital expenditure charged against General Fund and HRA balances						-
Voluntary Repayment of Debt						-
Community Infrastructure Levy (CIL)						-
Transfers between Other Reserves	(18)	18				-
Adjustments primarily involving the Capital Receipts Reserve:						
Use of Capital Receipts Reserve to finance new capital expenditure	(10,223)	(11,571)	6,265		4,022	(11,507)
Contribution from Capital Receipts Reserve to finance payments to Government capital receipts pool						-
Transfer of cash sale proceeds credited as part of gain/loss on disposal to CIES						-
Adjustments primarily involving the Major Repairs Reserve:						
HRA depreciation & impairment				13,664		13,664
Excess of Major Repairs Allowance over HRA depreciation						-
Use of Major Repairs Reserve to finance new capital expenditure				(12,709)		(12,709)
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amounts by which finance costs charged to Comprehensive Income & Expenditure Statement are different from finance costs chargeable in year in accordance with statutory requirements						-
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited/credited to Comprehensive Income & Expenditure Statement	4,080					4,080
Employers contributions payable to Derbyshire County Council Pension Fund and retirement benefits payable to pensioners in the year	(6,652)					(6,652)
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and business rate income credited to the Comprehensive Income & Expenditure Statement is different from council tax and business rate income calculated for the year in accordance with statutory requirements	(828)					(828)
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which salaries charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements.	41	(20)				21
		62				
Total Adjustments	(3,848)	(11,573)	776	955	3,601	(10,089)

2023/24	Usable Reserves					Movement in Unusable Reserves
	General Fund Balance	Housing Revenue Account	Capital Receipts Reserve	Major Repairs Reserve	Capital Grants Unapplied	
	£000	£000	£000	£000	£000	
Adjustments primarily involving the Capital Adjustment Account:						
Reversal of items debited/credited to Comprehensive Income & Expenditure Statement						-
Depreciation, impairment & revaluation losses of non-current assets	6,119	9,203				(15,322)
Non-current assets written off on disposal as part of gain/loss on disposal to CIES	836	7,808				(8,644)
Movement in market value of Investment Properties	(1,183)	1				1,182
Amortisation of intangible assets						-
Capital grants & contributions applied	(4,866)				4,866	-
Revenue expenditure funded from capital under statute	(10)				(4,720)	4,730
Insertion of items not debited/credited to Comprehensive Income & Expenditure Statement						
Statutory provision for financing of capital investment	(1,276)					1,276
Capital expenditure charged against General Fund and HRA balances	(642)					642
Voluntary Repayment of Debt						-
Community Infrastructure Levy (CIL)	(1,212)				1,212	-
Transfers between Other Reserves	1,688	18	1,074		(409)	(2,370)
Adjustments primarily involving the Capital Receipts Reserve:						
Use of Capital Receipts Reserve to finance new capital expenditure			(3,579)			3,579
Contribution from Capital Receipts Reserve to finance payments to Government capital receipts pool						-
Transfer of cash sale proceeds credited as part of gain/loss on disposal to CIES	(963)	(2,432)	3,395			-
Adjustments primarily involving the Major Repairs Reserve:						
HRA depreciation & impairment		(13,687)		13,687		-
Excess of Major Repairs Allowance over HRA depreciation						-
Use of Major Repairs Reserve to finance new capital expenditure				(13,687)		13,687
Adjustments primarily involving the Financial Instruments Adjustment Account:						
Amounts by which finance costs charged to Comprehensive Income & Expenditure Statement are different from finance costs chargeable in year in accordance with statutory requirements						-
Adjustments primarily involving the Pensions Reserve:						
Reversal of items relating to retirement benefits debited/credited to Comprehensive Income & Expenditure Statement	5,639	(19)				(5,620)
Employers contributions payable to Derbyshire County Council Pension Fund and retirement benefits payable to pensioners in the year	(6,793)					6,793
Adjustments primarily involving the Collection Fund Adjustment Account:						
Amount by which council tax and business rate income credited to the Comprehensive Income & Expenditure Statement is different from council tax and business rate income calculated for the year in accordance with statutory requirements	175					(175)
Adjustments primarily involving the Accumulated Absences Account:						
Amount by which salaries charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in year in accordance with statutory requirements.	16	4				(20)
		63				
Total Adjustments	(2,472)	896	890	-	949	(262)

11. TRANSFERS TO/FROM EARMARKED RESERVES

This note sets out the amounts set aside from the General Fund and HRA balances in earmarked reserves to provide financing for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund and HRA expenditure.

Earmarked Reserves	Balance 31/03/2023 £000	Transfers In 2023/24 £000	Transfers Out 2023/24 £000	Balance 31/03/2024 £000	Transfers In 2024/25 £000	Transfers Out 2024/25 £000	Balance 31/03/2025 £000
General Fund							
Vehicles & Plant	633	406	(674)	365	374	(74)	665
Information Technology	7	50	(6)	51	51	(10)	92
Crematorium							
Mercury Abatement	681	65	-	746	68	-	814
Capital Improvements	373	50	(44)	379	184	(83)	480
Capital Reserves	1,694	571	(724)	1,541	677	(167)	2,051
General Fund							
Barrow Hill Bridge	40	5	-	45	5	-	50
Budget Risk Reserve	2,145	1,537	(1,110)	2,572	1,811	-	4,383
Business Rates	4,059	785	(2,560)	2,284	959	-	3,243
Digital Innovation	31	-	-	31	-	-	31
DSO/DLO Reserve	560	-	-	560	-	-	560
Elections	2	55	-	57	43	-	100
Enterprise Zone Business Rates	3,128	2,480	(1,425)	4,183	2,647	(1,287)	5,543
Flood Restoration	51	-	-	51	-	-	51
General	-	-	-	-	-	-	-
Insurance	620	-	-	620	-	(45)	575
Internal Audit Consortium	11	11	(11)	11	7	-	18
MMI Insurance Reserve	153	-	(84)	69	-	-	69
Museum Exhibits	25	-	-	25	-	-	25
Northern Gateway	149	-	-	149	-	-	149
Planning Inquiry	96	15	-	111	12	(6)	117
Property Improvement	473	1,173	(1,646)	-	981	(609)	372
Repaid Improvement Grants	219	88	-	307	-	-	307
Revenue Grants Unapplied	2,376	1,147	(726)	2,797	1,312	(840)	3,269
Risk Management Fund	5	5	(5)	5	-	-	5
S106	755	47	(19)	783	-	(42)	741
Service Improvement	212	-	(52)	160	-	-	160
Service Redesign	373	-	-	373	-	-	373
Tapton Innovation Centre	166	33	(17)	182	-	(75)	107
Tenants Property	1,089	330	(333)	1,086	89	(270)	905
Theatre Restoration	277	90	-	367	79	-	446
Tier 4	169	-	(169)	-	-	-	-
Crematorium							
Crematorium Balance	400	151	(65)	486	189	(175)	500
Cremator Repairs	183	29	-	212	10	-	222
Crematorium Equipment	18	3	-	21	3	-	24
Revenue Reserves	17,785	7,984	(8,222)	17,547	8,147	(3,349)	22,345
Total Earmarked Reserves	19,479	8,555	(8,946)	19,088	8,824	(3,516)	24,396
General Fund Working Balance	1,500	-	-	1,500	-	-	1,500
HRA							
Housing Revenue Account Balance	6,657	86	(504)	6,239	339	-	6,578
Major Repairs Reserve (HRA)	-	13,687	(13,687)	-	-	-	-
Revenue Grants Unapplied	-	18	-	18	18	-	36
Total HRA Reserves	6,657	13,791	(14,191)	6,257	357	-	6,614

12. OTHER OPERATING EXPENDITURE

Other Operating Expenditure	2024/25 £000	2023/24 £000
Parish council precepts	589	555
Payments to Housing Capital Receipts Pool	-	-
(Gains)/losses on disposal of non-current assets	2,220	5,256
Other	-	-
TOTAL	2,809	5,811

13. FINANCING AND INVESTMENT INCOME AND EXPENDITURE

Financing and Investment Income and Expenditure	2024/25 £000	2023/24 £000
Interest payable & similar charges	5,217	4,891
Net interest on net defined benefit liability	-	(503)
Interest and investment income	(5,932)	(866)
Income and expenditure in relation to Investment Properties	(2,669)	(2,260)
Changes in fair value of Investment Properties		(1,183)
(Gain)/loss on trading accounts	-	-
Transfer to/(from) Bad Debt Provisions	75	106
TOTAL	(3,309)	185

14. **TAXATION AND NON-SPECIFIC GRANT INCOME**

Taxation and Non-Specific Grant Income	2024/25 £000	2023/24 £000
Council tax income	(6,388)	(6,158)
Business Rates income and expenditure	(3,034)	(2,727)
Non-ringfenced government grants	(10,116)	(4,589)
Capital grants and contributions	(4,681)	(4,866)
TOTAL	(24,219)	(18,340)

15. **OFFICERS' REMUNERATION**

The number of all employees whose remuneration excluding pension contributions was £50,000 or more in bands of £5,000 were:		
Remuneration Band	No. of Employees	
	2024/25	2023/24
£50,000 - £54,999	28	30
£55,000 - £59,999	8	10
£60,000 - £64,999		3
£65,000 - £69,999		-
£70,000 - £74,999	1	1
£75,000 - £79,999	1	1
£80,000 - £84,999	6	6
£85,000 - £89,999		-
£90,000 - £94,999		-
£95,000 - £99,999		-
£100,000 - £104,999	1	1
£105,000 - £109,999		-
£110,000 - £114,999		-
£115,000 - £119,999		-
£120,000 - £124,999	1	1

The following tables set out the remuneration disclosure for Senior Officers whose salary is less than £150,000 but equal to or more than £50,000 per year (these are also included in the table above).

2024/25	Salary (inc fees & allowances)	Expense Allowances	Total remuneration exc pension contributions 2024/25	Pension Contributions	Total remuneration inc pension contributions 2024/25
Post Title	£	£	£	£	£
Chief Executive	124,748		124,748	25,449	150,197
Executive Director	103,848		103,848	21,185	125,033
Service Director - Finance	85,494		85,494	17,441	102,935
Service Director - Housing	85,494		85,494	17,441	102,935
Service Director - Economic Development	85,494		85,494	17,441	102,935
Service Director - Digital, HR & Customer Service	85,494		85,494	17,441	102,935
Service Director - Corporate	85,494		85,494	17,441	102,935
Service Director - Leisure, Culture & Community	85,494		85,494	17,441	102,935
Total	741,560	-	741,560	151,280	892,840

2023/24	Salary (inc fees & allowances)	Expense Allowances	Total remuneration exc pension contributions 2023/24	Pension Contributions	Total remuneration inc pension contributions 2023/24
Post Title	£	£	£	£	£
Chief Executive	121,706	2,140	123,846	24,828	148,674
Executive Director	101,315	-	101,315	20,668	121,983
Service Director - Finance	83,409	918	84,327	17,015	101,342
Service Director - Housing	83,409		83,409	17,015	100,424
Service Director - Economic Development	83,409		83,409	17,015	100,424
Service Director - Digital, HR & Customer Service	83,409		83,409	17,015	100,424
Service Director - Corporate	83,409		83,409	17,015	100,424
Service Director - Leisure, Culture & Community	83,409		83,409	17,015	100,424
Total	723,473	3,058	726,531	147,589	874,119

The number of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below. The total cost has been agreed and charged to the Comprehensive Income & Expenditure Statement in the year indicated.

Exit package cost band	Number of other departures agreed		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2024/25	2023/24	2024/25	2023/24	2024/25 £000	2023/24 £000
£0 - £20,000	21	19	21	19	196	106
£20,001 - £40,000	-	9	-	9	-	253
£40,001 - £60,000	-	1	-	1	-	53
£60,001 - £80,000	-	-	-	-	-	-
£80,001 - £100,000	-	2	-	2	-	175
Total	21	31	21	31	196	587

There were no compulsory redundancies in 23/24 or 24/25.

16. DEFINED BENEFIT PENSION SCHEMES

Participation in Pension Scheme

As part of the terms and conditions of employment of its officers, the authority makes contributions towards the cost of post-employment benefits. Although the benefits of this scheme are not actually payable until employees retire, the authority has a commitment to make the payments and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme and Derbyshire County Council administers the scheme. It is a funded defined benefit career average revalued earnings scheme, meaning that the Council and employees pay contributions into the Fund, calculated at a level intended to balance the pension liabilities with investment assets.

The Derbyshire pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the Pensions Committee of Derbyshire County Council. Policy is determined in accordance with the Pensions Fund Regulations.

Transactions Relating to Post-employment Benefits

The cost of retirement benefits is recognised 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 that is required to be made against the council tax is based on the cash payable to the pension fund in the year, so the real cost of post-employment/retirement benefits is reversed out of the General Fund via the Movement in Reserves Statement. The following transactions have been made in the Comprehensive Income & Expenditure Statement and the General Fund Balance via the Movement in Reserves Statement during the year:-

Transactions Relating to Retirement Benefits		
Comprehensive Income & Expenditure Statement	2024/25 £000	2023/24 £000
Cost of Services		
Service cost comprising:		
▪ Current service cost	5,443	6,025
▪ Past service costs	187	104
▪ (Gain)/Loss from settlements	-	-
Financing & Investment Income and Expenditure		
▪ Net interest expense	(1,529)	(509)
Total Post Employment benefit Charged to surplus/Deficit on Provision of Services	4,101	5,620
Remeasurement of net defined benefit liability comprising:		
▪ Return on plan assets (excluding amount included in net interest expense)	3,244	(11,728)
▪ Actuarial gains and losses arising on changes in demographic assumptions	(432)	(1,582)
▪ Actuarial gains and losses arising on changes in financial assumptions	(37,161)	(14,055)
▪ Other	(2,207)	7,465
Total Post Employment Benefit Charged to the Comprehensive Income & Expenditure Statement	(32,455)	(14,280)

Movement in Reserves Statement	2024/25	2023/24
<ul style="list-style-type: none"> Reversal of net charges made to Surplus/Deficit on Provision of Services for post employment benefits in accordance with the Code 	(4,080)	5,620
Actual amount charged against General fund Balance for pensions in year		
<ul style="list-style-type: none"> Employers' contributions payable to scheme 	6,652	6,793

Pension Assets and Liabilities Recognised in the Balance Sheet

The amount included in the Balance Sheet arising from the authority's obligation in respect of its defined benefit plans is as follows:

Pension Assets & Liabilities Recognised in the Balance Sheet	2024/25 £000	2023/24 £000
Present value of defined benefit obligation	216,564	247,074
Fair value of plan assets	(287,152)	(278,533)
Net liability arising from defined benefit obligations	(70,589)	(31,459)

Reconciliation of Movements in the Fair Value of Scheme Assets	2024/25 £000	2023/24 £000
Opening fair value of scheme assets	278,533	257,051
Interest income	13,462	12,085
Re-measurement gain/loss:		
<ul style="list-style-type: none"> Return on plan assets, excluding amount included in net interest expense 	(3,244)	11,784
Contributions from employer	6,538	6,793
Contributions from employees into the scheme	1,862	1,830
Benefits paid	(9,999)	(11,009)
Remeasurement gains/losses:		
<ul style="list-style-type: none"> Other 	-	-
Effect of Business Combinations		
Closing balance at 31st March	287,152	278,533

Reconciliation of Present Value of Scheme Liabilities	2024/25 £000	2023/24 £000
Opening balance at 1st April	247,075	246,665
Current service cost	5,443	5,993
Interest cost	11,912	11,579
Contributions from scheme participants	1,862	1,830
Remeasurement gains/losses:		
<ul style="list-style-type: none"> Actuarial gains/losses arising from changes in demographic assumptions 	(434)	(1,573)
<ul style="list-style-type: none"> Actuarial gains/losses arising from changes in financial assumptions 	(37,161)	(13,970)
<ul style="list-style-type: none"> Other 	(2,207)	7,426
Past service cost	187	104
Benefits paid	(10,113)	(10,979)
Effect of Business Combinations	-	-
Closing balance at 31st March	216,564	247,075

Local Government Pension Scheme Assets

	Fair Value of Scheme Assets							
	2024/25				2023/24			
	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets	Quoted prices in active markets £000	Quoted prices not in active markets £000	Total £000	% of Total Assets
Cash & cash equivalents		12,428		4%		8,265	8,265	3%
Equity Securities								
▪ Consumer					-		-	0%
▪ Manufacturing					-		-	0%
▪ Energy & utilities					-		-	0%
▪ Financial institutions					-		-	0%
▪ Health &					-		-	0%
▪ Information technology					-		-	0%
▪ Other	3,979			1%	7,598		7,598	3%
Sub-total Equity	3,979	-	3,979	1%	7,598	-	7,598	3%
Debt Securities								
▪ Corporate	18,080	24,025		15%	16,130	20,779	36,909	13%
▪ UK Government	32,243			11%	23,986		23,986	9%
▪ Other	3,599			1%	3,986		3,986	1%
Sub-total Debt	53,922	24,025	77,947	27%	44,102	20,779	64,881	23%
Property								
▪ UK Property	603	19,533		7%	750	19,329	20,079	7%
Private Equity								
▪ All	4,813	10,079		5%	4,761	9,560	14,321	5%
Investment Funds & Unit Trusts								
▪ Equities	46,894	80,004		44%	49,506	82,800	132,306	48%
▪ Infrastructure	3,762	27,107		11%	4,945	24,551	29,496	11%
Sub-total Investment Funds & Unit Trusts	50,657	107,111	157,768	55%	54,451	107,351	161,802	59%
Total Assets	113,974	173,176	287,150	99%	111,662	165,284	276,946	100%

Basis for Estimating Assets and Liabilities

Liabilities have been assessed on an actuarial basis using the projected unit credit method, an estimate of the pensions payable in future years dependent on assumptions about mortality rates, salary levels etc. The scheme has been assessed by Hymans Robertson, an independent firm of actuaries, based on the latest full valuation of the scheme at 31st March 2025.

The actuaries' valuation report includes an assessment of the impact of the McCloud judgement relating to the 2014 reforms of LGPS benefits.

The significant assumptions used by the actuary are:

	2024/25	2023/24
Mortality Assumptions:		
Longevity at 65 for current pensioners		
▪ Men	20.8	20.8
▪ Women	23.8	23.8
Longevity at 65 for future pensioners		
▪ Men	21.5	21.6
▪ Women	25.3	25.3
Rate of inflation	2.75%	2.75%
Rate of increase in salaries	3.75%	3.75%
Rate of increase in pensions	2.75%	2.75%
Rate for discounting scheme liabilities	5.80%	4.85%
Take up of option to convert annual pension into retirement lump sum - pre April 2008 service	60%	60%
Take up of option to convert annual pension into retirement lump sum - post April 2008 service	60%	60%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analyses below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all other assumptions remain constant.

The assumptions in longevity, for example, assume that life expectancy increases or decreases for men and women. In practice, this is unlikely to occur, and changes in some of the assumptions may be interrelated.

The estimations in the sensitivity analysis have followed the accounting policies for the scheme, ie on an actuarial basis using the projected unit credit method. The methods and types of assumption used in preparing the sensitivity analysis below did not change from those used in the previous period.

Impact on the Defined benefit Obligation in the Scheme	Approximate % increase to Employer Liability	Approximate monetary amount £000
0.1% decrease in Real Discount Rate	2%	3,676
0.1% increase in Salary Increase Rate	0%	213
0.1% increase in Pension Increase Rate	2%	3,563
1 year increase in member life expectancy	4%	8,615

Impact on the Authority's Cash Flows

The objectives of the scheme are to keep employers contributions at as constant a rate as possible. The County Council has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 18 years. Funding levels are reviewed as part of the triennial valuation process. The next triennial valuation is due to be completed as at 31st March 2028.

The Act provides for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes.

With the exception of the tables detailing transactions in the Comprehensive Income & Expenditure Statement and the Movement in Reserves Statement, the pension fund details in Note 16 do not include Chesterfield Borough Council's share of the Crematorium pension fund which has its own separate fund.

17. **MEMBERS' ALLOWANCES**

The allowances and expenses paid to Members were as follows:

Members Allowances	2024/25 £000	2023/24 £000
Special Responsibility & Other Allowances	160	149
Basic Responsibility Allowances	300	262
Member expenses	1	2
TOTAL	461	413

A schedule of the amounts paid to individual Members is published each year in the Council's newspaper. The schedule can also be viewed on the Council's website (www.chesterfield.gov.uk).

18. **GRANT INCOME**

The Authority credited the following grants and contributions to the Comprehensive Income and Expenditure Statement in 2024/25.

Credited to Taxation & Non Specific Grant Income	2024/25 £000	2023/24 £000
Revenue Support Grant	707	663
New Homes Bonus Grant	24	398
Home Office	-	68
Staveley Town Deal	5,194	467
Department for Levelling Up, Housing & Communities		
▪ Business Rate Relief	4,681	3,263
▪ Covid19		-
▪ Levelling Up Fund	3,476	3,982
▪ Other	715	266
Other	-	348
TOTAL	14,797	9,455

Credited to Services:	2024/25 £000	2023/24 £000
Capital		
Green Homes Grants	-	297
Derbyshire Better Care Fund	-	1,346
Derbyshire County Council:		-
Revenue		
Dept for Work & Pensions- Housing Benefits	22,991	30,469
DLUHC	936	1,208
UKSPF	940	600
Arts Council	-	-
Lottery Funding - Energy Grant	-	153
Derbyshire County Council:	-	
- Supporting People	-	240
- Highways Agency	-	130
- Other	-	-
Home Office Asylum Dispersal	-	65
Other Local Authorities	-	-
Other	200	76
TOTAL	25,067	34,584

The Authority has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that will/may require the monies to be returned. The balances at year end are as follows:

Capital Grants Receipts in Advance	2024/25 £000	2023/24 £000
Green Homes Grants	320	281
Derbyshire County Council	81	3
S106 Contributions	182	123
MHCLG - Weekly food waste	770	-
SYMCA - Northern Gateway	232	-
Other	78	18
TOTAL	1,662	424

19. **EXTERNAL AUDIT COSTS**

The Council has incurred the following fees relating to external audit and inspection, certification of grant claims and non-audit services.

External Audit Fees	2024/25 £000	2023/24 £000
Fees payable to the auditors with regard to external audit services carried out by the appointed auditor	168	77
Fees payable to the auditor for certification of grant claims and returns	9	9
Fees payable in respect of any other services provided by the appointed auditor	4	4
Total	181	90

The audit fee for 23/24 was reduced to 77k due to a review by the PSAA. The revision of these fees has been accounted for in the 24/25 accounts.

20. MOVEMENTS IN PROPERTY, PLANT & EQUIPMENT

Movements in PPE 2024/25	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	TOTAL £000
Gross Book Value								
Brought forward 1 April	429,423	96,148	10,300	14,827	4,126	310	10,087	565,221
Additions	14,584	738	1,833	237	320	-	13,743	30,656
Revals - Revaluation Reserve	30,821	4,809						35,630
Revals - surplus/deficit on provision of services								-
Derecognition - disposals	(6,520)	(1,160)						(7,680)
Derecognition - other								-
Impairment losses reversed in s/d on provision of services								-
Other movements	(9,438)							(9,438)
GBV at 31 March 25	458,871	100,534	12,133	15,064	4,446	310	23,830	615,187
Accumulated Depreciation & Impairment								
Brought forward 1 April	-	(5,233)	(6,171)	(4,812)	-	(38)	-	(16,254)
Additions - depreciation	(13,483)	(2,206)	(1,305)	(274)	-	(6)	-	(17,275)
Additions - impairment	(2,141)	(2,202)						(4,343)
Revals - Revaluation Reserve								-
Revals - surplus/deficit on provision of services	5,690							5,690
Derecognition - disposals		32						32
Derecognition - other								-
Impairment losses reversed in s/d on provision of services								-
Other movements	9,438							9,438
Depreciation & Impairment at 31 March 25	(496)	(9,609)	(7,476)	(5,086)	-	(44)	-	(22,712)
Net Book Value B/fwd	429,423	90,915	4,129	10,015	4,126	272	10,087	548,967
Net Book Value at 31 March 25	458,375	90,925	4,657	9,978	4,446	266	23,830	592,476

Movements in 2023/24	Council Dwellings	Other Land & Buildings	Vehicles, Plant & Equipment	Infrastructure Assets	Community Assets	Surplus Assets	Assets Under Construction	TOTAL
	£000	£000	£000	£000	£000	£000	£000	£000
Gross Book Value								
Brought forward 1 April	418,575	86,176	9,534	7,928	4,072	310	13,913	540,508
Additions	22,984	2,098	798		54		5,807	31,741
Revals - Revaluation Reserve	(8,556)	7,578						(978)
Revals - surplus/deficit on provision of services	4,484	(2,283)						2,201
Derecognition - disposals	(8,188)	(32)	(32)					(8,252)
Derecognition - other		-						-
Impairment losses reversed in s/d on provision of services		-						-
Other movements	124	2,611	-	6,899		-	(9,633)	1
GBV at 31 March 24	429,423	96,148	10,300	14,827	4,126	310	10,087	565,221
Accumulated Depreciation & Impairment								
Brought forward 1 April	-	(5,483)	(4,862)	(4,527)	-	(32)	-	(14,904)
Additions - depreciation	(13,505)	(2,332)	(1,337)	(285)		(6)		(17,465)
Additions - impairment		-						-
Revals - Revaluation Reserve	13,125	2,579						15,704
Revals - surplus/deficit on provision of services		-						-
Derecognition - disposals	381	3	28					412
Derecognition - other								-
Impairment losses reversed in s/d on provision of services								-
Other movements	(1)							(1)
Depreciation & Impairment at 31 March 24	-	(5,233)	(6,171)	(4,812)	-	(38)	-	(16,254)
Net Book Value B/fwd	-	-	-	-	-	-	-	-
Net Book Value at 31 March 24	429,423	90,915	4,129	10,015	4,126	272	10,087	548,967

Depreciation

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

Council Dwellings:	9 – 40 years
Other Land & Buildings:	1 – 75 years
Vehicles, Plant, Furniture & Equipment:	1 – 10 years
Infrastructure	20 – 35 years

21. SURPLUS ASSETS

Fair Value Hierarchy

Details of surplus assets and information about their fair value hierarchy at 31st March 2025 are as follows:

Fair Value Measurements 24/25:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 25 £000
Community Rooms	56		56
Land		210	210
Total 2024/25	56	210	266

Fair Value Measurements 23/24:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 24 £000
Community Rooms	62	-	62
Land	-	210	210
Total 2023/24	62	210	272

There were no transfers between Levels 2 and 3 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values

Significant Observable Inputs – Level 2

The fair value for the surplus assets has been based on a market approach using current market evidence including recent sale prices/rentals achieved and other relevant information for similar assets within the local authority area. Market conditions are such that similar properties have actively sold or let and the level of observable inputs are significant.

Significant Unobservable Inputs – Level 3

These valuations are historic based on existing use values and/or based on unobservable inputs. These assets will be revalued in 2024/25 to allow confirmation of their fair value hierarchy classifications.

Reconciliation of Fair Value Measurements (using significant unobservable inputs)
Categorised within Level 3 of the Fair Value Hierarchy

Surplus Assets categorised as Level 3	31st March 2025 £000	31st March 2024 £000
Opening balance	210	210
Transfers into Level 3		-
Transfers from Level 3		-
Total gains/losses for the period included in surplus/deficit on Provision of Services resulting from changes in fair value		-
Additions		
Revaluations		-
Disposals		-
Closing Balance	210	210

Quantitative Information about Fair Value Measurement of Surplus Assets using Significant Unobservable Inputs – Level 3

	31st March 2025 £000	Valuation Technique	Unobservable Inputs	Sensitivity
Land	210	Market Value	Future Use	Planning Restrictions Site issues - redevelopment

22. HERITAGE ASSETS

The Heritage Assets owned by the Council are largely peripheral to its main objectives and are held entirely with the objective of preserving them for future generations because of their cultural, environmental or historical association with the borough.

Reconciliation of the carrying value of Heritage Assets held by the Authority:

Asset Class	Balance B/Fwd at 1st April 2024 £000	Additions £000	Disposals £000	Revaluations £000	Other Changes £000	Balance C/Fwd at 31 March 2025 £000
Rosewall Sculpture	950					950
Historic Sites & Buildings	315					315
Museum Collection	265					265
Civic Plate, Paintings & Porcelain	245					245
Mayoral Regalia	439					439
Assets Carried at Valuation	2,214	-	-	-	-	2,214
Barrow Hill Railway HC	344					344
War Memorials etc	38					38
Museum Collection	-					-
Percent for Art Sculptures	303					303
Assets Carried at Cost	685	-	-	-	-	685
TOTAL HERITAGE ASSETS	2,899	-	-	-	-	2,899

Assets not included in the Balance Sheet

War Memorials and Other Monuments – The Council has 17 war memorials together with various other monuments, including the Peace Fountain in Eastwood Park and the 'Old Town Pump' in the centre of Chesterfield market place. Only 4 of the war memorials and the Peace Fountain are included on the Balance Sheet. Reliable information on cost is not available. No further acquisitions or disposals of assets in this class of heritage assets is anticipated. These assets are not insured and it is considered impractical to obtain valuation information due to the lack of comparable transactions and the relative insignificance of the assets in purely financial terms.

Percent for Art – The Council supports and encourages the promotion of public art as good planning practice which brings cultural, environmental and economic benefit to local communities. Previous planning policy required developers of schemes costing more than £1m to include a work of art to the value of 1% of the total project cost on their development. The Council keeps a register of sculptures owned and maintained by it in the Forward Planning Section. The Council manages a separate website www.chesterfieldarttrail.co.uk which gives details of where the existing artworks can be found.

It is considered impractical to obtain reliable information on cost for most of the assets in this category as some of the artworks were paid for by third parties and for those sponsored by the Authority, the difficulty of separating costs relating to artwork from other capital costs. These assets are not insured and it is considered impractical to obtain valuation information due to the lack of comparable transactions and the diversity of the assets themselves.

Museum Collection – The majority of the 30,000 objects in the museum collection are made up of objects of social and industrial history. A high proportion of the collection is made up of items of minimal commercial value. The collection is currently held in storage whilst the Museum is undergoing refurbishment. The collection can be divided into five broad categories:

- Social and historical objects
- Fine arts (paintings and drawings)
- Decorative art (pottery and glass)
- Archaeological finds
- Material available for loans to schools

Except for recent acquisitions, reliable information on cost is not available. In general, conventional valuation approaches would not be suitable owing to the sheer number and diversity of items, coupled with the unique and irreplaceable nature of many of the objects concerned. The collection is insured for £3.3m but this is regarded as a nominal and fairly arbitrary figure and therefore only those existing assets with a readily ascertainable market value have been recognised on the balance sheet.

Assets included in the Balance Sheet

Historic Buildings

There are three assets included in this classification. These are the Barrow Hill Railway Heritage Centre which hosts Britain's last working roundhouse, the Revolution House which is an old stone cottage used as a museum, originally an alehouse used to plot the Revolution of 1688 and the Queens Park dovecote which is located in the

Victorian park in the centre of Chesterfield. No further acquisitions or disposals are expected in this classification of heritage assets. All of these assets can be visited by the public and further information is available on the Council's website.

These assets are measured at valuation using conventional valuation approaches. They were valued as at 1st April 2020 by the Council's internal valuer, in accordance with the Statements of Asset Valuation Practice & Guidance Notes of the Royal Institute of Chartered Surveyors.

War Memorials/Monuments

Only 4 of the 17 war memorials in the Borough and the Peace Fountain in Hasland Park are included in the balance sheet, the former at a notional cost of £1 each. No further acquisitions or disposals are anticipated for this classification of heritage asset. All assets are accessible to the public.

Rosewall Sculpture

This was originally commissioned from Barbara Hepworth by the Post Office to stand outside their administrative offices when they relocated to Chesterfield in the 1960's. It was acquired in 2008/09 and was valued immediately prior to purchase by Hazlett, Holland-Hibbert, a firm of specialist dealers in modern art at market value. Due to the cost involved, further appraisals will be infrequent. It is located adjacent to the public footbridge from the town centre into Queens Park in the centre of Chesterfield.

Mayoral Regalia/Civic Plate, Paintings & Porcelain

These are kept in the Mayor's Parlour in the Town Hall. The parlour is accessible to the public on several occasions each year and to school parties by special arrangement. No further acquisitions or disposals are planned for this classification of heritage asset, although items are donated on an ad-hoc basis. They were valued in 2015 and are recognised on the balance sheet at valuation. Due to the costs involved, further appraisals will be infrequent.

Museum Collection

The whole of the collection is currently in storage whilst the museum is refurbished. Those items with a reasonably ascertainable value are recognised on the balance sheet at valuation. The valuations were carried out in 1991 by Phillips Midlands and in 1993 by Henry Spencer & Sons. The value is based on formal valuation evidence, restated at April 2010 prices, using RPI as a reference index. No material additions or disposals have occurred since the valuation was prepared. Assets acquired in future will be measured at historic cost.

23. **CAPITAL COMMITMENTS**

The Council has approved a capital programme for the two year period to 2025/26 amounting to approximately £96m of which approximately £30.2m was contractually committed at 31st March 2025.

Capital Commitments	Approved Expenditure £000	Committed £000
Council Housing	31,127	11,554
Economic Development	16,980	14,995
Housing Grants	3,458	-
Culture	11,616	11,616
Other Schemes	4,881	-
TOTAL	68,062	38,165

24. **CAPITAL EXPENDITURE & FINANCING**

The total amount of capital expenditure incurred in the year is 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 Authority, the expenditure results in an increase in the Capital Financing Requirement (CFR), a measure of the capital expenditure incurred historically by the Authority that has yet to be financed.

Capital Financing Requirement (CFR)	2024/25 £000	2023/24 £000
Opening Capital Financing Requirement (CFR) 1st April	190,717	182,881
<u>Capital Investment</u>		
Property, Plant & Equipment	30,656	31,742
Investment Properties		-
Intangible Assets		-
Heritage Assets		-
Revenue Expenditure Funded from Capital under Statute	2,423	1,778
<u>Financed by</u>		
Capital Receipts	(5,489)	(3,579)
Capital Grants & Contributions	(11,513)	(6,500)
Revenue Balances & Direct Revenue Financing	(15,549)	(14,329)
Minimum/Voluntary Revenue Provision	(1,464)	(1,276)
Use of Capital Receipts to Repay Debt		
Closing Capital Financing Requirement 31st March	189,782	190,717
Increase/(Decrease) in CFR	(935)	7,836
<u>Analysis of Increase/(Decrease) in CFR</u>		
Supported by Government Financial Assistance	-	-
Unsupported by Government Financial Assistance	(935)	7,836
Increase/(Decrease) in CFR	(935)	7,836

25. **INVESTMENT PROPERTIES**

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

Investment Properties	2024/25 £000	2023/24 £000
Rental income from investment property	(3,855)	(3,678)
Direct operating expenses arising from investment property	1,187	1,418
Net (gain)/loss	(2,668)	(2,260)

Generally, there are no restrictions on the Council's ability to realise the value inherent in its investment property or on the Council's right to the revenue income and proceeds of disposal. The exceptions to this are as follows:

- Tapton House School was gifted to the authority and must be used for the benefit of the inhabitants of Chesterfield.
- Commercial and industrial units at Venture House and Prospect House were built by the authority but the construction was part funded by external grant funding. Net revenue income must be returned to these funding partners on an annual basis pro rata to the share of capital funding provided by them for the initial creation of the asset. Any proceeds on disposal of these assets would be returned on a similar basis.

The Council has no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancement except for the Pavements Centre, Dunston Farm and Tapton House where there is an obligation to maintain and repair.

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

Movement in Investment Properties	2024/25 £000	2023/24 £000
Balance at start of year	37,860	37,480
Additions:		
Subsequent expenditure		-
Disposals	(1,290)	(803)
Net gains/losses from fair value adjustments	352	1,183
Other changes		
Balance at end of year	36,922	37,860

Fair Value Hierarchy

Details of the investment properties and information about their fair value hierarchy at 31st March 2025 are as follows:

Recurring fair value measurements:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 25 £000
Industrial Units & Trading Estates	27,680		27,680
Retail & Office	6,246		6,246
Undeveloped Land	160	742	902
Miscellaneous	1,199	895	2,094
Total 2024/25	35,285	1,637	36,922

Recurring fair value measurements:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 24 £000
Industrial Units & Trading Estates	27,334		27,334
Retail & Office	7,693		7,693
Undeveloped Land	160	742	902
Miscellaneous	1,036	895	1,931
Total 2023/24	36,223	1,637	37,860

There were no transfers between Levels 2 and 3 during the year.

Valuation Techniques used to Determine Level 2 and 3 Fair Values for Investment Properties

Significant Observable Inputs – Level 2

The Council's investment portfolio generally sits within an active market where there have been a number of lettings and sales therefore they have been classed as Level 2 in the fair value hierarchy as inputs are observable. The fair value takes account of current leases, cash flows and reasonable assumptions regarding future rental income and outgoings.

Significant Unobservable Inputs – Level 3

The Level 3 investment properties consist of 4 agricultural holdings for which formal lease documentation is incomplete thereby creating unknowns.

Reconciliation of Fair Value Measurements (using significant unobservable inputs) Categorised within Level 3 of the Fair Value Hierarchy

Investment Properties categorised as Level 3	31st March 2025 £000	31st March 2024 £000
Opening Balance	1,637	1,209
Transfers into Level 3		
Transfers from Level 3		
Total gains/losses for the period included in surplus/deficit on Provision of Services resulting from changes in fair value		591
Additions		
Revaluations		
Disposals		(163)
Closing Balance	1,637	1,637

Quantitative Information about Fair Value Measurement of Investment Properties using Significant Unobservable Inputs – Level 3

	31st March 2025 £000	Valuation Technique	Unobservable Inputs	Sensitivity
Undeveloped Land	742	Assumed investment (fair value basis)	Rent details Rent comparables	Tenancy details Rent levels Rent reviews
Farm	895	Assumed investment (fair value basis)	Rent details Rent comparables	Rent level being known/eligible successor/prospect of vacant possession

Highest and Best Use of Investment Properties

In estimating the fair value of the authority's investment properties, the highest and best use of the properties is their current use.

Valuation Techniques

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

Valuation Process for Investment Properties

The fair value of the authority's investment property is measured annually at each reporting date. All valuations are carried out by the Council's internal valuers, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of the Royal Institute of Chartered Surveyors.

26. **FIXED ASSET VALUATION**

The authority's freehold and leasehold properties have been valued by the council's internal valuers, in accordance with the Statements of Asset Valuation Practice and Guidance Notes of The Royal Institution of Chartered Surveyors. All assets are re-valued on a rolling programme basis over five years.

Plant and machinery includes such items that are not a fixture or fitting to a building.

Properties regarded by the authority as operational were valued on the basis of existing use value or, where this could not be assessed because there was no market based evidence for the subject asset, the depreciated replacement cost.

Infrastructure, community assets and assets under construction are included in the balance sheet at historical cost, net of depreciation.

Except for those dwellings which the Authority leases out to other providers of social housing, the stock of council dwellings was re-valued as at 31st March 2025 in accordance with Government guidelines. The basis of the valuation for the bulk of the housing stock within the HRA is Existing Use Value for Social Housing (see HRA note 4).

The statement below shows the progress of the Council's rolling programme for the revaluation of fixed assets. Where the valuations have not been updated in recent years the authority has assessed that there has been no material change in value. The basis of the valuations is set out in Note 1.14 of the Summary of Significant Accounting Policies.

24/25 Fixed Asset Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	TOTAL £000
Valued at historical cost		1,481	11,335	15,064	4,446	310	23,830	56,467
<u>Valued at current value</u>								
2024/25	458,870	14,517						473,387
2023/24		32,080						32,080
2022/23		10,930						10,930
2021/22		20,428						20,428
2020/21		21,099						21,099
Total Gross Book Value	458,870	100,535	11,335	15,064	4,446	310	23,830	614,391

23/24 Fixed Asset Valuation	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant & Equipment £000	Infrastructure Assets £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	TOTAL £000
Valued at historical cost		923	10,300	14,827	4,126		10,087	40,263
<u>Valued at current value</u>								
2024/25								
2023/24	429,423	32,063						461,486
2022/23		14,984						14,984
2021/22		18,125						18,125
2020/21		17,155						17,155
Total Gross Book Value	429,423	83,250	10,300	14,827	4,126	-	10,087	552,013

27. DEPRECIATION

The treatment of depreciation is described in Note 1.15 of the Summary of Significant Accounting Policies.

28. IMPAIRMENT LOSSES

No impairment losses were recognised in either Surplus or Deficit on the Provision of Services or in Other Comprehensive Income & Expenditure during 2024/25.

29. LEASES

Authority as Lessee

Finance Leases

The Authority has no finance leases.

Operating Leases

The Authority has a number of operating leases. The future minimum lease payments due under non-cancellable leases in future years are:

Operating Leases Payable	31st March	
	2025 £000	2024 £000
Not later than 1 year	37	110
Later than 1 year and not later than 5 years	-	36
Later than 5 years	-	-
Total	37	146

There were no future minimum sublease payments expected to be received under non-cancellable subleases at 31st March, 2025 or 31st March, 2024.

The amounts recognised as an expense in Surplus or Deficit on Provision of Services are detailed below.

Surplus or Deficit	31st March	
	2025 £000	2024 £000
Minimum lease payments	314	706
Contingent rents	-	3
Total	314	709

Authority as Lessor

Finance Leases

The Authority has no finance leases.

Operating Leases

The Authority leases out industrial and commercial premises for economic development purposes to provide suitable affordable accommodation for local businesses.

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

Operating Leases Receivable	31st March	
	2025 £000	2024 £000
Not later than 1 year	2,213	2,715
Later than 1 year and not later than 5 years	6,531	7,204
Later than 5 years	4,405	4,955
Total	13,149	14,874

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews.

30. **DEBTORS**

Debtors	2024/25 £000	2023/24 £000
Central Government	2,522	1,341
Other Local Authorities	807	5,096
Other Entities & Individuals	12,829	13,412
Total	16,158	19,849

31. **CASH & CASH EQUIVALENTS**

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

Cash & Cash Equivalents	2024/25 £000	2023/24 £000
Cash held	16	15
Bank current accounts	89	(1,429)
Short term deposits with banks & other financial institutions	17,426	13,447
Total	17,531	12,033

32. ASSETS HELD FOR SALE

Assets held for sale	Current		Non-Current	
	2024/25 £000	2023/24 £000	2024/25 £000	2023/24 £000
<u>Investment Property Held for Sale</u>				
Balance brought forward at 1 April	-	-	-	-
Revaluations				
Assets newly classified as held for sale				
Assets declassified as held for sale				
Assets sold				
Balance carried forward at 31 March	-	-	-	-
<u>Other Assets Held for Sale</u>				
Balance brought forward at 1 April	-	-	-	-
Assets newly classified as held for sale				
Assets declassified as held for sale				
Assets sold	-	-		
Balance carried forward at 31 March	-	-	-	-
<u>Net Sale Proceeds</u>				
Investment Property Held for Sale	-	-		
Other Assets Held for Sale				

33. CREDITORS

Creditors	31st March	
	2025 £000	2024 £000
Central Government	13,340	19,859
Other Local Authorities	1,777	3,334
Other Entities & Individuals	13,257	11,470
Total	28,374	34,663

34. **PROVISIONS**

The Council has established the following provisions under the appropriate legal power to cover potential liabilities:-

Provisions	Balance b/fwd 01/04/24 £000	Movements in year		Balance c/fwd 31/03/25 £000
		Additions £000	Applied £000	
Short Term Provisions				
Waterside Escrow	1,120		(1,047)	73
Redundancy	235	17	(6)	246
Non Domestic Rate Appeals	661		(154)	507
Total - Short Term Provisions	2,016	17	(1,207)	826
Long Term Provisions				
Non Domestic Rate Appeals	2,245	573	(2,513)	305
Transport Employee Pensions	1,114	51	(61)	1,104
Insurance Provision	1,280	226	(28)	1,478
MMI Provision	5			5
Total - Long Term Provisions	4,644	850	(2,602)	2,892

Redundancy Provision

Provision to meet the costs of employees who have agreed voluntary redundancy exits in 2024/25.

Waterside Escrow

Provision to meet the costs of rent free periods related to tenants in One Waterside Place,

Transport Employee Pensions

The provision is being built up in order to meet the Council's liability in respect of pensions of former Transport Undertaking employees who were transferred to the private sector on privatisation. An independent actuarial review of this fund takes place every three years. The fund was reviewed in March 2023 and will be increased over the next 3 years in line with review recommendations.

Insurance Provision

All major risks are insured externally and the Insurance Fund is used to finance the excesses on these policies.

MMI Provision

The Council was insured by MMI until 1993 when the Company went into administration. In March 2012 the Supreme Court found against MMI in the Employers' Liability Policy Trigger case. The ruling means that MMI are liable to pay compensation for mesothelioma cases where they were the insurer at the date of exposure to asbestos, rather than the insurer at the time the disease develops. The judgement will have significant implications for the Company and the Scheme Creditors, of which the Council is one.

Because a solvent run-off is not possible, the Scheme of Arrangement has been triggered with claw back of some element of the claims paid since 1993 from the Council.

As at the 31st March 2025 the Council's claims paid and outstanding with MMI totalled £1.2m. The Council has been advised that it will be liable to pay 25% of these claims and an appropriate provision has therefore been included in the accounts.

Non Domestic Rate Appeals

The introduction of the business rates retention scheme from 1st April 2013, means that a proportion of successful rating appeals must be met by the local authority. Previously they were met by central government. A provision has been established to recognise the liability. Due to the complexity and uncertainties surrounding the calculation of the provision, the Council engages the services of Inform PCI and the Analyse Local system.

35. FINANCIAL INSTRUMENTS BALANCES

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

Financial Assets	Long Term				Current			
	Investments		Debtors		Investments		Debtors	
	31st March				31st March			
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Fair value through profit or loss	0	-	-	-	17,426	13,447		-
Amortised cost	1,150	1,203		-	-	101		-
Total financial assets	1,150	1,203	-	-	17,426	13,548	-	-
Non-financial assets	-	-		-	-	-	16,613	13,412
Total	1,150	1,203	-	-	17,426	13,548	16,613	13,412

Financial Liabilities	Long Term				Current			
	Borrowings		Creditors		Borrowings		Creditors	
	31st March				31st March			
	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000	2025 £000	2024 £000
Fair value through profit or loss	-	-	-	-	-	-	-	-
Amortised cost	121,140	123,753		-	10,610	14,039		-
Total financial liabilities	121,140	123,753	-	-	10,610	14,039	-	-
Non-financial liabilities	-	-		-		-	13,258	11,470
Total	121,140	123,753	-	-	10,610	14,039	13,258	11,470

36. FINANCIAL INSTRUMENTS INCOME, EXPENSE, GAINS/LOSSES

The gains and losses recognised in the Comprehensive Income & Expenditure Statement in relation to financial instruments are made up as follows:

Financial Instruments Income, Expense, Gains/Losses	2024/25		2023/24	
	Surplus/(Deficit) on Provision of Services £000	Other Comprehensive Income & Expenditure £000	Surplus/(Deficit) on Provision of Services £000	Other Comprehensive Income & Expenditure £000
Net gains/losses on:				
Financial assets measured at fair value through profit or loss	(542)	-	(806)	-
Financial assets measured at amortised cost	-	-	-	-
Total net gains/losses	(542)	-	(806)	-
Interest revenue				
Financial assets measured at amortised cost	(373)	-	(260)	-
Financial assets measured at fair value through other comprehensive income	-	-	-	-
Total interest revenue	(915)	-	(1,066)	-
Total interest expense	5,129	-	4,891	-

37. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 table below, including the valuation techniques used to measure them.

Financial assets measured at fair value				
Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique	Value as at 31/03/25 £000	Value as at 31/03/24 £000
Fair Value through Profit or Loss				
UK Gilt	Level 1	Unadjusted quoted prices in active markets		-
Money Market Funds	Level 1	Unadjusted quoted prices in active markets	17,426	13,447
Certificate of Deposits	Level 1	Unadjusted quoted prices in active markets		-
Total			17,426	13,447

There were no transfers between input levels during the year and no changes in valuation techniques.

The Fair Values of Financial Assets and Financial 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 liabilities and financial assets held by the Council are carried in the balance sheet at amortised cost. Their fair values are calculated as follows:

Financial Liabilities	31st March 2025		31st March 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Financial Liabilities	131,750	131,748	137,792	132,599

The fair value is more than the carrying amount because the authority's portfolio of loans includes a number of fixed rate loans where the interest payable is higher than the rates available for similar loans at the balance sheet date. The commitment to pay interest above current market rates increases the amount that the authority would have to pay if the lender requested or agreed early repayment of loans.

Financial Assets	31st March 2025		31st March 2024	
	Carrying amount £000	Fair value £000	Carrying amount £000	Fair value £000
Loans & Receivables held at amortised cost	1,149	1,149	1,304	1,304

For loans and receivables held at amortised cost, the carrying amount is considered to be a reasonable approximation of fair value and therefore no fair value disclosures are included.

The fair value of trade and other receivables is taken to be the invoiced or billed amount. The carrying amount is therefore a reasonable approximation of fair value and this category of financial instrument is therefore excluded from the figures above.

Fair Value Hierarchy for Financial Liabilities that are not measured at fair value

Recurring fair value measurements:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 25 £000
Financial Liabilities			
PWLB Loans	-	123,748	123,748
Total 2024/25	-	123,748	123,748

Recurring fair value measurements:	Other significant observable inputs (Level 2) £000	Significant unobservable inputs (Level 3) £000	Fair value as at 31st March 24 £000
Financial Liabilities			
PWLB Loans	-	121,170	121,170
Total 2023/24	-	121,170	121,170

The fair value for financial assets and liabilities that are not measured at fair value included in level 3 above has been calculated using a discounted cash flow analysis. They can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the following assumptions:

- Applicable interest rate (repayment rates)
- no impairment or early repayment is recognised
- all loans have fixed rates

There has been no change in valuation techniques used and no transfers between levels 2 and 3 during the year.

38. NATURE & EXTENT OF RISKS FROM FINANCIAL INSTRUMENTS

The authority's activities expose it to a variety of financial risks:

- Credit risk – the possibility that other parties might fail to pay amounts due to the authority
- Liquidity risk – the possibility that the authority may not have funds available to meet its commitments to make payments
- Market risk – the possibility that financial loss might arise for the authority as a result of changes in such measures as interest rates and stock market movements

The authority'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 is carried out by officers using policies approved by the Council in the Treasury Management Strategy which is reviewed annually. This provides written principles for overall risk management and for specific subjects such as interest rate risk, credit risk and the investment of surplus cash.

Credit Risk

Credit risk arises from deposits placed with financial institutions, which include fixed interest securities traded in an active market, as well as credit exposures to the authority's customers. The risk is minimised through the adoption of the Annual Investment Strategy published annually on our website.

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include the UK government, other local authorities, and commercial entities with a minimum long-term credit rating of A-. The list of

approved counterparties has been compiled using advice from our independent treasury advisers who have fully researched their background and credit worthiness. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £5m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than UK government). The Council also sets limits on investments in certain sectors. No more than £10m in total can be invested for a period longer than one year.

The table below summarises the credit risk exposures of the Council's treasury investment portfolio by credit rating at 31st March 2025:

Credit Rating	Gross Carrying Amount £000
AAA	13,818
AA	0
AA-	0
A+	0
Unrated Local Authorities	0

Loss allowances on treasury investments have been calculated by reference to historic default data published by credit rating agencies. Investments are determined to have suffered a significant increase in credit risk where they have been downgraded by three or more credit rating notches or equivalent since initial recognition, unless they retain an investment grade credit rating. At 31st March 2025 there were no loss allowances related to treasury investments (2024 £nil).

In furtherance of the Council's service objectives, it has lent money to Chesterfield Football Club Community Trust, Baylight Properties and Staveley Town Council. The amount recognised on the Balance Sheet as at 31st March 2025 for these instruments totals £1.1m (31st March 2024 £1.3m).

The Council manages the credit risk inherent in its loans for service purposes in line with its published Investment Strategy. Loss allowances on loans for service purposes and loan commitments have been calculated by reference to the Council's historic experience of default and to adjust for current and forecast economic conditions. As at 31st March 2025 loss allowances on service loans amounted to £5,000 (31st March 2024 £5,000).

Liquidity Risk

The authority has a comprehensive cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the authority has ready access to borrowings from the money markets and the Public Works Loan Board (PWLB) so there is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the authority will be bound to replace a significant proportion of its borrowings at a time of unfavourable interest rates. The risk is managed by

maintaining a spread of fixed rate loans and ensuring that no more than 5% of the Council's borrowing matures in any one financial year.

The maturity analysis of financial liabilities is as follows:

Maturing within	31st March 2025 £000	31st March 2024 £000
1 year	11,137	14,039
1 to 2 years	2,167	3,138
2 to 5 years	8,921	8,097
5 to 10 years	21,480	19,370
10 to 15 years	24,945	25,133
15 to 20 years	20,611	21,997
20 to 25 years	19,685	18,670
25 to 30 years	14,169	16,351
30 to 35 years	6,862	6,843
35 to 40 years	2,774	4,154
40 to 45 years	-	-
Total	132,751	137,792

All trade and other payables are due to be paid in less than one year.

Market Risk

Interest Rate Risk

The authority is exposed to significant risk in terms of its exposure to interest rate movements on its borrowings and investments. For instance, a rise in interest rates would have the following effects:

- Borrowings at variable rates – interest expense charged to the Surplus or Deficit on the Provision of Services will rise
- Borrowings at fixed rates – fair value of liabilities borrowings will fall
- Investments at variable rates – interest income credited to the Surplus or Deficit on the Provision of Services will rise
- Investments at fixed rates – fair value of assets will fall

Investments measured at amortised cost and loans taken out are not carried at fair value, so changes in their value would not impact on the Comprehensive Income & Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services and affect the General Fund Balance. Movements in the fair value of fixed rate investments that have a quoted market price will be reflected in Other Comprehensive Income & Expenditure.

Changes to interest rates are reviewed quarterly and used to update the annual budget setting information. This allows any adverse changes to be accommodated.

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

Interest	2024/25 £000
Increase in interest receivable on variable rate investments	(17)
Decrease in fair value of investments held at FVPL	65
Impact on other Comprehensive Income & Expenditure	(109)
Decrease in fair value of fixed rate borrowing (no impact on Comprehensive Income & Expenditure)	1,326
Decrease in fair value of loans and investments at amortised cost (no impact on Comprehensive Income & Expenditure)	-

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

Price Risk

The authority may at times hold some financial instruments whose capital value may fluctuate as a result of market conditions. However these instruments would all be kept on a 'hold to maturity' basis and therefore any temporary fluctuations in the market value of these products would have no impact on the authority's finances.

Foreign Exchange Risk

The authority has no financial assets or liabilities denominated in foreign currencies and therefore has no exposure to losses arising from movements in exchange rates.

39. USABLE RESERVES

Usable Reserves	2024/25 £000	2023/24 £000
Earmarked Reserves - Capital	1,541	1,541
Earmarked Reserves - Revenue	22,854	17,547
Total Earmarked Reserves (GF)	24,395	19,088
General Fund (GF) Working Balance	1,500	1,500
HRA Working Balance	6,579	6,239
Earmarked Reserves - HRA	37	18
Major Repairs Reserve	955	-
Usable Capital Receipts Reserve	8,610	7,833
Capital Grants Unapplied	14,520	10,920
Total Usable Reserves	56,596	45,598

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement. A detailed breakdown of the Council's earmarked reserves is provided in Note 11. Two further reserves are included in the balance sheet within the Usable Reserves category and the details of these are shown below:

Usable Capital Receipts Reserve	2024/25 £000	2023/24 £000
Brought forward 1 April	7,833	6,943
Additions	6,265	5,765
Capital Receipts Pooled	-	-
Capital Receipts used for financing	(5,488)	(4,875)
Carried forward 31 March	8,610	7,833

Capital Grants Unapplied	2024/25 £000	2023/24 £000
Brought forward 1 April	10,920	9,971
Additions	4,021	1,678
Transfers (to)/from revenue	-	(108)
Financing of capital expenditure	(421)	(621)
Carried forward 31 March	14,520	10,920

40. **UNUSABLE RESERVES**

Unusable Reserves	31st March	
	2025 £000	2024 £000
Revaluation Reserve	138,759	102,777
Capital Adjustment Account	303,114	296,477
Pensions Reserve	70,589	31,459
Deferred Capital Receipts Reserve	4,930	4,858
Collection Fund Adjustment Account	228	(600)
Accumulated Absences Account	(446)	(424)
Total Unusable Reserves	517,174	434,547

41. **REVALUATION RESERVE**

The Revaluation Reserve contains the gains made by the Authority arising from increases in the value of its Property, Plant and Equipment. 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 1st 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.

Revaluation Reserve	2024/25 £000	2023/24 £000
Balance brought forward 1st April	102,777	93,770
Revaluation gains	35,982	15,227
Revaluation & impairment losses	-	(443)
Amounts t/f to Cap Adj Account (Depreciation)	-	(5,121)
Amounts t/f to Cap Adj Account (Disposals)	-	(656)
Balance carried forward 31st March	138,759	102,777

42. 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 Comprehensive Income and Expenditure Statement. The Account is credited with the amounts set aside by the Authority as finance for the costs of acquisition, construction and enhancement.

This Account contains accumulated gains and losses on Investment Properties and gains recognised on donated assets that have yet to be consumed by the Authority.

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

Capital Adjustments Account	2024/25 £000	2023/24 £000
Balance brought forward 1st April	296,477	289,569
<u>Reversal of items recognised in the Comprehensive Income & Expenditure Statement</u>		
Property, Plant & Equipment: depreciation charges	(19,477)	(17,466)
Property, Plant & Equipment: net revaluation gains/(losses)	(4,098)	2,144
Intangible Assets: amortisation charges		-
Revenue expenditure funded from capital under statute	74	(1,778)
Disposal/derecognition of non-current assets	-	(8,644)
Gain/(loss) in fair value of investment properties	(1,290)	1,183
<u>Amounts transferred from the Revaluation Reserve</u>		
Depreciation adjustment		5,121
Disposal/derecognition adjustment		656
<u>Capital financing provisions</u>		
Application of usable capital receipts	5,910	3,579
Application of major repairs reserve	12,709	13,687
Application of revenue balances and direct revenue financing		642
Capital grants/contributions recognised in revenue during the period	11,432	6,508
Application of capital grants unapplied		
Minimum revenue provision	1,376	1,276
Balance carried forward 31st March	303,113	296,477

43. 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 Authority accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Authority makes employers contributions to pension funds or 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 Authority 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.

Pensions Reserve	2024/25 £000	2023/24 £000
Balance brought forward 1st April	31,459	10,386
Adjustment to 2023/24 reported valuation	-	-
	31,459	10,386
Actual gains or losses on pensions assets and liabilities	36,558	19,901
Reversal of items relating to retirement benefits debited/credited to Surplus/Deficit on Provision of Services in Comprehensive Income & Expenditure Statement	(4,080)	(5,620)
Effect of Business Combinations		-
Employers pension contributions	6,652	6,792
Balance carried forward 31st March	70,589	31,459

44. DEFERRED CAPITAL RECEIPTS RESERVE

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

The balance relates to debt outstanding on assets transferred from North East Derbyshire District Council in 1974 and 1988 and the sale of land to Tilia Homes in 2023.

Deferred Capital Receipts Reserve	2024/25 £000	2023/24 £000
Balance brought forward 1st April	4,858	7,228
Additions	72	-
Transfer to Capital Receipts Reserve on receipt of cash		(2,370)
Balance carried forward 31st March	4,930	4,858

45. **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 Comprehensive Income and Expenditure Statement as it falls due from council tax and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

Collection Fund Adjustment Account	2024/25 £000	2023/24 £000
Balance brought forward 1st April	(600)	(425)
Amount by which council tax and non domestic rates income credited to Comprehensive Income & Expenditure Statement is different from council tax and non domestic rates income calculated for year in accordance with statutory requirements	828	(175)
Balance carried forward 31st March	228	(600)

46. **ACCUMULATED ABSENCES ACCOUNT**

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance from accruing for paid absences earned but not taken in the year, e.g. annual leave entitlement carried forward at 31st March 2025. Statutory arrangements require that the impact on the General Fund Balance is neutralised by transfers to or from the Account.

Accumulated Absences Account	2024/25 £000	2023/24 £000
Balance brought forward 1st April	(425)	405
Settlement or cancellation of accrual made at end of preceeding year	425	(405)
Amounts accrued at end of current year	(446)	(425)
Balance carried forward 31st March	(446)	(425)

47. CASHFLOW STATEMENT - ADJUST NET SURPLUS/DEFICIT ON THE PROVISION OF SERVICES FOR NON-CASH ADJUSTMENTS

Cash Flow - Non Cash Adjustments	2024/25 £000	2023/24 £000
Depreciation/Impairment	(19,477)	(17,465)
Revaluations	(5,388)	2,143
(Increase)/decrease in Creditors	6,289	(7,088)
Increase/(decrease) in Debtors	(2,145)	(254)
Increase/(decrease) in Stock	7	(6)
Movement in Pension Liability	2,572	1,172
Carrying amount of non-current assets and non-current assets held for sale, sold or derecognised	-	(8,644)
Other non-cash items charged to net surplus/deficit on provision of services	(1,238)	(240)
Total	(19,380)	(30,382)

48. CASHFLOW STATEMENT - ADJUST FOR ITEMS IN NET SURPLUS/DEFICIT ON PROVISION OF SERVICES THAT ARE INVESTING & FINANCING ACTIVITIES

Cash Flow - Investing & Financing Activities	2024/25 £000	2023/24 £000
Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)		-
Proceeds from sale of PPE, investment properties & intangible assets	812	3,395
Any other items for which the cash effects are investing or financing activities	-	7,776
Total	812	11,171

49. CASH FLOW STATEMENT – OPERATING ACTIVITIES

The cash flows for operating activities include the following items:

Cash Flow - Operating Activities	2024/25 £000	2023/24 £000
Interest received	(5,932)	(867)
Interest paid	5,216	4,891
Dividends Received		-

50. CASH FLOW STATEMENT – INVESTING ACTIVITIES

Cash flow - Investing Activities	2024/25 £000	2023/24 £000
Purchase of non-current assets	31,594	31,404
Purchase of short term and long term investments	(938)	
Other payments for investing activities	-	293
Proceeds from sale of non-current assets	(812)	(5,765)
Proceeds from short term and long term investments		
Other receipts from investing activities	-	(8,021)
Net cash flows from investing activities	29,844	17,911

51. CASH FLOW STATEMENT – FINANCING ACTIVITIES

Cash Flow - Financing Activities	2024/25 £000	2023/24 £000
Cash receipts of short - and long-term borrowing		(10,921)
Repayments of short and long term borrowing	4,311	10,000
Other payments for financing activities		3,864
Net cash flows from financing activities	4,311	2,943

52. RELATED PARTY TRANSACTIONS

The Code requires that material transactions with third parties that have the potential to control or influence the Council or to be controlled or influenced by the Council are disclosed in the accounts. For this Council, these parties are mainly Central Government, other Local Authorities, subsidiary and associated companies, joint ventures and joint venture partners, Members, Chief Officers, Senior Officers and the pension fund.

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 Authority.

Central Government

The UK Central Government has significant influence over the general operations of the Authority – it is responsible for providing the statutory framework within which the Authority operates, provides funding in the form of grants and prescribes the terms of many of the transactions that the Authority has with other parties (eg council tax bills,

housing benefits). Grants received from government departments are set out in Note 18 on grant income.

Members and Officers

Members of the Council have direct control over the Council's financial and operating policies. The total of members allowances paid in 2024/25 is shown in Note 17.

Council Members and senior officers are required to make annual disclosures of the pecuniary and non-pecuniary interests to the Council's monitoring officer for inclusion in the Register of Members Interests and the Declaration of Personal Interests (Officers). Members are also required to declare any interest on individual committee agenda items being discussed at meetings. Finally, a separate declaration has been returned at year end by all members and senior officers. The returns confirm that there are no material interests in related parties beyond those in voluntary organisations declared above.

Subsidiary and Associated Companies

The authority had no interest in subsidiary or associated companies in the year.

Staveley Town Deal

The Authority is the accountable body for the Staveley Town Deal. In 2021/22, it was allocated £25.2m to spend by 2024/25. This money has been allocated to 10 projects, 3 of which are sponsored by the Council and are included in our capital programme. The remaining 7 projects are sponsored by other organisations and as accountable body we provide grant funding to these projects.

Other Arrangements

The Council has a shared internal audit consortium with Bolsover and North East Derbyshire District Councils. Other joint arrangements may be explored with neighbouring authorities in the future.

Chesterfield Borough Council is a partner in Chesterfield Waterside Ltd, a public/private partnership created to secure the regeneration of a strategic area within the borough. It has three Board members and the Leader of the Council is our representative.

The authority is a shareholder in Derbyshire Building Control Partnership Ltd. The company provides us with our annual statutory building control services for £41,583. This authority also provided the company with a loan of £250,000 in 2017/18 for cash flow and initial set up costs, which has now been fully repaid. A member of the Corporate Leadership Team is acting as interim Managing Director of the company but receives no remuneration for this role. The Council's Chief Executive is also listed as a Director of the company but again receives no remuneration.

53. CHESTERFIELD & DISTRICT JOINT CREMATORIUM COMMITTEE

The Council operates a Crematorium jointly with Bolsover and North East Derbyshire District Councils.

The accounts include our share of all transactions, assets, liabilities, income and expenditure.

The proportion of transactions is based on the number of cremations of residents within the three districts over a rolling 3 year period.

The following percentages have been applied:

	Chesterfield Borough Council	North East Derbyshire District Council	Bolsover District Council
2024/25	55%	31%	14%
2023/24	55%	31%	14%

The figures below show Chesterfield Borough Council's share of the Chesterfield & District Joint Crematorium's income, expenditure, assets and liabilities included in the Comprehensive Income & Expenditure Statement and Balance Sheet based on the split outlined above.

Income & Expenditure Account

2023/24 Net Expenditure £000	Income & Expenditure Account	2024/25		
		Expenditure £000	Income £000	Net Expenditure £000
(86)	Health & Wellbeing	1,138	(1,224)	(86)
(86)	Net Cost of Service	1,138	(1,224)	(86)

Balance Sheet

2023/24 £000	Balance Sheet	2024/25 £000
	<u>Long Term Assets</u>	
1,331	Other Land & Buildings	1,331
16	Vehicles, Plant, Furniture & Equipment	16
32	Investment Properties	32
	<u>Current Assets</u>	
2	Stock	2
180	Debtors	180
1,820	Cash	1,820
	<u>Current Liabilities</u>	
(170)	Creditors	(170)
	<u>Long Term Liabilities</u>	
1,586	Pension Scheme Assets	1,586
(1,381)	Pension Scheme Liabilities	(1,381)
3,416	Net Assets	3,416
602	Revaluation Reserve	602
764	Capital Adjustment Account	764
205	Pensions Reserve	205
1,359	Earmarked Reserves	1,359
486	Balances - Revenue Surplus	486
3,416	Total Reserves	3,416

54. CONTINGENT LIABILITIES

NNDR Appeals

The Collection Fund account includes a provision for appeals against business rate valuation assessments which were lodged by 31st March 2025. Further appeals against valuations may be received in future years. The value of the liability cannot be estimated for unknown claims which have not yet been received.

Municipal Mutual Insurance

The Scheme of Arrangement was enacted in 2012/13. The liability on the Council as a scheme creditor cannot be fully estimated at this stage for unknown claims incurred but not yet reported. Whilst the Council has considered the financial impact in producing the Statement of Accounts, there is a risk that the Council's financial liability could increase from this level.

Water Charges

On 29 November 2019 the High Court handed down judgment in the case of *Royal Borough of Kingston upon Thames v Moss (2019)*. This judgment impacts on social housing landlords who resold water and sewage services to its tenants for the purposes of the Water Industry Act 1991 under an agreement. Until 31 March 2018, the Council had such an agreement with Severn Trent Water Authority (STWA). The High Court's decision was subsequently appealed to the Court of Appeal. The judgment of the Court of Appeal in the *Royal Borough of Kingston upon Thames v Moss [2020]* was published on 27th October 2020. The result of that case is that Kingston lost its appeal to the Court of Appeal over the earlier High Court ruling that it overcharged tenants for water.

As a result of this judgement, it is likely that the Council is bound by the maximum charges provisions of the Water Resale Orders 2001 and 2006, it will have charged tenants sums in excess of the maximum charges and tenants will have a right to recover overpayments of charges. No claims have been received to date. The estimated liability at 31 March 2025 for the refund of these earlier years' charges is a provision of around £0.9m. This is not regarded as material in value and the provision has not been included in the 2024/25 Financial Statements.

HOUSING REVENUE ACCOUNT (HRA) INCOME & EXPENDITURE STATEMENT

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 of which rents are raised, is shown in the Movement on the HRA Statement.

HOUSING REVENUE ACCOUNT (HRA) INCOME & EXPENDITURE STATEMENT

HRA Income & Expenditure Account	Notes	2024/25 £000	2023/24 £000
<u>Income:</u>			
Dwellings Rents	1	42,157	38,750
Charges for Services and Facilities		1,026	665
Non-Dwelling Rents		683	651
Contribution towards Expenditure		875	758
Total Income		44,741	40,824
<u>Expenditure:</u>			
Supervision & Management: General		7,966	7,269
Special		4,759	4,637
Rents, Rates, Taxes & Other Charges		719	548
Repairs and Maintenance		12,255	10,356
Depreciation & Impairment of non-current assets	7 & 8	13,664	13,686
Debt Management Costs		49	50
REFCUS		-	-
Movement in the allowance for bad debts		557	590
Total Expenditure		39,969	37,136
Net Expenditure/ (Income) of Services as included in the Comprehensive Income & Expenditure Statement		(4,772)	(3,688)
HRA share of Corporate & Democratic Core		237	241
Net Expenditure/ (Income) for HRA Services		(4,535)	(3,447)
HRA share of the operating income and expenditure included in the Comprehensive Income & Expenditure Statement			
(Gain)/Loss on Disposal of HRA non-current assets		(2,401)	5,377
HRA share of interest payable & similar charges		4,784	4,498
Interest & Investment Income		(542)	(585)
Change in Market Value of Investment Properties		-	(1)
Income & Expenditure re Investment Properties		(66)	(67)
(Surplus)/Deficit on HRA Services		(2,760)	5,775

Movement on the HRA Statement	2024/25 £000	2023/24 £000
Balance on HRA at end of previous year	(6,239)	(6,657)
(Surplus)/Deficit for year on HRA Income & Expenditure Statement	(359)	5,775
Adjustments between accounting basis and funding basis under statute (note 9)	23	(5,361)
Net (Increase)/Decrease before transfers to or from reserves	(336)	414
Transfers to/(from) reserves		4
(Increase)/decrease in year on HRA	(336)	418
Balance on HRA at end of current year	(6,575)	(6,239)

NOTES TO THE HOUSING REVENUE ACCOUNT

The Council had 8,798 dwellings available for rent during 2024/25. Its activities as a housing landlord must, by law, be shown in a separate account, the Housing Revenue Account. The law prescribes what must be included in this Account and prevents transfers to or from the General Fund except in closely defined circumstances.

1. RENT OF DWELLINGS

This is the total rent income collectable for the year after allowance is made for empty properties. The average weekly rent in 2024/25 was £95.95 (52 week year), an increase of £7.18 (8%) on the previous year.

2. HOUSING STOCK

The Council's housing stock at 31st March 2025 was as follows:

Housing Stock	2024/25 Number	2023/24 Number
Houses	4,250	4,291
Flats & maisonettes	3,084	3,090
Bungalows	1,394	1,393
Others	70	70
Total	8,798	8,844

The number of properties sold under the 'Right to Buy' legislation in 2024/25 was 47 (40 in 2023/24).

3. RENT ARREARS

Rent arrears at the year-end totalled £3,203,451. This compares with £3,684,399 at 31st March 2024. A provision of £2,388,056 (£1,686,853 in 2023/24) has been made in the Balance Sheet for uncollectable housing rent debts.

4. VALUATION OF ASSETS

An annual desk top review of HRA assets was undertaken as opposed to a comprehensive revaluation as at 31st March 2025 in accordance with the 'DCLG's Guidance on Stock Valuation for Resource Accounting'. The review comprised updating the valuations for residential property by applying selective indices of property prices, adjusted to reflect local market conditions in Chesterfield and comparison with valuation evidence, analysed down to estate level. The figure for 31st March 2025 excludes depreciation and disposals over the period.

Balance Sheet Valuations of HRA Assets	As at 31st March 2025 £000	As at 31st March 2024 £000
Council Dwellings	458,374	429,423
Other Land & Buildings	4,367	3,225
Infrastructure	6,899	-
Vehicles, Plant, Furniture & Equipment	59	113
Assets Under Construction	5,475	2,528
Surplus Assets Not Held for Sale	210	210
Investment Property	902	901
Investment Property Held for Sale	-	-
Total	476,286	436,400

The balance sheet valuations for dwellings in the table above are calculated on the basis of rents receivable from existing tenancies. The rents are less than those that could be obtained on the open market. The balance sheet value defined as Existing Use Value – Social Housing (EUV-SH) is therefore less than the Open Market Value (OMV). The difference between the two values represents the economic cost of providing social housing at less than market value.

The factor used to convert the OMV of the stock to EUV-SH for inclusion in the balance sheet was increased from 34% to 42% with effect from 1st April, 2016.

5. HRA CAPITAL EXPENDITURE & FINANCING

Capital Expenditure		Capital Financing	
	£000		£000
Council Dwellings	14,584	Borrowing	-
Assets Under Construction	2,947	Capital Receipts Reserve	4,881
Vehicles, Plant, Machinery & Equipment	59	Major Repairs Reserve	12,709
REFCUS	-	Grants & Contributions	-
		Revenue Balances & Direct Revenue Financing	-
Total	17,590	Total	17,590

6. HRA CAPITAL RECEIPTS

HRA Capital Receipts	2024/25 £000	2023/24 £000
Council Dwellings	2,994	2,296
Other Land & Property	1,168	923
Total	4,162	3,219

7. DEPRECIATION

HRA Depreciation	2024/25 £000	2023/24 £000
Council Dwellings	13,483	13,505
Other Land & Property	119	110
Vehicles, Plant, Furniture and Equipment	62	72
Total	13,664	13,687

8. REFCUS, REVALUATION AND IMPAIRMENT LOSSES

Any revaluation/impairment losses (or reversals of past revaluation/impairment losses), amounts in respect of Revenue Expenditure Funded From Capital Under Statute (net of related grant income) and movements in the fair value of investment property were recognised in Surplus/Deficit on the Provision of Services and then reversed out in the Movement in Reserves Statement by means of a transfer to/from the Capital Adjustment Account.

REFCUS, Revaluation and Impairment Losses	2024/25 £000	2023/24 £000
Council Dwellings	(3,549)	4,484
Other Land & Buildings	-	-
Surplus Assets Not Held for Sale	-	-
Revaluation and Impairment Losses	(3,549)	4,484
REFCUS - Social Mobility Scheme	-	-
Movements in the fair value of investment property	-	(1)
Total	(3,549)	4,483

9. ADJUSTMENTS BETWEEN ACCOUNTING BASIS & FUNDING BASIS UNDER REGULATIONS

HRA Adjustments	2024/25 £000	2023/24 £000
Net gain/(loss) on sale of HRA non-current assets	(2,401)	(5,377)
HRA share of contributions to or from the Pensions Reserve	23	19
Capital expenditure funded by the HRA	-	-
Transfer to/(from) Major Repairs Reserve	-	-
Movement in Market Value of Investment Properties (note 8)	-	1
Transfer to/(from) Capital Adjustment Account (note 8)	-	-
Voluntary Repayment of Debt	-	-
Short Term Accumulated Absences	(8)	(4)
Total Adjustments	(2,386)	(5,361)

COLLECTION FUND

The Collection Fund 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.

2023/24		2024/25		
Total £000		Business Rates £000	Council Tax £000	Total £000
(61,527)	<u>Income</u>			
(35,765)	Council Tax (Note 1)		(65,499)	(65,499)
(97,292)	Business Rates (Note 2)	(38,937)		(38,937)
		(38,937)	(65,499)	(104,436)
	<u>Expenditure</u>			
	Apportionment of Previous Year Surplus/(Deficit)			
(92)	Central Government	(194)		(194)
(84)	Chesterfield Borough Council	(155)	(10)	(165)
(89)	Derbyshire County Council	(35)	(72)	(107)
(5)	Derbyshire Fire Authority	(3)	(4)	(7)
(13)	Derbyshire Police & Crime Commissioner		(13)	(13)
(283)		(387)	(99)	(486)
	Precepts, Demands & Shares			
18,790	Central Government	19,452		19,452
21,190	Chesterfield Borough Council	15,563	6,398	21,961
47,908	Derbyshire County Council	3,501	47,239	50,740
2,962	Derbyshire Fire Authority	389	2,691	3,080
8,034	Derbyshire Police & Crime Commissioner		8,512	8,512
98,884		38,905	64,840	103,745
	Charges to Collection Fund			
(1,474)	Transitional Protection Payments	(345)		(345)
673	Increase/(Decrease) in bad debts provision (Note 5)	768		768
(195)	Increase/(Decrease) in provision for appeals (Note 6)	(2,067)		(2,067)
179	Cost of Collection Allowance	162		162
492	(Surplus)/Deficit arising during year	(1,901)	(758)	(2,659)
663	(Surplus)/Deficit Brought Forward	1,566	(532)	1,034
1,155	(Surplus)/Deficit as at 31st March (Note 3 & 4)	(335)	(1,290)	(1,625)

COLLECTION FUND

NOTES TO THE ACCOUNTS

1. COUNCIL TAX

The Council's Tax Base i.e. the number of chargeable dwellings in each band converted to an equivalent number of Band D dwellings was calculated as follows:-

Band	Estimated No. of Properties	Ratio	Band D Equivalents
A disabled	52	5/9	29
A	17,870	6/9	11,913
B	8,694	7/9	6,762
C	5,626	8/9	5,001
D	3,692	9/9	3,692
E	1,967	11/9	2,405
F	571	13/9	825
G	203	15/9	338
H	11	18/9	21
Totals	38,685		30,986
Less adjustment for collection rate			-543
Council Tax Base			30,443

The basic amount of Council Tax for a Band D property was £2,110.55 (£2,015.69 2023/24).

2. BUSINESS RATES

Central Government specifies the annual amount payable by businesses (55.5p in 2024/25 and 51.2p in 2023/24) and, subject to the effects of transitional arrangements, local businesses pay rates calculated by multiplying their rateable value by that amount.

A small business rate relief scheme was introduced by central government in 2005/06 and for those businesses eligible for this relief the multiplier is 49.9p for 2024/25 (49.9p in 2023/24).

The Council is responsible for collecting business rates due in its area. In previous years the proceeds were paid into the N.N.D.R. Pool administered by the Government. The Government redistributed the sums paid into the Pool back to local authorities through the Formula Grant process each year.

From 2013/14, this has been replaced by the Business Rate Retention Scheme. Income collected is now shared between the Council, Central Government and major preceptors in proportions laid down by Government. Councils are now able to retain a share of any growth in business rate income.

With effect from 1st April 2015, the Council became a member of the Derbyshire Business Rates Pool which is administered by Derby City Council. The advantage of the pool is that it creates an opportunity to generate additional business growth through collaborative working and to smooth out the impact of volatility in business rates income across a wider economic area.

Under the accounting arrangements for the Derbyshire Pool, instead of each authority paying a proportion of their growth in business rates above a baseline to central government, it pays this levy to the pool and receives a redistribution of growth back from the pool at the end of each financial year.

3. COLLECTION FUND SURPLUS/(DEFICIT) – COUNCIL TAX

Surpluses or deficits relating to the Council Tax are shared between Derbyshire County Council, Derbyshire Police & Crime Commissioner, Derbyshire Fire Authority and the Borough Council in proportion to the precepts and demands issued and must be used to adjust the Council Tax. An estimated surplus of £10k was assumed when setting the Council Tax for 2024/25. The improvement in the outturn position of £748K will be accounted for in the tax calculation for 2025/26.

ALLOCATION OF SURPLUS/(DEFICIT) ON COUNCIL TAX AT 31ST MARCH		
	2025 £000	2024 £000
Derbyshire County Council	936	386
Derbyshire Police & Crime Commissioner	169	69
Derbyshire Fire Authority	55	23
Chesterfield Borough Council	130	54
Council Tax (Deficit)/Surplus	1,290	532

The surplus attributed to Chesterfield Borough Council is initially included in the Comprehensive Income & Expenditure Statement, although the element that is redistributed in the tax calculation in 2024/25 is subsequently reversed out and included in the balance sheet as part of Unusable Reserves. The proportion of the collection fund attributable to the three precepting authorities is included in the accounts as a debtor.

4. COLLECTION FUND SURPLUS/(DEFICIT) – BUSINESS RATES

From 2013/14, surpluses or deficits relating to Business Rates are shared between Derbyshire County Council, Derbyshire Fire Authority, Central Government and the Borough Council in proportions fixed by Government. A deficit of £155k was assumed in the calculation of business rate income in 2024/25. The reduction in deficit and subsequent surplus increase of £1,2358k will be distributed in the income calculation for 2025/26.

ALLOCATION OF SURPLUS/(DEFICIT) ON BUSINESS RATES AT 31ST MARCH		
	2025 £000	2024 £000
Central Government	(168)	(783)
Derbyshire County Council	(30)	(141)
Derbyshire Fire Authority	(4)	(16)
Chesterfield Borough Council	(134)	(626)
Business Rates (Deficit)/Surplus	(336)	(1,566)

The deficit attributed to Chesterfield Borough Council is initially included in the Comprehensive Income & Expenditure Statement, although the element that is redistributed is subsequently reversed out in the balance sheet as part of Unusable Reserves. The proportion of the collection fund attributable to the other recipients is included in the accounts as a creditor.

5. IMPAIRMENT OF DEBTS – WRITE OFFS & ALLOWANCES

The arrears figure for Council Tax and Business Rates is disaggregated into an age profile with an assessment of the likelihood of recovery of the outstanding amounts for each year. This assessment is carried out using evidence of local patterns of collection and historical experience.

Individual assessments are carried out for council tax and business rate arrears to reflect the different types of customer and the different characteristics of each of these debt classifications.

The movements on the impairment provisions are shown below:

COLLECTION FUND - IMPAIRMENT ALLOWANCE				
Tax	Brought forward £000	Write-offs in the year £000	Increase / (Decrease) in allowance £000	Carried Forward £000
Business Rates	481	(349)	748	880
Council Tax	2,032	(281)	410	2,161
Total	2,513	(630)	1,158	3,041

6. PROVISION FOR APPEALS – BUSINESS RATES

Businesses can appeal against their rateable value, set by the Valuation Office Agency and any successful appeals must be met from the Collection Fund. A provision has been established to recognise this liability.

The movement on the appeals provision is shown below:

COLLECTION FUND - APPEALS PROVISION			
Brought Forward £000	Applied in year £000	Contribution to provision in year £000	Carried Forward £000
4,093	(3,332)	1,265	2,026

7. PRECEPTS

Details of the major precepts on the fund are shown in the expenditure section of the account. The precept paid to Chesterfield Borough Council includes £589,367 parish precepts (Staveley £530,156 and Brimington £59,211).

Independent auditor's report to the members of Chesterfield Borough Council

Report on the audit of the financial statements