



MEETING : AUDIT AND GOVERNANCE COMMITTEE
VENUE : COUNCIL CHAMBER, WALLFIELDS, HERTFORD
DATE : WEDNESDAY 28 MAY 2025
TIME : 7.00 PM

PLEASE NOTE TIME AND VENUE

This meeting will be live streamed on the Council's Youtube page:
<https://www.youtube.com/user/EastHertsDistrict>

MEMBERS OF THE COMMITTEE

Councillor Martin Adams (Chair)

Councillors B Deering, C Hart, S Nicholls, D Willcocks, G Williamson and D Woollcombe

Mr M Poppy and Mr N Sharman

Substitutes

Conservative Group: Councillor J Wyllie
Green Group: Councillors M Connolly and N Cox
Labour Group: Councillor D Jacobs
Liberal Democrat Group: Councillors S Marlow and M Swainston

(Note: Substitution arrangements must be notified by the absent Member to Democratic Services 24 hours before the meeting)

CONTACT OFFICER:

MICHELE AVES

01279 502177

michele.aves@eastherts.gov.uk

Disclosable Pecuniary Interests

A Member, present at a meeting of the Authority, or any committee, sub-committee, joint committee or joint sub-committee of the Authority, with a Disclosable Pecuniary Interest (DPI) in any matter to be considered or being considered at a meeting:

- must not participate in any discussion of the matter at the meeting;
- must not participate in any vote taken on the matter at the meeting;
- must disclose the interest to the meeting, whether registered or not, subject to the provisions of section 32 of the Localism Act 2011;
- if the interest is not registered and is not the subject of a pending notification, must notify the Monitoring Officer of the interest within 28 days;
- must leave the room while any discussion or voting takes place.

Public Attendance

East Herts Council welcomes public attendance at its meetings and meetings will continue to be live streamed and webcasted. For further information, please email democraticservices@eastherts.gov.uk or call the Council on 01279 655261 and ask to speak to Democratic Services.

The Council operates a paperless policy in respect of agendas at committee meetings and the Council will no longer be providing spare copies of Agendas for the Public at Committee Meetings. The mod.gov app is available to download for free from app stores for electronic devices. You can use the mod.gov app to access, annotate and keep all committee paperwork on your mobile device.

Visit <https://www.eastherts.gov.uk/article/35542/Political-Structure> for details.

Audio/Visual Recording of meetings

Everyone is welcome to record meetings of the Council and its Committees using whatever, non-disruptive, methods you think are suitable, which may include social media of any kind, such as tweeting, blogging or Facebook. However, oral reporting or commentary is prohibited. If you have any questions about this please contact Democratic Services (members of the press should contact the Press Office). Please note that the Chairman of the meeting has the discretion to halt any recording for a number of reasons, including disruption caused by the filming or the nature of the business being conducted. Anyone filming a meeting should focus only on those actively participating and be sensitive to the rights of minors, vulnerable adults and those members of the public who have not consented to being filmed.

AGENDA

1. Appointment of Vice-Chair for 2025/26
2. Apologies
To receive any apologies for absence
3. Minutes - 22 April 2025 (Pages 6 - 16)
To approve as a correct record the minutes of the meeting held on 22 April 2025.
4. Chair's Announcements
5. Declarations of Interest
To receive any declarations of interest.
6. Data Protection Update (Pages 17 - 21)
7. Annual Assurance Statement and Internal Audit Annual Report 2024/25
(Pages 22 - 52)
8. Provisional Outturn 2023/24 & 2023/24 Draft Statement of Accounts
(Pages 53 - 151)
9. 2024/25 Accounting Policies (Pages 152 - 160)
10. Monitoring 2024/25 quarter 4 corporate risk register (Pages 161 - 166)
11. Social Value Policy 2025-2030 (Pages 167 - 178)
12. Annual Leisure Contract Performance Report (Pages 179 - 198)
13. Audit and Governance Committee Work Programme (Pages 199 - 207)

14. Urgent Items

To consider such other business as, in the opinion of the Chairman of the meeting, is of sufficient urgency to warrant consideration and is not likely to involve the disclosure of exempt information.

Agenda Item 3

AG

AG

MINUTES OF A MEETING OF THE
AUDIT AND GOVERNANCE COMMITTEE
HELD IN THE COUNCIL CHAMBER,
WALLFIELDS, HERTFORD ON TUESDAY 22
APRIL 2025, AT 7.00 PM

PRESENT: Councillor M Adams (Chair)
Councillors S Nicholls, G Williamson and
D Woollcombe, Mr M Poppy and Mr N
Sharman

ALSO PRESENT:

Councillors C Brittain and B Crystall

OFFICERS IN ATTENDANCE:

Michele Aves	- Committee Support Officer
Brian Moldon	- Head of Finance
Alison Street	- Financial Planning Manager

ALSO IN ATTENDANCE:

Debbie Hanson	- Ernst Young LLP
Simon Martin	- Shared Internal Audit Service

408 APOLOGIES

There were apologies for absence from Councillor Deering and Councillor Hart.

409 MINUTES - 18 FEBRUARY 2025

It was moved by Councillor Nicholls and seconded by Councillor Woollcombe that the Minutes of the meeting of the Committee held on 18 February 2025 be confirmed as a correct record and signed by the Chair. After being put to the meeting and a vote taken, the motion was declared

CARRIED.

RESOLVED – that the Minutes of the Committee meeting held on 18 February 2025 be confirmed as a correct record and signed by the Chair.

410 CHAIR'S ANNOUNCEMENTS

The Chair welcomed all to the meeting, which was the last before the County Elections. He said that it had been a pleasure to serve on the Committee, and that he hoped Members would return for the next civic year.

411 DECLARATIONS OF INTEREST

There were no declarations of interest.

412 INTERNAL AUDIT PLAN REPORT 2025/26

The Shared Internal Audit Service (SIAS) Manager introduced the report which detailed the internal audit programme for 2025/26. He said that the programme linked with both the risk register and consultations with Leadership Team. He said that the programme was not set in stone, allowing for adjustments if required, with Members to be advised of any changes in SIAS' quarterly reports.

The Shared Internal Audit Service Manager said that key performance indicators could be seen at page 32 of the report, with the programme strategy (written by the Head of SIAS) available in the report's appendix.

The Chair thanked the Shared Internal Audit Service Manager for his report.

Councillor Williamson asked who decided the frequency of audits being included in the work programme.

The Shared Internal Audit Service Manager said that there was an A – Z of risks within the 'audit universe', with those assessed as high risk featuring within the

programme. He said that insight and intelligence gleaned from discussion with Leadership Team and topical requirements were also factored in.

Councillor Nicholls said that the programme was very thorough and detailed, and noted that devolution and local government reorganisation was included on the reserve list.

The Shared Internal Audit Service Manager confirmed that devolution would be on the programme going forward, being placed on the reserve list as it was too early to feature at present. He said that this was a good example of where an amendment to the programme would be required.

Mr Sharman referred to the Council's failure regarding financial reporting, and asked if a review should be carried out to ensure that processes had improved and were robust and fit for purpose.

The Shared Internal Audit Service Manager said that unless there was an appetite for oversight (which the Committee could make provision for should it wish) such duplication with external audit would be avoided.

The Head Finance S151 said that the report from the external auditor would go to Council in May and would include a recommendation from the Section 151 Officer (not Internal Audit) to monitor the actions within it.

Councillor Woollcombe sought clarification of who the Chief Audit Executive was, and asked how client satisfaction was measured for the specific key performance indicator.

The Shared Internal Audit Service Manager confirmed that he was the Chief Audit Executive. He said that typically client satisfaction was measured via a

questionnaire which SIAS sent to the audit sponsor or key contact post audit.

It was moved by Councillor Williamson and seconded by Councillor Nicholls, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) Members are recommended to approve the proposed East Herts Council Internal Audit Plan for 2025/26 be approved; and

(B) that the SIAS Internal Audit Strategy be noted, and any comments provided prior to approval by the SIAS Board.

- 413 'EXTERNAL AUDITORS COMPLETION REPORT FOR THOSE CHARGED WITH GOVERNANCE - 2021/22 AND 2022/23
The Ernst and Young (EY LLP) representative introduced the report which covered both 2021/22 and 2022/23 and updated the annual governance statement, therefore closing EY's audit responsibility.

The EY LLP representative referred to page 7 of the report which gave important local background, including content on the council's delays in financial reporting. She said that although disclaimer opinion had been given, value for money commentary was present.

The EY LLP representative highlighted other key points and said that the statutory recommendations included in the report (which could be seen at Appendix E) were required to be considered at a meeting of full Council within 30 days.

The Chair thanked the EY LLP representative for her report.

Councillor Nicholls said that the report was very detailed, and that Members had not had much time to read through it. She asked why there had been a delay in publishing a supplementary agenda.

The Head Finance S151 apologised for the delay, which was to enable management responses to be included within the report (as seen in yellow text at pages 77 – 80). He said that the report was going to Council in May, and that this would give Members more time to digest its contents. He emphasised that the Committee Work Programme was fluid, but that going forward it would be kept up to date so that Members knew what items to expect.

Mr Sharman welcomed the assurances within the report regarding the preparation of financial statements. He referred to the aforementioned management responses and said that it was good that firm action dates had been given, as these were previously lacking. He asked if officers were confident that they could meet the audit backstop date.

The Head Finance S151 said that the 2023/24 versions had been seen last week and were near completion. He said that he was therefore confident that these would be available to view online by the end of April.

The Head Finance S151 said that the backstop for 2024/25 was February 2026, which was a challenging but achievable objective that was being worked towards.

Mr Sharman said that this was reassuring to hear. He asked if the new auditor (Azets) could give feedback to the Committee at every meeting, not necessarily in attendance, but to raise any issues and thus avoid any surprises.

The Head Finance S151 said that he had worked with

both EY LLP and Azets in previous roles. He said that he would feedback that the Committee would like an update at every meeting.

Councillor Nicholls said that she was concerned by the lack of communication between the previous Section 151 Officer and Chief Executive. She asked if the new staff in these positions would see a change in both planning and relationships.

The Head of Finance S151 said that there was a 'golden triangle' which involved the Chief Executive, Section 151 Officer, and the Monitoring Officer meeting monthly. He said that the Executive Member for Financial Sustainability would also have regular meetings with section 151 officer.

Councillor Woollcombe said that it was good to see the EY LLP representative at the meeting, and for Members to have sight of a calendar which told them what was due and when.

The EY LLP representative said that a plan, including a timeline for 2021/22, would have been received by the Committee. She said that there was no plan for 2022/23 as communication had broken down with the former Section 151 Officer and Chief Executive, but there was now a more positive environment under the new post holders.

Councillor Woollcombe said that it would be beneficial for Members to have simple graphics within reports to illustrate where the council was and where they needed to be.

The Head of Finance S151 said that this could be included on the Committee's Work Programme.

Mr Poppy asked if Finance officers had the capacity to

deliver what was planned.

The Head of Finance S151 said that the review of the Finance Team was being undertaken, to establish what they had, and what was needed. He said that a short-term contractor was being engaged to assist with capacity within the team, and that the team was clear on its goals.

It was moved by Councillor Nicholls and seconded by Councillor Woolcombe, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the external auditor's Completion Report for 2021/22 and 2022/23 be received and any comments be given; and

(B) that the 2021/22 and 2022/23 Statement of Accounts be approved.

414 APPROVAL OF ANNUAL GOVERNANCE STATEMENT 2021/22 AND 2022/23

The Head of Finance S151 introduced the report which gave the final versions of the governance statements for 2021/22 and 2022/23. He said that there was a new section within the report which included the issues raised by EY LLP and which also contained updated action points.

The Chair thanked the Head of Finance S151 for his report.

Mr Sharman observed that some of the officers with responsibility for key areas of improvement were no longer at the council. He asked if these actions had been completed or if these names required updating.

The Head of Finance S151 said that if the actions had

been completed, they would show the name of the officer who had done the work (who may now no longer be in post). He said that any actions taken forward would appear on the 2023/24 statement.

It was moved by Councillor Nicholls and seconded by Councillor Williamson, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the Updated Annual Governance Statement for 2021/22 be reviewed and commented on; and

(B) that the Updated Annual Governance Statement for 2022/23 be Members review and commented on; and

(C) that the Statutory Recommendations that the External Auditors (EY) have made be acknowledged; and

(D) that Members ensure that the Statutory Recommendations are presented at a meeting of the full Council within 30 days of EY presenting the report to members of the Audit and Governance Committee.

415 DRAFT ANNUAL GOVERNANCE STATEMENT 2023/24
The Head of Finance S151 introduced the report which followed on from the previous year's Annual Governance Statement. He said that it should be noted that when the completion report is presented by the new auditor – Azets, it will also include the same Statutory Recommendations that have been included in the completion report covering 2021/22 and 2022/23 by the previous auditor – EY LLP.

The Chair thanked the Head of Finance S151 for his

report.

Mr Sharman said that the report referred to the breakdown in the relationship between the former Section 151 Officer and Chief Executive - which he wished to make clear the Committee had not been aware of. He added that the report also felt weighted towards perfection at the beginning.

Councillor Nicholls agreed with Mr Sharman's comments.

It was moved by Councillor Williamson and seconded by Councillor Nicholls, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the Draft Annual Governance Statement for 2023/24 be reviewed and commented on; and

(B) that it is noted that when the Completion report is presented for 2023/24 by the new External Auditors (Azets), it is anticipated that this will also include the same Statutory Recommendations that have been included in the Completion report covering 2021/22 and 2022/23 by EY, and that the 2023/24 completion report will also have to be presented at a meeting of the full Council within 30 days of Azets providing/presenting the report.

- 416 **AUDIT AND GOVERNANCE COMMITTEE WORK PROGRAMME**
The Head of Finance S151 introduced the report which set out the Committee's current work programme (as collated by the previous Head of Strategic Finance). He said that there would be discussion with the Chair regarding the reports which would come before Members and the frequency of the Committee's meetings going forward, with any changes to the programme achievable

from the next municipal year.

The Head of Finance S151 said that he anticipated that there would be a need for Members to receive training from the Shared Internal Audit Service (SIAS) and the Shared Anti-Fraud Service (SAFS), as well as sessions on risk and treasury management.

The Chair thanked the Head of Finance S151 for the report.

Councillor Nicholls said that as previously discussed, Members would welcome more meetings as this may alleviate the large number of items on each agenda. She added that an extra meeting in July would be a good idea and said that she was open to suggestions as to what training the Committee should receive.

Councillor Woollcombe echoed Councillor Nicholl's comments and said that he would like further information on how disclaimed opinions would affect long term viability.

The Head of Strategic Finance said that approximately 80% of other local authorities had disclaimers and that he anticipated that it would take approximately 3 – 4 years for these to unwind.

The Chair suggested that it may be beneficial to receive training on the role of external audit, and how this differs to internal audit.

Mr Sharman encouraged the inclusion of regular risk register reports on future agendas.

Councillor Williamson also echoed Members' comments. He again referred to the weight of the Committee's agendas and said that training added further pressure. He said that reviewing the calendar could alleviate this - if

reports fitted in with the revised schedule. Councillor Williamson said that the recent joint meeting held with the Overview and Scrutiny Committee to consider the budget was effective.

The Head of Finance S151 said that these points were understood and that the joint meeting would be taken forward.

It was moved by Councillor Nicholls and seconded by Councillor Woollcombe, that the recommendations, as detailed, be approved. After being put to the meeting and a vote taken, this motion was declared CARRIED.

RESOLVED – that (A) the work programme as set out in the report be approved; and

(B) that any training requirements be specified.

417 URGENT ITEMS
There were no urgent items.

The meeting closed at 8.06 pm

Chairman
Date

East Herts Council Report

Audit and Governance Committee

Date of meeting: Wednesday 28 May 2025

Report by: Tyron Suddes – Information Governance and Data Protection Manager

Report title: Data Protection Update

Ward(s) affected: (All Wards);

Summary – To provide an update on the council’s response to reported data breaches and subject access requests

RECOMMENDATIONS FOR Audit and Governance Committee

- a) That the Committee notes the content of the report and provides any observations to the Information Governance and Data Protection Manager.

1.0 Proposal(s)

- 1.1. As above

2.0 Background

- 2.1. This report provides a regular update on the council’s response to reported data breaches and subject access requests.
- 2.2. There have been eleven reported breaches from 1st October 2024 to 1st April 2025, none were deemed serious enough to require onward reporting to the Information Commissioner’s Office (ICO).
- 2.3. Of the reported breaches:
 - 2.3.1. Nine were due to correspondence being sent to an incorrect recipient;
 - 2.3.2. One was due to additional information being moved over during the BEAM data transfer and;
 - 2.3.3. One was due to details being incorrectly published on the council’s planning portal.
- 2.4. The following actions were taken to prevent similar breaches from occurring in future:

2.4.1. Apologies and Notifications:

2.4.1.1. Apologies were issued to affected data subjects.

2.4.1.2. Data subjects were informed of errors where necessary.

2.4.2. Recipient Actions:

2.4.2.1. Incorrect recipients were contacted and asked to delete or destroy data.

2.4.2.2. Confirmation was received that data was deleted or not accessed in most cases.

2.4.3. Staff Reminders and Training:

2.4.3.1. Staff responsible for breaches were advised to retake the data protection e-learning course.

2.4.3.2. Reminders were issued to staff to handle personal data carefully, verify details before approving changes, and clear their auto-complete cache to avoid similar errors.

2.4.4. Planning Portal Updates:

2.4.4.1 Immediate removal of incorrectly published data.

2.4.4.2. Updates were made to prevent future publication of personal details in a way that could lead to a data breach.

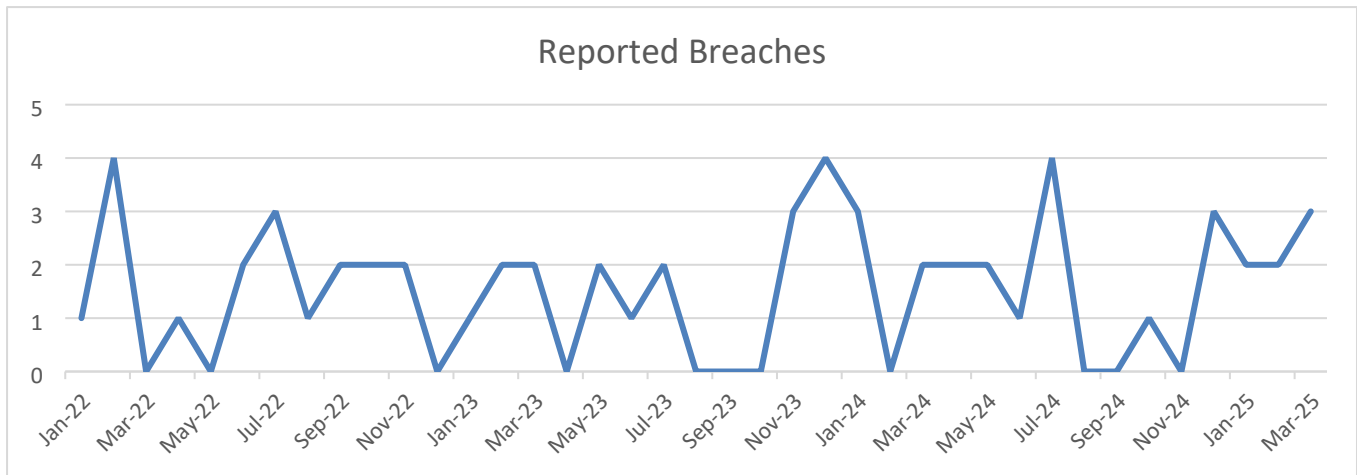
2.4.5. Other Preventative Measures:

2.4.5.1 Processes for council tax accounts were updated to ensure contact details are verified and errors avoided.

2.4.5.2. Assurance was sought from software providers on rectifying issues.

2.4.5.3. Email recall attempts were made when applicable.

2.5. The number of data breaches over the last reporting period remains acceptable, particularly given the amount of personal data the council processes. Additionally, this indicates that staff can recognise and know how to report suspected data breaches and have done so within the time limit set out in the council's Data Breach Policy. The table below gives an overview of reported data breach trends:



2.6. The council's data breach incidents and responses were audited in October 2024 and we received substantial assurance with two low priority recommendations that have now been actioned through the Data Breach Policy.

2.7. There have been eleven subject access requests from 1st October 2024 to 1st April 2025. All requests were processed and responded to within the statutory time limit.

3.0 Reason(s)

3.1. At its meeting on 17th November 2020, the Audit and Governance Committee requested that it receives reports on data protection matters.

3.2. At paragraph 8.1.8(n) of the Constitution, the Audit and Governance Committee has a role in considering the council's Data Protection policies and procedures.

4.0 Options

4.1. The Committee requested an update and so there are no alternative options to consider.

5.0 Risks

- 5.1. Data Breaches can pose a financial and reputational risk to the council if they are not reported and dealt with correctly, however, the council, through e-learning, virtual classroom training, shared learning and updated policies and procedures has raised awareness around data breaches and how to prevent and report these where required. Additionally, through regular reporting of breaches, the council can identify trends and possible actions to prevent these reoccurring.
- 5.2. Similarly, subject access requests, if not responded to correctly and within the statutory one-month time frame, can pose financial and reputational risks to the council. This report provides reassurance the council continues to respond to these requests in line with legislation.

6.0 Implications/Consultations

Community Safety

No

Data Protection

Yes - regular updates on data protection aim to provide assurance that the council remains compliant with data protection legislation. Equally, updating on data breaches and subject access requests provides assurance that the council remains compliant in these areas.

Equalities

No

Environmental Sustainability

No

Financial

Yes - A serious data breach could result in the council facing substantial financial penalties, emphasising the importance of monitoring performance and responses to those breaches that arise from time to time.

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

No – other than as identified above.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1. None

Contact Member

Executive Member for Corporate Services

Joseph.Dumont@eastherts.gov.uk

Contact Officer

Tyron Suddes, Information Governance and Data
Protection Manager

Tyron.Suddes@eastherts.gov.uk

Report Author

Tyron Suddes, Information Governance and Data
Protection Manager

tyron.suddes@eastherts.gov.uk

Agenda Item 7

Annual Assurance Statement and Internal Audit Annual Report 2024/25



**East Herts Council -
Annual Assurance Statement and Internal Audit Annual
Report 2024/25**

Audit & Governance Committee 28 May 2025

Recommendations

Members are recommended to:

Note the Annual Assurance Statement and Internal Audit Annual Report 2024/25

Note the results of the self-assessment required by the Global Internal Audit Standards (GIAS) and the Quality Assurance and Improvement Programme (QAIP)

Approve the SIAS Audit Charter 2025/26

Seek management assurance that the scope and resources for internal audit were not subject to inappropriate limitations in 2024/25

Contents

1. Purpose and Background
 - 1.1 Purpose
 - 1.2 Background

2. Annual Assurance Statement for 2024/25
 - 2.1 Assurance Opinion on Internal Control
 - 2.2 Context
 - 2.3 Control Environment
 - 2.4 Review of Effectiveness - compliance with the GIAS and QAIP
 - 2.12 Confirmation of independence of internal audit and assurance on limitations
 - 2.13 Assurance Opinion on Corporate Governance and Risk Management

3. Overview of Internal Audit Activity at the Council in 2024/25

4. Performance of the Internal Audit Service in 2024/25
 - 4.1 Performance Indicators
 - 4.2 Service Developments

5. Audit Charter 2025/26

Appendices

- A Final position against the Council's 2024/25 Audit Plan

- B Definitions of Assurance Recommendation Priority Levels 2024/25

- C Action Plan Arising from the Global Internal Audit Standards Self-Assessment as of May 2025

- D Internal Audit Charter 2025/26

1. Purpose and Background

Purpose of Report

1.1 This report:

- a) Details the Shared Internal Audit Service's (SIAS) overall opinion on the adequacy and effectiveness of East Herts Council's (the Council) framework of governance, risk management and control. Reference is made to significant matters and key themes.
- b) Shows the outcomes of the self-assessment against the Global Internal Audit Standards (GIAS) incorporating the requirements of the Quality Assurance and Improvement Programme (QAIP).
- c) Summarises the internal audit work that informs this opinion.
- d) Shows SIAS performance in respect of delivering the Council's internal audit plan.
- e) Presents the 2025/26 Audit Charter for approval.

Background

- 1.2 The purpose of internal audit is to strengthen the Council's ability to create, protect, and sustain value by providing Members and management with independent, risk-based, and objective assurance, advice, insight, and foresight.
- 1.3 A key duty of the Chief Audit Executive (CAE - the Council's Client Audit Manager) is to provide an annual internal audit opinion, concluding on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. This opinion informs the conclusions of the Council's Annual Governance Statement.
- 1.4 The assurance opinion in this report is based on the 2024/25 internal audit work which was planned and amended to give sufficient assurance on the Council's management of its key risks. Also considered is any relevant work undertaken in 2025/26 before the Audit Committee report deadline.
- 1.5 The audit plan remained dynamic during the year, with plan changes made to reflect the changing risks of the Council, or pace of transformation or change that would impact on the value of audits originally included in the plan. All plan changes during 2024/25 were communicated to, and approved by, the Audit & Governance Committee within the SIAS progress reports.
- 1.6 The International Professional Practices Framework (IPPF) organises the authoritative body of knowledge for the professional practice of internal auditing. The IPPF includes Global Internal Audit Standards (GIAS), Topical Requirements (designed to enhance the consistency and quality of internal audit services related to specific audit subjects) and Global Guidance. The Public Sector Internal Audit Standards, which encompassed the mandatory elements of the IPPF, have been replaced

Annual Assurance Statement and Internal Audit Annual Report 2024/25

by the Application Note Global Internal Audit Standards in the UK Public Sector.

- 1.7 Taken together, the GIAS and the Application Note form the basis of UK public sector internal audit effective from 1 April 2025. The Note states that a professional, independent, and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector.
- 1.8 When the Global Institute of Internal Auditors published the GIAS, it recognised that in the public sector, governance structures or other laws or regulations may impact on how the essential conditions can be applied. This is the case in UK local government. The GIAS itself provides for the chief audit executive to reach agreement with those in governance roles and senior management on alternative conditions that still allow for conformance with the GIAS. The CIPFA Code of Practice for the Governance of Internal Audit in UK Local Government provides the route to satisfying the essential conditions in the GIAS in the UK public sector, tailored for UK local government. The Application Note GIAS in the UK public sector directs the local government sector bodies to apply this Code.
- 1.9 The GIAS (UK Public Sector) sets out matters that SIAS must report to the Audit Committee. SIAS conform with these requirements through inclusion in the Annual Assurance Statement and Internal Audit Annual Report 2024/25. The summarised requirements that SIAS must adhere to are set out below:

Standard	Description
Domain III 6.1	<p>Internal Audit Mandate</p> <p>The Chief Audit Executive (CAE) must provide the board and senior management with the information necessary to establish the internal audit mandate. The internal audit charter must include the legal requirements of the mandate.</p>
Domain III 6.2	<p>Internal Audit Charter</p> <p>The CAE must develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's:</p> <ul style="list-style-type: none"> • Purpose of Internal Auditing. • Commitment to adhering to the Global Internal Audit Standards. • Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function. • Organisational position and reporting relationships.
Domain III 7.1	<p>Organisational Independence</p> <p>The CAE must confirm to the board the organisational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired, and the actions or safeguards employed to address</p>

Annual Assurance Statement and Internal Audit Annual Report 2024/25

	the impairment.
Domain III 7.2	<p>CAE Qualifications</p> <p>The CAE must maintain and enhance the qualifications and competencies necessary to fulfil the roles and responsibilities expected by the board.</p>
Domain III 8.1	<p>Board Interaction</p> <p>The CAE must provide the board with the information needed to conduct its oversight responsibilities. The CAE must report to the board and senior management:</p> <ul style="list-style-type: none"> • Changes potentially affecting the mandate or charter • Potential impairments to independence. • Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results • Results from the quality assurance and improvement program. <p>The CIPFA Code goes further, indicating that the audit committee must review the CAE’s annual report, including the annual conclusion on governance, risk management and control, and internal audit’s performance against its objectives.</p>
Domain III 8.3	<p>Quality</p> <p>The CAE must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:</p> <ul style="list-style-type: none"> • External assessments. • Internal assessments. <p>At least annually, the CAE must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:</p> <ul style="list-style-type: none"> • The internal audit function’s conformance with the Standards and achievement of performance objectives. • If applicable, compliance with laws and/or regulations relevant to internal auditing. • If applicable, plans to address the internal audit function’s deficiencies and opportunities for improvement.
Domain III 8.4	<p>External Quality Assessment</p> <p>The CAE must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team.</p>
Domain IV 9.3	<p>Methodologies</p> <p>The CAE must establish methodologies to guide the internal audit function in a systemic and disciplined manner to implement the internal audit strategy, develop the internal audit plan, and conform</p>

Annual Assurance Statement and Internal Audit Annual Report 2024/25

	with the Standards.
Domain IV 11.3	<p>Communicating Results</p> <p>The CAE must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The CAE must understand the expectations of the board and senior management regarding the nature and timing of communications. The results of internal audit services can include:</p> <ul style="list-style-type: none"> • Engagement conclusions. • Themes such as effective practices or root causes. • Conclusions at the level of the business unit or organisation.
Domain IV 12.1	<p>Internal Quality Assessment</p> <p>The CAE must develop and conduct internal assessments of the internal audit function’s conformance with the Global Internal Audit Standards and progress toward performance objectives. The chief audit executive must establish a methodology for internal assessments that includes:</p> <ul style="list-style-type: none"> • Ongoing monitoring of the internal audit function’s conformance with the Standards and progress toward performance objectives. • Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards. • Communication with the board and senior management about the results of internal assessments.
Domain IV 15.2	<p>Confirming the Implementation of Recommendations or Action Plans</p> <p>Internal auditors must confirm that management has implemented internal auditors’ recommendations or management’s action plans following an established methodology, which includes:</p> <ul style="list-style-type: none"> • Inquiring about progress on the implementation. • Performing follow-up assessments using a risk-based approach. • Updating the status of management’s actions in a tracking system.

1.10 Section 2 of this report details how SIAS complies with these requirements.

1.11 SIAS is grateful for the co-operation and support it has received from client officers during 2024/25.

2. Annual Assurance Statement 2024/25

Assurance opinion on internal control

- 2.1 Based on the internal audit work undertaken at the Council in 2024/25, SIAS can provide the following opinion on the adequacy and effectiveness of the Council's control environment.

Our overall opinion is **Reasonable Assurance** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

We have provided further context on our assurance opinion, including the internal control design and operation elements, at paragraphs 3.3 to 3.6 below as part of our Overview of Internal Audit Activity at the Council in 2024/25.

Context

Scope of responsibility

- 2.2 Council managers are responsible for ensuring Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently, and effectively. They are also responsible for ensuring internal controls are robust and risk management arrangements are appropriate.

Control environment

- 2.3 The control environment comprises three key areas: governance, risk management, and internal control. Together these aim to manage risk to an acceptable level, but it is accepted that it is not possible to eliminate it. A robust control environment helps ensure that the Council's policies, priorities, and objectives are achieved.

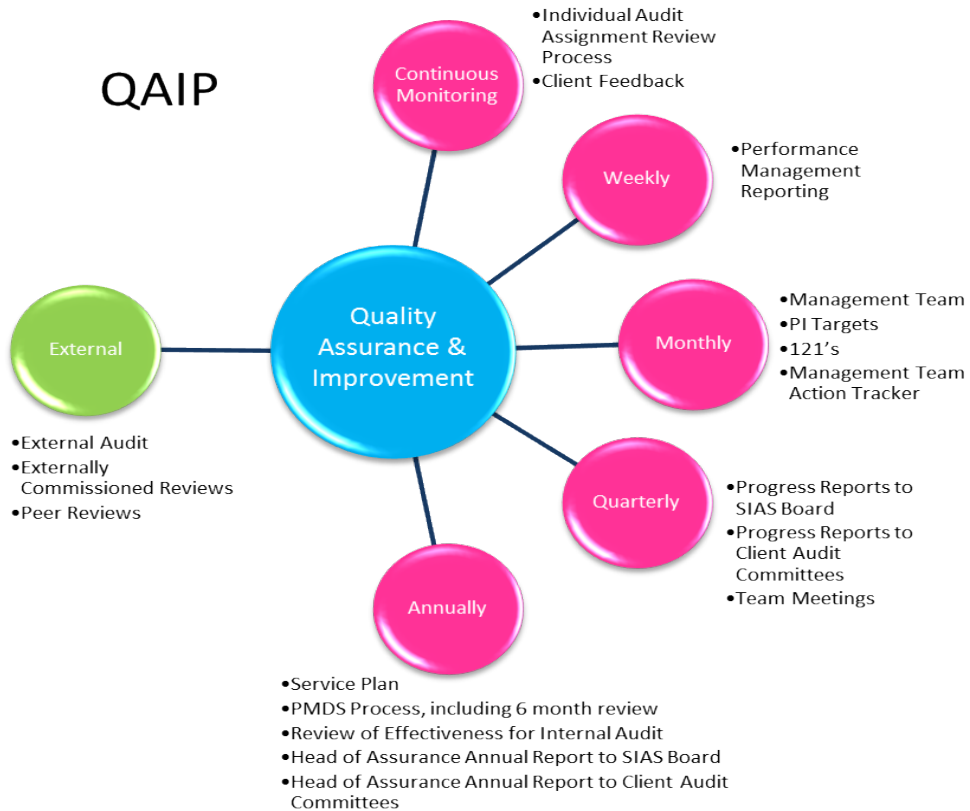
Review of effectiveness

- 2.4 The CAE must confirm annually that the internal audit function is suitably qualified to carry out the work that informs the assurance opinion. This includes that the CAE maintains and enhance their own qualifications and competences. SIAS can confirm that the service is suitably resourced and qualified to undertake its work, including the qualifications and competences of the CAE.

Annual Assurance Statement and Internal Audit Annual Report 2024/25

- 2.5 As part of our Quality Assurance and Improvement Programme, an internal quality self-assessment was conducted to review our conformance with the Global Internal Audit Standards (GIAS).
- 2.6 The GIAS also requires that the SIAS be subject to an external quality assessment (EQA) at least once every five years. This should be conducted by a qualified, independent assessor or assessment team from outside the organisation. This review was completed in June 2021 (the previous review being undertaken in 2015/16), with the result of the assessment reported to the Audit & Governance Committee in October 2021. The next EQA is due in 2026/27 and SIAS will shortly be seeking to appoint assessors to undertake the future review.
- 2.7 Based on the results of the 2024/25 GIAS self-assessment, the CAE has concluded that SIAS 'generally conforms' with the GIAS (UK Public Sector).
- 2.8 The self-assessment identified one area of continued agreed non-conformance in relation to the role of the Board (Audit Committee) in relation to the appointment, removal, performance management and remuneration of the CAE, this reflecting the unique nature of a shared service or partnership arrangement. A further five areas were also highlighted within the self-assessment where, whilst we assessed SIAS as conforming to the GIAS, we will undertake further work during 2025/26 to improve the evidence held to demonstrate compliance.
- 2.9 A summary of the outcomes of the GIAS self-assessment are detailed in Appendix C. There are no significant deviations from these Standards, or the Public Sector Internal Audit Standards that were in place during 2024/25, which warrant inclusion in the Council's Annual Governance Statement.
- 2.10 The SIAS QAIP includes both internal and external monitoring and reporting to assess the efficiency and effectiveness of internal audit activity and identify opportunities for improvement. The diagram below details the methods used to monitor and report on these. Detailed information outlining activity in each area is contained in the SIAS Audit Manual.

Annual Assurance Statement and Internal Audit Annual Report 2024/25



2.11 The Head of Assurance confirms that during 2024/25 SIAS operated according to its QAIP with evidence available within the service to support the achievement of each QAIP element.

2.12 The CAE confirms that during the year:

- a) No matters threatened SIAS's independence; and
- b) SIAS was not subject to any inappropriate scope or resource limitations.

2.13 SIAS has concluded that the corporate governance and risk management frameworks substantially comply with the CIPFA/SOLACE best practice guidance on corporate governance. This conclusion is based on the work undertaken by the Council and reported in its Annual Governance Statement for 2024/25, and the specific reviews of Risk Management and Corporate Governance carried out by SIAS during the year.

**Client Audit Manager
May 2025**

3. Overview of Internal Audit Activity at the Council in 2024/25

- 3.1 This section summarises work undertaken at the Council by SIAS in 2024/25. It highlights any significant internal control matters and opportunities for improvement.
- 3.2 Appendix A shows the final position against the agreed revised audit plan, assurance levels and the number of recommendations made. A summary of assurance levels and recommendation priorities is shown in the tables below (2023/24 data in brackets).

Assurance Level	Number of reports 2024/25 (2023/24 data in brackets)	Percentage of reports 2024/25 (2023/24 data in brackets)
Substantial	13 (13)	55% (46%)
Reasonable	5 (10)	21% (36%)
Limited	1 (2)	4% (7%)
No	0 (0)	0% (0%)
Not Assessed	2 (0)	8% (0%)
Unqualified	1 (1)	4% (4%)
Qualified	0 (0)	0% (0%)
Not Yet Complete	2 (2)	8% (7%)
Total	24 (28)	100% (100%)

Recommendation Priority Level	Number of recommendations 2024/25 (2023/24 data in brackets)	Percentage of recommendations made 2024/25 (2023/24 data in brackets)
Critical	0 (0)	0 (0%)
High	1 (5)	3% (8%)
Medium	9 (38)	26% (62%)
Low	24 (18)	71% (30%)
Total	34 (61)	100% (100%)

- 3.3 **The Reasonable assurance opinion overall on the Council's systems** (Reasonable assurance provided in 2023/24) has been concluded from the 21 audits undertaken during 2024/25. In addition, 1 grant certification received an unqualified opinion. In respect of assurance reviews, 13 received a Substantial Assurance opinion, 5 received Reasonable Assurance opinions and 1 received a Limited Assurance opinion.

Annual Assurance Statement and Internal Audit Annual Report 2024/25

Overall Assurance Opinion	Element	Opinion	Definition of Opinion
Reasonable Assurance	Design of Control	Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
	Operation of Control	Reasonable Assurance	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

3.4 In respect of the one audit receiving Limited assurance (Premises Licensing), we concluded that this did not materially impact on our overall opinion as the related audit findings were specific to the individual area subject to audit, as opposed to suggesting wider control issues across the Council as a whole.

3.5 We note that in April 2025, the Council's external auditors reported significant weaknesses in the Council's arrangements for the production and publication of the Statements of Accounts (covering the periods ending 31 March 2022 and 31 March 2023) and reported this as a significant governance weakness. They also made a statutory recommendation in relation to this issue, to which management has responded with a series of planned actions. The external auditors state, however, that they did not identify any deficiencies in internal control.

Audit Recommendations

3.6 Through the recommendations follow up process for 2024/25, the CAE can confirm that no high priority recommendations remain outstanding.

Communicating Results

3.7 Throughout the year the CAE communicated the results of internal audit services to the Audit & Governance Committee on a quarterly basis. The results included the progress of audit services against the agreed plan, performance against targets and the engagement conclusions.

4. Performance of the Internal Audit Service in 2024/25

Performance indicators

4.1 The table below compares SIAS performance at the Council against the 2024/25 targets set by the SIAS Board.

Indicator	Target 2024/25	Actual to 31 March 2025	Notes
1. Planned Days – percentage of actual billable days against planned chargeable days completed (excludes unused contingency)	95%	95%	217 days delivered out of the 229 days planned
2. Planned Projects – percentage of actual completed projects to draft report stage against planned completed projects by 31 st March 2025	90%	92%	22 projects to draft or final report from the 24 projects planned
3. Planned Projects – percentage of actual completed projects to final report stage against planned completed projects by the production of the Annual Report	100%	92%	22 projects to final report from the 24 projects planned (see Appendix A)
4. Client Satisfaction – percentage of client satisfaction questionnaires returned at ‘satisfactory’ level	100%	100%	Based on 7 questionnaires received in the year
5. Number of High and Critical Priority Audit Recommendations – agreed as a percentage	95%	100%	1 High priority recommendation made and agreed
6. Annual Plan – prepared in time to present to the March meeting of Audit Committee. If there is no March meeting, then the Plan should be prepared for the first meeting of the financial year.	Achieved	Achieved	Presented in April 2025
7. Head of Assurance’s Annual Report – presented at the first Audit Committee meeting of the financial year.	Deadline met	Met	The 2023/24 Annual Report was presented to the May 2024 Audit Committee

Service Developments

- 4.2 During 2024/25 the main service and development activities for SIAS included:
- a) **Recruitment** – Despite operating in a challenging recruitment market, SIAS have achieved some success in filling our vacancies. Two Trainee Auditors were recruited in January 2025, and three Trainee Auditors were promoted to Auditor positions in November 2024 (two) and January 2025 (one) respectively.
 - b) **Training & Development** – We continue to adopt our ‘grow your own strategy’ to provide the future talent for the Service and improve succession planning, in what remains a challenging recruitment market. Several members of the team have had a successful year in respect of progressing their professional qualifications. Two Auditors have recently completed their level 4 internal audit apprenticeship. A further four Auditors have passed their IA practitioner qualification. In addition to the professional training above, the SIAS management team continued to deliver a programme of lite bite training sessions linked to modern professional practice.
 - c) **Commercial Strategy** – In 2023/24 the SIAS Partnership Board agreed to plans for growing the service through new business, this was driven by the need to minimise inflationary pressures for existing partners. SIAS secured their first new customer during 2024/25, with a further two new customers also secured for the 2025/26 financial year. Income generation targets are on track to be achieved. A key principle within the SIAS strategy is to ensure that growth is undertaken on an incremental basis to protect both the capacity and capabilities of SIAS to deliver our core assurance services to SIAS partners. This was achieved during 2024/25 with key performance indicators for SIAS partners being met. In respect of governance, clear delegation structures have been agreed in relation to decision making for assessing new opportunities and a suite of key performance indicators have been agreed which are reported to the SIAS Partnership Board on a quarterly basis to support oversight and challenge of delivery and rates of return.
 - d) **Audit Practice** – as part of our continued work to adopt best practice from across the profession and to implement the new GIAS, our audit plans for 2024/25 included time allocations for the rolling out of new approaches to obtaining and providing assurance. This included assurance mapping and embedded (or continuous) assurance. A new audit report template was also developed and rolled out, including the new GIAS requirement to analyse the Root Cause of findings.

5. Audit Charter 2025/26

- 5.1 The GIAS require a local authority to formally adopt an Audit Charter which covers the authority and responsibility for an internal audit function.
- 5.2 The SIAS Audit Charter sets out the framework within which it discharges its internal audit responsibilities to those charged with governance in the partner councils. It details the permanent arrangements for internal audit and key governance roles and responsibilities to ensure the effectiveness of internal audit provision.
- 5.3 The Audit Charter is reviewed annually. Amendments were made in May 2024 to align the Audit Charter with the GIAS (Public Sector). The review in May 2025 resulted in amendments to paragraphs 6.1 and 6.3. The 2025/26 Charter is attached at Appendix D.

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2024/25 AUDIT PLAN

East Herts Council Audit Plan – 2024/25

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS **				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Key Financial Systems							
Council Tax (Shared Services Plan)	Reasonable	0	0	1	4	7	Final Report Issued
Business Rates	Substantial	0	0	0	1	7	Final Report Issued
Payroll	Substantial	0	0	0	2	10	Final Report Issued *
Housing Benefits	Substantial	0	0	0	4	7	Final Report Issued
Creditors (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Debtors (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Treasury (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Accounting (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Operational Services							
Freedom of Information	Substantial	0	0	0	2	10	Final Report Issued
Rent & Lease Administration	Substantial	0	0	0	0	10	Final Report Issued
Homelessness	-	-	-	-	-	10	Work in Progress

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2024/25 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS **				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Premises Licensing	Limited	0	1	0	0	12	Final Report Issued
Follow Up of Limited Assurance Reports (1)	Not Assessed	0	0	0	0	5	Final Report Issued
Follow Up of Limited Assurance Reports (2)	Not Assessed	0	0	0	0	5	Final Report Issued
Corporate Services							
Crisis Management	Reasonable	0	0	3	2	12	Final Report Issued
Risk Management (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Corporate Governance (Mapping Refresh)	Substantial	0	0	0	0	2	Final Report Issued
Sickness Absence Management	Substantial	0	0	0	2	11	Final Report Issued
On Demand Grant Audit	Unqualified	0	0	0	0	3	Final Report Issued
Travel & Expenses	Reasonable	0	0	2	0	10	Final Report Issued
Corporate Health & Safety	Reasonable	0	0	1	3	11	Final Report Issued
Community Safety Partnership	Reasonable	0	0	2	2	12	Final Report Issued
IT Audits							
Data Breach Incidents & Response	Substantial	0	0	0	2	10	Final Report Issued
IT Hardware Inventory	-	-	-	-	-	6	Work in Progress

APPENDIX A – FINAL POSITION AGAINST THE COUNCIL’S 2024/25 AUDIT PLAN

AUDITABLE AREA	LEVEL OF ASSURANCE	RECS **				AUDIT PLAN DAYS	STATUS/COMMENT
		C	H	M	LA		
Contingency							
Unused Contingency	-	-	-	-	-	20	-
Strategic Support							
2025/26 Audit Planning	-	-	-	-	-	5	Complete
Audit & Governance Committee	-	-	-	-	-	10	Complete
Head of Internal Audit Opinion	-	-	-	-	-	3	Complete
Plan & Progress Monitoring	-	-	-	-	-	12	Complete
Client Liaison, Adhoc Advice	-	-	-	-	-	10	Complete
SIAS Development & Global Internal Audit Standards	-	-	-	-	-	5	Complete
Assurance Mapping	-	-	-	-	-	10	Complete
2024/25 Projects Requiring Completion	-	-	-	-	-	5	Complete
EHC TOTAL		0	1	9	24	250	

* At Draft Report stage 31 March 2025, Final Report issued after year end.

** Key to Recommendation Priority Levels: C = Critical priority recommendations; H = High priority recommendations; M = Medium priority recommendations; LA = Low/Advisory priority recommendations.

APPENDIX B – DEFINITIONS OF ASSURANCE AND RECOMMENDATION PRIORITY LEVELS 2024/25

Audit Opinions	
Assurance Level	Definition
Assurance Reviews	
Substantial	A sound system of governance, risk management and control exist, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Not Assessed	This opinion is used in relation to consultancy or embedded assurance activities, where the nature of the work is to provide support and advice to management and is not of a sufficient depth to provide an opinion on the adequacy of governance or internal control arrangements. Recommendations will however be made where required to support system or process improvements.
Grant / Funding Certification Reviews	
Unqualified	No material matters have been identified in relation the eligibility, accounting and expenditure associated with the funding received that would cause SIAS to believe that the related funding conditions have not been met.
Qualified	Except for the matters identified within the audit report, the eligibility, accounting and expenditure associated with the funding received meets the requirements of the funding conditions.
Disclaimer Opinion	Based on the limitations indicated within the report, SIAS are unable to provide an opinion in relation to the Council's compliance with the eligibility, accounting and expenditure requirements contained within the funding conditions.
Adverse Opinion	Based on the significance of the matters included within the report, the Council have not complied with the funding conditions associated with the funding received.
Recommendation Priority Levels	
Priority Level	Definition
Corporate	Critical Audit findings which, in the present state, represent a serious risk to the organisation as a whole, i.e. reputation, financial resources and / or compliance with regulations. Management action to implement the appropriate controls is required immediately.
Service	High Audit findings indicate a serious weakness or breakdown in control environment, which, if untreated by management intervention, is highly likely to put achievement of core service objectives at risk. Remedial action is required urgently.
	Medium Audit findings which, if not treated by appropriate management action, are likely to put achievement of some of the core service objectives at risk. Remedial action is required in a timely manner.
	Low Audit findings indicate opportunities to implement good or best practice, which, if adopted, will enhance the control environment. The appropriate solution should be implemented as soon as is practically possible.

APPENDIX C – POSITION AGAINST GLOBAL INTERNAL AUDIT STANDARDS AT MAY 2025 – ACTION PLAN

During 2024/25 all areas apart from those identified below were conforming.

Domain	Standard	Requirement (Summary or relevant extract)	Self-Assessment Outcome	Commentary	Action Proposed	Target Date
II	2.1 – Individual Objectivity	Professional objectivity requires internal auditors to apply an impartial and unbiased mindset and make judgments based on balanced assessments of all relevant circumstances. Internal auditors must be aware of and manage potential biases.	Improvement in documentation to evidence conformance	<p>All SIAS staff complete annual conflicts of interest declarations, those team members completing professional studies have exposure to objectivity requirements and our Internal Audit Charter has the required section on objectivity.</p> <p>However further training could be provided to staff to increase awareness of wider impairments to objectivity. In addition, assessments to review any potential impairments at the outset of an audit basis could be improved.</p>	<p>A specific training session on impairments to objectivity will be included within the SIAS Lite Bite training schedule for team members.</p> <p>Audit working papers will be updated to include a requirement for the auditor assigned to confirm that they do not have any conflicts of interest or impairments in relation to the area of audit.</p>	August 2025
II	5.2 – Protection of Information	Internal auditors must be aware of their responsibilities for protecting information and demonstrate respect for the confidentiality, privacy, and ownership of information acquired when performing internal audit services or as the result of professional relationships.	Improvement in documentation to evidence conformance	<p>SIAS team members are made aware of the importance of protecting the confidentiality and privacy of information throughout induction and during training sessions. Whilst all SIAS staff are required to follow the host authority's Code of Conduct and Data Protection guidance, the introduction of a declaration for completion at the outset of employment would add further strength to existing arrangements. Our Internal Audit Charter has the required section on confidentiality.</p>	<p>All existing SIAS staff and any new employees will be required to complete a declaration to confirm that they understand their responsibilities for protecting information and maintaining confidentiality.</p>	August 2025

APPENDIX C – POSITION AGAINST GLOBAL INTERNAL AUDIT STANDARDS AT MAY 2025 – ACTION PLAN

Domain	Standard	Requirement (Summary or relevant extract)	Self-Assessment Outcome	Commentary	Action Proposed	Target Date
III	7.1 – Organisational Independence	<p>Board Authorise the appointment and removal of the chief audit executive. Provide input to senior management to support the performance evaluation and remuneration of the chief audit executive.</p> <p>Senior Management • Provide input to the board on the appointment and removal of the chief audit executive. • Solicit input from the board on the performance evaluation and remuneration of the chief audit executive.</p>	Current Intentional Non-Conformance	<p>The Head of SIAS, Hertfordshire County Council (HCC), in consultation with the Board of the Shared Internal Audit Services approves decisions relating to the appointment and removal of the CAE in compliance with human resources policies and procedures of HCC as host authority for the shared service.</p> <p>This is as provided for in the governance of the Shared Internal Audit Service.</p> <p>The performance appraisal of the CAE is carried out by the Head of SIAS (HCC).</p>	As part of the Client Audit Manager’s annual performance appraisal, the Chief Executive and Chair of the Audit Committee will be invited to provide input to the process.	March 2026
III	8.4 – External Quality Assessment (EQA)	<p>Board • Discuss with the CAE the plans to have an EQA of the Internal audit function conducted by an independent, qualified assessor or assessment team. • Collaborate with senior management and the chief audit executive to determine the scope and frequency of the EQA. • Review and approve the CAE’s</p>	Not assessed as not yet due - seeking further guidance and clarification.	Currently, the arrangements for the oversight of the required five-yearly EQA, including all approvals, commissioning, outcomes and completion of resulting actions are managed by SIAS and overseen by the SIAS Board, as the best way of managing the process within our shared services arrangements. There were brief updates to all our individual partner Audit Committees on the pending 2021 EQA, as well as reporting on the outcomes of the last	<p>Alongside applying the new GIAS and Application Note: GIAS in the UK Public Sector within our shared service arrangements, we are cognisant of CIPFA’s Code of Practice for the Governance of Internal Audit in UK Local Government.</p> <p>Subject to any clarification</p>	To be confirmed

APPENDIX C – POSITION AGAINST GLOBAL INTERNAL AUDIT STANDARDS AT MAY 2025 – ACTION PLAN

Domain	Standard	Requirement (Summary or relevant extract)	Self-Assessment Outcome	Commentary	Action Proposed	Target Date
		<p>plan for the performance of an EQA.</p> <ul style="list-style-type: none"> • Require receipt of the complete results of the EQA or self-assessment with independent validation directly from the assessor. • Review and approve the CAE's action plans to address identified deficiencies and opportunities for improvement. • Approve a timeline for completion of the action plans and monitor the CAE's progress. 		EQA within the SIAS progress reports.	<p>from CIPFA, we will look to share the plan for the next EQA due in 2026 with our partner Audit Committees, including the scope, options and suggested timing, as well as the SIAS Board's agreement on assessor and method of assessment.</p> <p>We will also share the results of the assessment, the chief audit executives action plan to address any recommendations and updates on implementation of recommendations. The SIAS Board will continue to provide the overarching monitoring and oversight of these.</p>	
V	15 - Communicate Engagement Results and Monitor Action Plans	<p>If the engagement is not conducted in conformance with the Standards, the final engagement communication must disclose the following details about the non-conformance:</p> <ul style="list-style-type: none"> • Standard(s) with which conformance was not achieved. 	Improvement in documentation to evidence conformance	<p>Internal audit reports currently include references to issues that may have impacted on coverage, where these limit the ability to provide an assurance opinion on areas included within the Terms of Reference. However, the existing audit report template would benefit from an optional section to include should any engagement not be conducted in conformance with the GIAS.</p>	<p>A standard section, to provide details where engagements are not conducted in accordance with standards, will be created and made available for inserting into the SIAS audit report template in the exceptional instances where it is required.</p>	August 2025

APPENDIX C – POSITION AGAINST GLOBAL INTERNAL AUDIT STANDARDS AT MAY 2025 – ACTION PLAN

Domain	Standard	Requirement (Summary or relevant extract)	Self-Assessment Outcome	Commentary	Action Proposed	Target Date
		<ul style="list-style-type: none"> Reason(s) for non-conformance. Impact of nonconformance on the engagement findings and conclusions. 				
II to V	General	Audit Manual	Improvement in documentation to evidence conformance	The GIAS reference key requirements in relation to the structure, approach and documentation of the audit function and process. Whilst we are satisfied that the key elements are followed in practice, the SIAS Audit Manual requires updating to ensure that these are fully referenced.	During 2025/26, the SIAS Audit Manual will be updated to ensure that it fully details the structures, systems and processes that SIAS has in place to comply with the GIASs.	March 2026



SIAS Audit Charter 2025/2026

1. Introduction and Purpose

- 1.1. Internal auditing is an independent and objective assurance and consulting activity. It is guided by a philosophy of adding value to the operations of an organisation. It assists a council in achieving its objectives and ultimately provides assurance to the public by systematically evaluating and improving the effectiveness and efficiency of risk management, control, and governance processes.
- 1.2. The purpose of the Shared Internal Audit Service (SIAS) is to provide independent, objective assurance and consulting services designed to add value and improve client operations. The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. SIAS helps clients accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

2. Statutory Basis of Internal Audit

- 2.1. Local government is statutorily required to have an internal audit function. The Accounts and Audit Regulations 2015 require that 'a relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance'.
- 2.2. In addition, a council's Chief Finance Officer has a statutory duty under Section 151 of the Local Government Act 1972 to establish a clear framework for the proper administration of the authority's financial affairs. To fulfil this requirement, the S151 Officer relies, amongst other sources, upon the work of internal audit.
- 2.3. The above provides the mandate for the provision of an Internal Audit function within each SIAS partner in accordance with the Global Internal Audit Standards.

3. Role

- 3.1. SIAS internal audit activity is overseen by East Herts Council's Audit & Governance Committee. It is charged with fulfilling audit committee responsibilities and is herewith referred to as the Audit Committee. As part of its oversight role, the Audit Committee is responsible for defining the responsibilities of SIAS via this Charter.
- 3.2. SIAS may undertake additional consultancy activity requested by management. The Client Audit Manager will determine such activity on a case-by-case basis, assessing the skills and resources available. Significant additional consultancy activity not

APPENDIX D – AUDIT CHARTER 2025/26

already included in the Internal Audit Plan will only be accepted and carried out following consultation with the Audit Committee.

4. Professionalism

- 4.1. SIAS commits to adhering to the Global Internal Audit Standards (GIAS). They set out the fundamental requirements for the professional practice of internal auditing and include the Purpose of Internal Auditing, Ethics & Professionalism, Governing the Internal Audit Function, Managing the Internal Audit Function and Performing Internal Audit Services.
- 4.2. SIAS also recognises the Mission of Internal Audit as identified within the IPPF, 'To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight' and the Core Principles for the Professional Practice of Internal Auditing, which demonstrate an effective internal audit function, achieving internal audit's mission.
- 4.3. SIAS operations are guided by its operating procedures manual as well as applicable, Chartered Institute of Internal Auditors (CIIA) and Chartered Institute of Public Finance and Accountancy (CIPFA) Position Papers, Practice Advisories and Guides, and relevant council policies and procedures, including compliance with the Bribery Act 2010.
- 4.4. Should non-conformance with the GIAS be identified, the Head of SIAS will investigate and disclose, in advance, if possible, the exact nature of the non-conformance, the reasons for it and, if applicable, its impact on a specific engagement or engagement outcome.

5. Authority and Confidentiality

- 5.1. Internal auditors are authorised full, free, and unrestricted access to all a client's records, physical property, and personnel as necessary to fulfil the internal audit mandate. All client employees are requested to assist SIAS in fulfilling its roles and responsibilities. Information obtained during an engagement is safeguarded and confidentiality respected in accordance with the Council's GDPR and information security policies.
- 5.2. Internal auditors will only use information obtained to complete an engagement. It will not be used in a manner that would be contrary to the law, for personal gain, or detrimental to the legitimate and ethical objectives of the client organisation(s). Internal auditors will disclose all material facts known, which if not disclosed could distort a report or conceal unlawful practice.

6. Organisation

- 6.1. The Client Audit Manager and their representatives have free and unrestricted direct access to the S151 Officer; the Monitoring Officer; the Chief Executive; the Audit Committee Chair; the Leader of the Council and the Council's External Auditor. The Client Audit Manager will communicate with all the above parties at both committee meetings and between meetings as appropriate.
- 6.2. The Chair of the Audit Committee has free and unrestricted direct access to the Client Audit Manager.

APPENDIX D – AUDIT CHARTER 2025/26

6.3. The Client Audit Manager is line managed by the Head of SIAS who approves all decisions regarding the performance evaluation, appointment, or removal of the Client Audit Manager, in consultation with the Head of Assurance and SIAS Board. Decisions regarding the performance review, and the appointment/removal of the Client Audit Manager will be made following appropriate consultation with Member representatives from each of relevant partner audit committees.

7. Stakeholders

The following groups are defined as stakeholders of SIAS:

7.1. The Head of SIAS, working with the Client Audit Manager, both suitably experienced and qualified (CCAB and / or CMIIA), is responsible for:

- hiring, remunerating, appraising, and developing SIAS staff in accordance with the host authority's HR guidance
- maintaining up-to-date job descriptions which reflect the roles, responsibilities, skills, qualifications, and attributes required of SIAS staff
- ensuring that SIAS staff possess or obtain the skills, knowledge, and competencies (including ethical practice) needed to effectively perform SIAS engagements
- seeking approval from the SIAS Board for the level of human resources and finance required for SIAS to deliver services in accordance with its mandate

7.2. The Audit Committee is responsible for overseeing the effectiveness of SIAS and holding the Client Audit Manager to account for delivery. This is achieved through the approval of the annual audit plan, approval of performance targets set by the SIAS Board and receipt of regular reports. The Committee should champion the internal audit function to enable it to fulfil the purpose of internal auditing and pursue its strategy and objectives.

7.3. The Audit Committee is also responsible for the effectiveness of the governance, risk, and control environment within the Council, holding operational managers to account for its delivery.

7.4. Where stated in its Terms of Reference, the Audit Committee provides an annual report to the Council detailing the Committee's activities through the year. In addition, and as required, the Committee ensures that there is appropriate communication of, and involvement in, internal audit matters from the wider publicly elected Member body.

7.5. The Client Audit Manager is responsible for ensuring that the outcome of all final Internal Audit reports is reported to all members of the Audit Committee, in a format agreed with these relevant parties.

7.6. Senior Management, defined as the Head of Paid Service, Chief Officers, and their direct reports, are responsible for helping shape the programme of assurance work. This is achieved through analysis and review of key risks to achieving the Council's objectives and priorities. Senior Management should also support recognition of the internal audit function throughout the organisation, and in providing full, free, and unrestricted access to all a client's records, physical property, and personnel as necessary to fulfil the internal audit mandate.

APPENDIX D – AUDIT CHARTER 2025/26

- 7.7. The SIAS Board is the governance group charged with monitoring and reviewing the overall operation of SIAS, with SIAS reporting key information to the Audit Committee within progress and annual reports, including:
- resourcing and financial performance
 - operational effectiveness through the monitoring performance indicators
 - any restrictions on internal audit scope, access, authority, or resources limiting the ability to carry out its responsibilities effectively.
 - the overall strategic direction of the shared service.
8. Independence and Objectivity
- 8.1. No element in the organisation should interfere with audit selection, scope, procedures, frequency, timing, or report content. This is necessary to ensure that internal audit maintains the necessary level of independence and objectivity.
- 8.2. As well as being impartial and unbiased, internal auditors will have no direct operational responsibility or authority over any activity audited. They will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that might impair their judgment.
- 8.3. When asked to undertake any additional roles/responsibilities outside internal auditing, the Client Audit Manager will highlight to the Audit Committee any potential or perceived impairment to independence and objectivity having regard to the principles contained within the GIAS Code of Ethics as well as any relevant requirements set out in other professional bodies to which the Client Audit Manager may belong. The Audit Committee will approve and periodically review any safeguards put in place to limit any impairments to independence and objectivity.
- 8.4. Where SIAS has been required to provide assurance to other partnership organisations, or arm's length bodies such as trading companies, the Client Audit Manager and Head of SIAS will ensure that the risks of doing so are managed effectively, having regard to the Head of SIAS's primary responsibility to the management of the partners for which they are engaged to provide internal audit services.
- 8.5. The Client Audit Manager will confirm to the Audit Committee, at least annually, the organisational independence of SIAS.
9. Conflicts of Interest
- 9.1. Internal auditors will exhibit clear professional objectivity when gathering, evaluating, and communicating engagement information. When forming judgments, they will make a balanced assessment of all relevant circumstances and not be influenced by their own interests or the views and interests of others.
- 9.2. Each auditor will comply with the ethical requirements of his/her professional body and proactively declare any potential conflict of interest, whether actual or apparent, prior to the start of an engagement.
- 9.3. All auditors sign an annual declaration of interest to ensure that the allocation of work avoids conflict of interest. Auditors who undertake consultancy work or are new to the team will be prohibited from auditing in those areas where they have worked in the past year. Audits are rotated within the team to avoid over-familiarity and complacency.

APPENDIX D – AUDIT CHARTER 2025/26

- 9.4. SIAS procures an arrangement with an external delivery partner to provide service resilience, i.e., additional internal audit days on request. The external delivery partner will be used to deliver engagements as directed by the Client Audit Manager in particular providing advice and assistance where SIAS staff lack the required skills or knowledge. The external delivery partner will also be used to assist with management of potential and actual conflicts of interest in internal audit engagements, providing appropriate independence and objectivity as required.
- 9.5. In the event of a real or apparent impairment of independence or objectivity, (acceptance of gifts, hospitality, inducements, or other benefits) the Client Audit Manager will investigate and report on the matter to appropriate parties.
- 9.6. Hertfordshire County Council's Head of Assurance not only leads and has overall management responsibility for SIAS, but also the similarly constituted Shared Anti-Fraud Service (SAFS).
- 9.7. Given that SIAS will potentially undertake internal audit activity in relation to SAFS, this relationship is formally disclosed, and appropriate safeguards will be put in place against any potential impairment to independence. The Head of SIAS will manage the internal audit engagement of this service and report findings directly to the Head of Finance in their capacity as S151 Officer.
10. Responsibility and Scope
- 10.1. The scope of SIAS encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal control processes (as they relate to the organisation's priorities and objectives) and the promotion of appropriate ethics and values.
- 10.2. Internal control and risk management objectives considered by internal audit extend to the organisation's entire control and risk management environment and include:
- consistency of operations or programs with established objectives and goals, and effective performance
 - effectiveness and efficiency of governance, operations, and employment of resources
 - compliance with significant policies, plans, procedures, laws, and regulations
 - design, reliability and integrity of management and financial information processes, including the means to identify, measure, classify, and report such information
 - safeguarding of assets
- 10.3. SIAS is well placed to provide advice and support on emerging risks and controls and will, if requested, deliver consulting and advisory services, or evaluate specific operations.
- 10.4. SIAS is responsible for reporting to the Audit Committee and senior management, significant risk exposures (including those to fraud addressed in conjunction with the SAFS), control and governance issues and other matters that emerge from an engagement.
- 10.5. Engagements are allocated to (an) internal auditor(s) with the appropriate skills, experience, and competence. The auditor is then responsible for carrying out the work in accordance with the SIAS Operating Procedures Manual, and must consider

APPENDIX D – AUDIT CHARTER 2025/26

the relevant elements of internal control, the needs and expectations of clients, the extent of work required to meet the engagement's objectives, its cost effectiveness, and the probability of significant error or non-compliance.

11. Role in Anti-Fraud

- 11.1. The SIAS work programme, designed in consultation with Senior Management, the Audit Committee and seeks to provide assurance on how the council manages the fraud risks to which it is exposed.
- 11.2. SIAS must have sufficient knowledge to evaluate the risk of fraud and the way it is managed by the Council but are not expected to have the expertise of a person or team whose primary responsibility is detecting and investigating fraud.
- 11.3. SIAS will exercise due professional care by considering the probability of significant errors, fraud, or non-compliance when developing audit scopes and objectives.
- 11.4. EHC is a partner of both SIAS and SAFS and benefits from collaboration and intelligence sharing between the teams. This informs both horizon scanning as part of the internal audit planning process and individual audit engagements.
- 11.5. The Client Audit Manager should be notified of all suspected or detected fraud, corruption, or impropriety so that the impact upon control arrangements can be evaluated.

12. Internal Audit Plan

- 12.1. Following discussion with appropriate senior management, the Client Audit Manager will submit a risk-based plan to the Audit Committee for review and approval. This will occur at least annually. The plan sets out the engagements agreed by the Section 151 Officer and Senior Leadership Team and demonstrates the priorities of both SIAS (the need to produce an annual internal audit opinion) and those of the organisation. Also included will be any relevant declarations of interest.
- 12.2. The plan will be accompanied by details of the risk assessment approach used and other assurance considered during the planning process. Also shown will be the timing of an engagement, its budget in days, details of any contingency for new or changed risks, time for planning and reporting and a contribution to the development of SIAS.
- 12.3. The plan will be subject to regular review in year and may be modified in response to changes in the organisation's business, risks, operations, programmes, systems, and controls. All significant changes to the approved internal audit plan will be communicated in the quarterly update reports.

13. Reporting and Monitoring

- 13.1. A draft written Terms of Reference will be prepared and issued to appropriate personnel at the start of an engagement. It will cover the intended objectives, scope and reporting mechanism and will be agreed with the client. Changes to the terms of reference during the engagement may occur and will be agreed following consultation with the client.
- 13.2. A report will be issued to management on completion of an engagement. It will include a reasoned opinion, details of the time and scope within which it was prepared, management's responses to specific risk prioritised findings and

APPENDIX D – AUDIT CHARTER 2025/26

- recommendations made and a timescale within which corrective action will be / has been taken. If recommended action is not to be taken, an explanation for this will also be included.
- 13.3. SIAS will follow-up the implementation of agreed recommendations in line with the protocol at each client. As appropriate, the outcomes of this work will be reported to the audit committee and may be used to inform the risk-based planning of future audit work. Should follow-up activity identify any significant error or omission, this will be communicated by the Client Audit Manager to all relevant parties.
- 13.4. In consultation with senior management, the Client Audit Manager will consider, on a risk-basis, any request made by external stakeholders for sight of an internal audit report.
- 13.5. Quarterly update reports to the Audit Committee will detail the results of each engagement, including significant risk exposures and control issues. In addition, an annual report will be produced giving an opinion on the overall control, governance, and risk management environment (and any other issues judged relevant to the preparation of the Annual Governance Statement) with a summary of the work that supports the opinion. Hertfordshire County Council's Head of Assurance will also make a statement of conformance with GIAS, using the results of the annual self-assessment and Quality Assurance and Improvement Plan (QAIP) required by the GIAS. The statement will detail the nature and reasons for any impairments, qualifications, or restrictions in scope for which the Committee should seek reassurances from management. Any improvement plans arising will be included in the annual report.
14. Periodic Assessment
- 14.1. GIAS require Hertfordshire County Council's Head of Assurance and the SIAS Board to arrange for an independent review of the effectiveness of internal audit undertaken by a suitably knowledgeable, qualified, and competent individual or organisation. This should occur at least every five years.
- 14.2. Hertfordshire County Council's Head of Assurance will ensure that continuous efforts are made to improve the efficiency, effectiveness, and quality of SIAS. These will include the Quality Assurance and Improvement Programme, client feedback, appraisals, and shared learning with the external audit partner as well as coaching, supervision, and documented review.
- 14.3. A single review will be carried out to provide assurance to all SIAS partners with the outcomes included in the partner's Annual Report.
15. Review of the Audit Charter
- 15.1. The Client Audit Manager will review this charter annually and will present to the first audit committee meeting of each financial year, any changes for approval.
- 15.2. The Client Audit Manager reviewed this Audit Charter in May 2025. It will next be reviewed in April 2026.

APPENDIX D – AUDIT CHARTER 2025/26

Glossary of Terms

<p>Audit Committee</p>	<p>The GIAS defines the Audit Committee as “The governance group charged with independent assurance of the adequacy of the risk management framework, the internal control environment and the integrity of financial reporting.”</p> <p>The Audit & Governance Committee operates in accordance with its terms of reference contained in East Herts Council’s Constitution.</p> <p>CIPFA’s <i>Audit Committees Practical Guidance for Local Authorities and Police 2022 Edition</i> indicates that for a local authority, it is best practice for the audit committee to report directly to full council rather than to another committee, as the council itself most closely matches the body of ‘those charged with governance’. This is the case at EHC.</p>
<p>Audit Plan</p>	<p>The programme of risk-based work carried out by the Shared Internal Audit Service (SIAS) on behalf of its clients.</p>
<p>Board</p>	<p>The GIAS defines the ‘Board’ as “The highest-level governing body (e.g., a board of directors, a supervisory board, or a board of governors or trustees) charged with the responsibility to direct and/or oversee the organisation’s activities and hold senior management accountable. Although governance arrangements vary among jurisdictions and sectors, typically the board includes members who are not part of management. If a board does not exist, the word “board” in the Standards refers to a group or person charged with governance of the organisation. Furthermore, “board” in the Standards may refer to a committee or another body to which the governing body has delegated certain functions (e.g., an Audit Committee).</p> <p>For the purposes of the SIAS Audit Charter, the Board as referred to in the GIAS shall be East Herts Council’s Audit & Governance Committee. All references to the Audit Committee in the SIAS Audit Charter should be read in this context.</p>
<p>Chief Audit Executive (CAE)</p>	<p>The GIAS describes the role of CAE as “a person in a senior position responsible for effectively managing the internal audit activity in accordance with the internal audit charter and the mandatory</p>

APPENDIX D – AUDIT CHARTER 2025/26

	<p>elements of the International Professional Practices Framework. The CAE or others reporting to the CAE will have appropriate professional certifications and qualifications. The specific job title and/or responsibilities of the CAE may vary across organisations.”</p> <p>The CAE is fundamental to the success of the service and to the extent to which it complies with the Standards. Regular reference is made to this role throughout the GIAS, including some specific requirements relating to whoever is designated the role.</p> <p>For the purposes of the SIAS Audit Charter, the CAE as referred to in the GIAS shall be EHC’s-Client Audit Manager. All references to the Client Audit Manager in the SIAS Audit Charter should be read in this context.</p>
Global Internal Audit Standards	<p>The Standards guide the worldwide professional practice of internal auditing and serve as a basis for evaluating and elevating the quality of the internal audit function. At the heart of the Standards are 15 guiding principles that enable effective internal auditing.</p>
Management	<p>Operational officers of the Council responsible for creating corporate policy and organising, planning, controlling, and directing resources to achieve the objectives of that policy. Senior management is defined as the Head of Paid Service, Chief Officers, and their direct reports.</p>
Shared Internal Audit Service (SIAS)	<p>SIAS is a local authority partnership comprising Hertfordshire County Council (HCC) and seven Hertfordshire district and borough councils. SIAS also provides internal audit services to a limited number of external clients. HCC is the host authority for the partnership and provides support services such as HR, technology, and accommodation.</p>
SIAS Board	<p>The Board that comprises officer representatives from the partner authorities and is responsible for the governance of the SIAS partnership.</p>

Note:

For readability, the term ‘internal audit activity’ as used in the GIAS guidance has been replaced with ‘SIAS’ in this Charter.

East Herts Council Report

Leadership Team Meeting

Date of meeting: Tuesday 20 May 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Provisional Outturn 2023/24 & 2023/24 Draft Statement of Accounts

Ward(s) affected: (All Wards);

Summary – This report presents the provisional outturn for the General Fund Revenue Budget and the Capital programme outturn for 2023/24 financial year. The outturn remains provisional as the figures are subject to external audit.

Also presented is the 2023/24 draft Statement of Accounts.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE:

- a) Note the general fund revenue outturn of £224k underspend to be transferred to the general reserve; and
- b) Note the capital outturn position; and
- c) Receive the 2023/24 draft statement of accounts.

1.0 Proposal(s)

- 1.1 To advise members on the general fund revenue outturn for 2023/24 and provide explanations for significant variances against approved budgets.
- 1.2 To advise members of the final capital outturn position and financing arrangements for the 2023/24 capital programme.
- 1.3 To provide the 2023/24 draft statement of accounts.

2.0 Background

2.1 Officers acknowledge the significant delay in presenting this report to members. This delay has been caused by the ongoing audit of the 2021/22 and 2022/23 Statement of Accounts, capacity within the finance team, a review of all aged debt and reviews of Councils accounting policies (specifically Minimum revenue Provision (MRP) and capitalisation of Interest).

2.2 At the Audit and Governance Committee meeting on 22nd April 2025, the external auditors (Ernst & Young) presented their completion report for 2021/22 and 2022/23, which has concluded the outstanding audits. A number of statutory recommendations were included in the report received. Within the completion report, Leadership Team have outlined the steps that will be taken to resolve these recommendations.

2.3 The reviews mentioned in paragraph 2.1 were undertaken in Q3 & Q4 2024/25. The impacts of these are included in the 2023/24 accounts.

2.3 The deadline for the draft 2024/25 Statement of Accounts is 30th June 2025, the provisional outturn for 2024/25 and draft statement of accounts will be presented to Audit and Governance Committee at the September 2025 meeting.

3.0 Reason(s)

Revenue

3.1 An underspend of £224k is reported against the 2023/24 revenue budget. This is summarised in table 1. It is recommended that this is transferred to the general fund, to mitigate overspends in future year.

Table 1: Summarised 2023/24 Outturn Position

	2023/24 Original Budget	2023/24 Outturn	Variance
	£'000	£'000	£'000
Net Cost of Services	17,230	18,530	1,300
Corporate Budgets	1,023	(194)	(1,217)
Net (use)/Transfer to Reserves	(818)	2,223	3,041
Funding	(5,322)	(8,670)	(3,348)
Council Tax	(12,113)	(12,113)	-
2023/24 Underspend		(224)	(224)

3.2 Details on the significant variances against the 2023/24 revenue budget are shown in Appendix A.

3.3 The reserve position of the Council as at 31 March 2024, is shown in Table 2. Appendix A provides further details:

Table 2: 2023/24 General & Earmarked reserve position

Usable reserves	£'000
General Fund	3,854
Earmarked reserves	22,015
Capital grants unapplied	189
Total as at 31 March 2024	26,058

The calculated minimum level of general fund balance is £3.3m, as at 31 March 2024 the Council's general fund balance was £3.854m, this is set aside to meet unforeseen risks. As per the table above the earmarked reserves are £22m, these are set aside to for specific purposes or are required to provide risk finance.

Capital

3.4 The progress of the capital programme has been reported to Audit and Governance Committee throughout the year as part of the budget monitoring process. Capital Expenditure in 2023/24 was £25.6m, against a budget of £36.5m as set out in table 3.

Table 3: 2023/24 Capital Outturn & budget carry forwards to 2024/25

	2023/24 Revised budget	2023/24 Outturn	Variance
	£'000	£'000	£'000
Land & Buildings	30,137	21,910	(8,227)
Vehicles & Equipment	1,363	152	(1,211)
Community Assets	2,927	1,615	(1,312)
REFCUS	238	33	(205)
Grants	1,850	1,850	-
Capitalisation of interest	-	1,017	1,017
Total	36,515	26,577	(9,938)

3.5 An underspend of £9.938m is reported in respect of 2023/24. This is due to reprofiling of capital budgets undertaken as part of 2024/25 budget setting.

3.6 A new accounting policy was approved by Audit & Governance Committee in February 2025, regarding the capitalisation of interest in relation to assets under construction. This change in accounting policy has been retrospectively applied to the 2023/24 accounts, and the interest amounts capitalised are included in the 2023/24 outturn in paragraph 3.4.

3.7 The 2023/24 capital programme has been financed from the following sources:

Table 4: 2023/24 Capital Financing

	£'000
Capital Receipts	1,615
Third party contributions	1,608
Government grants	1,850
External borrowing	21,471
Revenue	33
Total	26,577

2023/24 Draft Statement of Accounts

3.8 The 2023/24 draft Statement of Accounts are included as Appendix B. The delay in publishing the accounts is due to the ongoing audits of the 2021/22 and

2022/23 Accounts, which were finalised in April 2025. A review of the Councils MRP (Minimum Revenue Provision) policy and Capitalisation of Interest were undertaken in 2024/25 by ArlingClose (The Councils treasury advisors). The impact of these reviews are included in the 2023/24 draft Statement of Accounts

3.9 The 2023/24 Statement of Accounts are available on the Councils website, and currently in a period of public inspection. This is due to complete on 13th June 2025. After this point the Councils external Auditors (Azets) will work with officers to complete the 2023/24 Audit.

4.0 Options

4.1 the Executive can choose to transfer the underspend to an earmarked reserve rather than the general reserve.

4.2 The Executive can choose not to carry forward capital budgets although this would cause budget shortfalls and overspends on major projects that span financial years. This is not recommended.

5.0 Risks

5.1 The statement of accounts and provisional outturn position are subject to external audit and there is a risk that the accounts will need to be adjusted, which may affect the outturn position.

6.0 Implications/Consultations

6.1

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

All financial implications are included in the report.

Health and Safety

None arising directly from this report.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

Regular monitoring and forecasting of the budget and capital programme are required to ensure that the Council is managing its resources effectively and complies with section 28 of the Local Government Act 2003 and The Councils Financial Procedure Rules.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1

Appendix A	2023/24 Revenue outturn Position
Appendix B	2023/24 Draft Statement of Accounts

Contact Member

Councillor Carl Brittain

Executive Member for Financial Sustainability

carl.brittain@eastherts.gov.uk

Contact Officer

Brian Moldon

Head of Finance & S151 Officer,

Contact Tel. No.

brian.moldon@eastherts.gov.uk

Report Author

Alison Street

Service Manager (Strategic Finance)

alison.street@eastherts.gov.uk

General Fund Revenue Outturn position 2023/24

1. Net Cost of Services

An overspend of £1.3m is reported against the net cost of services budget, the main areas of variance against budget are detailed across the following paragraphs:

- Within Planning ongoing recruitment difficulties meant that the service continued to use consultants to assist with the workload and planning application backlog alongside a decrease in planning applications fee income as a result of the cost of living crisis has led to a £368k overspend against budget.
- Charringtons House was closed to tenants on 31 March 2023, the Council remains liable for costs in relation to Business rates and utilities, which totalled £361k in 2023/24.
- A review of the council's aged debt position was undertaken in 2024/25, which resulted in a number of debts being deemed uncollectable, therefore the provision for doubtful debts was increased by £659k, as the 2023/24 Statement of accounts were still in production this amount was charged against the 2023/24 revenue position.

2. Corporate budgets

An underspend of £1.2m is reported against corporate budgets;

- A review of the Councils Minimum Revenue Provision (MRP) has undertaken by external advisors (Arlingclose) to ensure that the Council is making proper provision. A budget for MRP was set at £557k, following the review it was determined that £600k needed to be set aside in respect of 2023/24. This has resulted in a pressure of £43k.
- In 2023/24 the council entered into short term borrowing to fund the capital programme. Interest on borrowing cost the authority £1.5m. Following a review by Arlingclose the 2023/24 accounting policies have been updated to include the capitalisation of interest (presented to audit and Governance Committee on 18th February 2025). This enables the Council to allocate borrowing costs to assets under construction, this increased the capital cost of project and reduced the interest charged to the Comprehensive Income and Expenditure Statement (CIES) by £1m to £541k. This has resulted in a £438k saving against the 2023/24 interest payable budget. This has been transferred to the interest equalisation reserve.
- Due to the increased bank of England base rate, the interest that the Council received on its investments was £774k higher than the budget of £1m. This has been transferred to the interest equalisation reserve.

3. Use of Reserves

The 2023/24 Medium Term Financial Plan (MTFP) budgeted a contribution from reserves of £818k, the outturn position was a net contribution to reserves of £2.2m a movement of £3m;

- New Homes Bonus Grant of £931k was received in 2023/24, this was all transferred to the New Homes Bonus priority spend reserve.
- As detailed in the section above the £1.2m was transferred to the interest equalisation reserve.
- In line with the MTFP £235k was transferred to the Council election reserve.

At the 31 March 2024 the usable reserves total £26m, as shown in the following table and the 2023/24 draft statement of accounts (Appendix C to this report).

Usable reserves	£'000
General Fund	3,854

Earmarked reserves	22,015
Capital grants unapplied	189
Total as at 31 March 2024	26,058

The calculated minimum level of general fund balance is £3.3m, as at 31 March 2024 the Councils general fund balance was £3.854m, this is set aside to meet unforeseen risks. As per the table above the earmarked reserves are £22m, these are set aside to for specific purposes or are required to provide risk finance.

4. Funding

A movement of £3.3m against the budget set in March 2023 is shown as at 31 March 2024. When the budget was set a net £1.6m deficit on the council tax and business rate collection funds. The outturn position for 2023/24 was a surplus of £1.7m, this gives a movement of £3.3m.

DRAFT STATEMENT OF ACCOUNTS 2023-24



01279 655261

 @Eastherts
 EastHertsDC
 easthertscouncil
www.eastherts.gov.uk



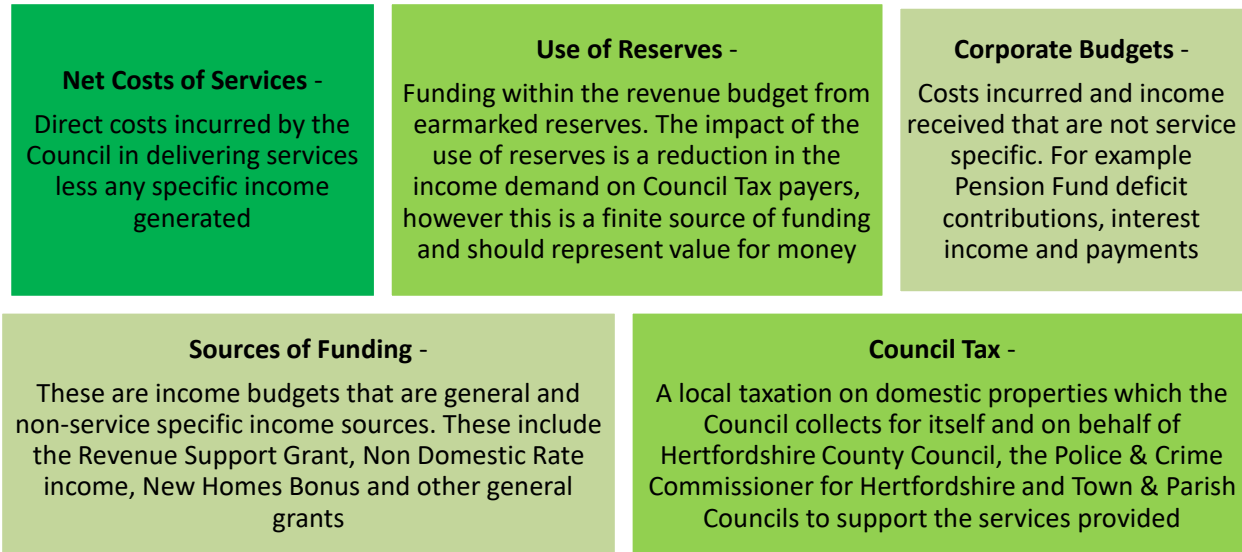
TABLE OF CONTENTS

Narrative Statement	4
Explanation of Accounting Statements	11
The Core Accounting Statements	
Movement in Reserves Statement	12
Comprehensive Income and Expenditure Statement	13
Balance Sheet	14
The Cash flow Statement	15
Notes to the Financial Statements	
1. Accounting Policies	16
2. Expenditure and Funding Analysis	24
3. Accounting Standards issues not yet adopted	27
4. Assumptions made about the future and other major sources of estimation uncertainty	27
5. Adjustments between Accounting basis and Funding basis under regulation	30
6. Transfers to/from Earmarked Reserves	32
7. Property, Plant and Equipment	35
8. Analysis of Fixed Assets	39
9. Heritage Assets	39
10. Investment Properties	40
11. Intangible Assets	42
12. Financial Instruments	43
13. Financial Instruments Gains/Losses	48
14. Fair Value Assets and Liabilities at Amortised Cost	48
15. Debtors	49
16. Cash and Cash Equivalents	49
17. Assets held for Sale	50
18. Creditors	50
19. Provisions	50
20. Usable Reserves	51
21. Unusable Reserves	51
22. Nature of Expenses Disclosure	55
23. Jointly controlled Operations	56
24. External Audit Costs	57
25. Members Allowances	57
26. Officer Emoluments	58
27. Exit Packages	58
28. Senior Officer Remuneration	59
29. Grant Income	60
30. Related Party Transactions	61
31. Capital Expenditure and Capital financing	62
32. Leases	62
33. Pension Scheme	66

34. Nature and Extent of Risks arising from Financial Instruments	72
35. Capital Commitments	76
36. Contingent Liability	76
37. Post Balance Sheet events	76
The Collection Fund Income and Expenditure Account	77
Group Accounts	80
Group Movement in Reserves Statement	81
Group Comprehensive Income and Expenditure Statement	82
Group Balance Sheet	83
Group Cash Flow Statement	84
Notes to Group Accounts	85
Glossary of Financial Terms	87
Annual Governance Statement 2023/24	-
Statement of Responsibilities for the Statement of Accounts	91
Auditor's Opinion	-

FINANCIAL PERFORMANCE IN 2023/24

The 2023/24 budget was set by Council in March 2023 as part of the budget report and Medium Term Financial Plan for 2023/24 to 2027/28. There are five major 'building blocks' to the Council's revenue budget. These are shown below:



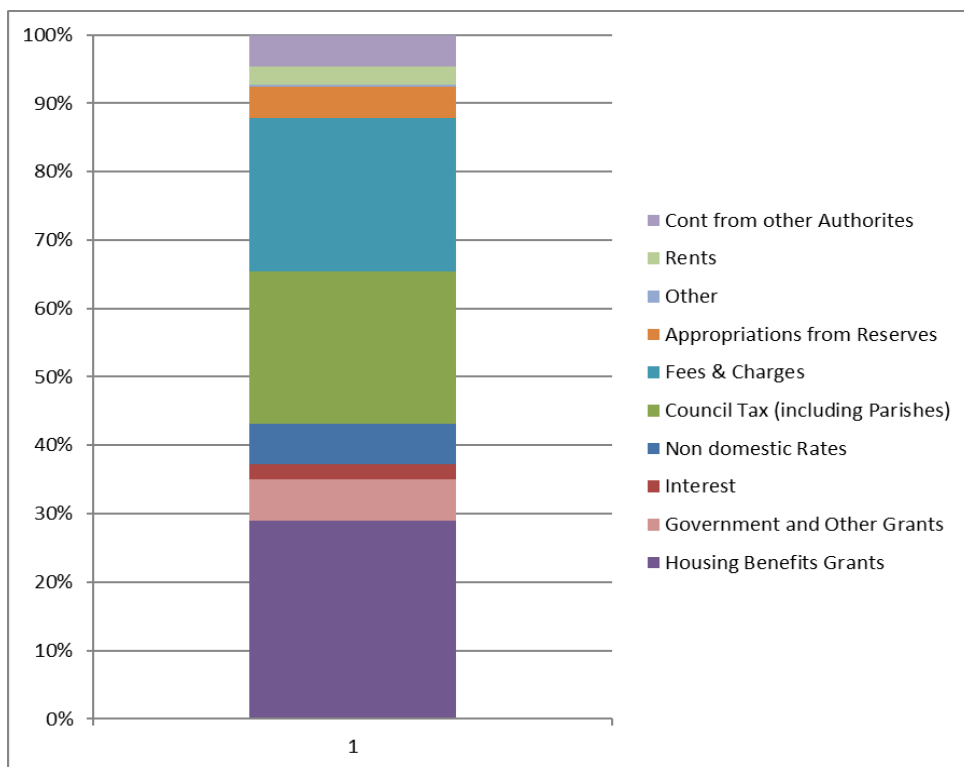
The table below details the Council's performance against the five major 'building blocks'. There was a £223k underspend in 2023/24, this has been transferred to the General Reserve.

	Original Budget 2023/24	2023/24 Outturn	Variance
	£'000	£'000	£'000
Total Net Cost of Services	17,230	18,530	1,300
Corporate Budgets Total	1,023	(194)	(1,217)
Net Use of Reserves	(818)	2,224	3,042
Funding	(5,322)	(8,670)	(3,348)
Council Tax	12,113	12,113	0
Overspend	-	24,003	(223)

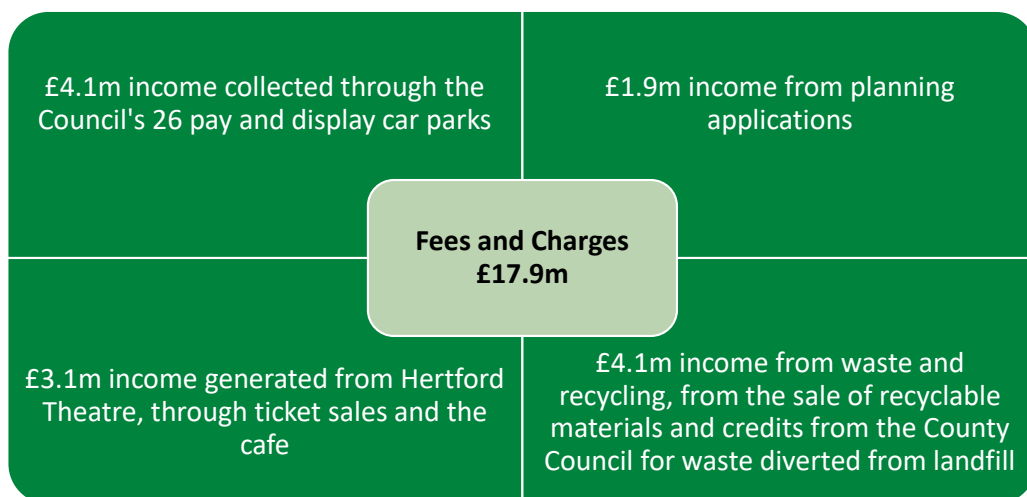
The Council's budget is monitored monthly by senior management and reported quarterly to the Executive.

2023/24 Income streams

The chart below shows the £79.7m of income that the Council received in 2023/24. The largest source of income was Housing Benefits subsidy (from Central Government) which is used to fund the payment of Housing Benefits to claimants.



Fees and charges are the second largest source of funding for the Council, highlighted below are some of the largest income generating activities of the Council;



Included in the £4.8m of government and other grants income are:

- £0.9m of New Homes Bonus, which is a Government scheme aimed at encouraging local authorities to grant planning permission in return for additional revenue.
- £1.3m General government grants to fund service provision
- £0.8m grants received to support homelessness
- £0.5m grants received in relation to UK Shared Prosperity Fund

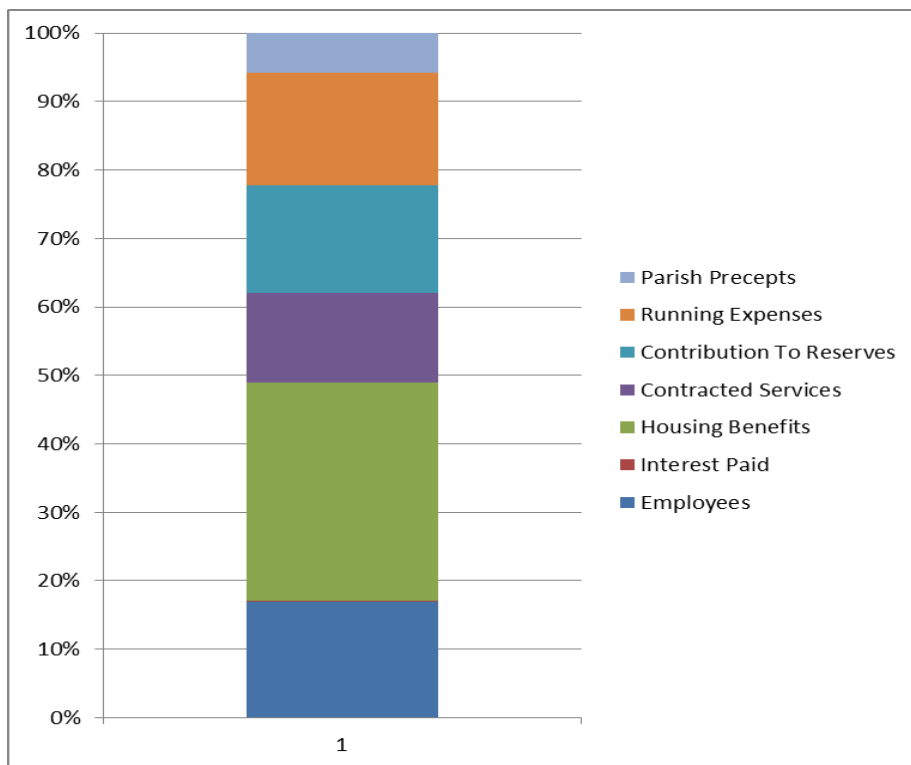
East Herts Council is the billing authority for Non Domestic Rates (Business Rates) collected from businesses across the district. This is then distributed to Central Government, East Herts Council and Hertfordshire County Council. After distribution the income attributable to East Herts including section 31 grant income totalled £4.8m in 2023/24.

As the billing authority, East Herts Council collects Council Tax income from residents of the district; this is then distributed between Hertfordshire County Council, East Herts Council and the Police and Crime Commissioner. Of the income collected the Council's share in 2023/24 was £17.7m; £5.4m of which was distributed to Town and Parish Councils across the district. The remaining Council Tax income is used to fund services in the year.

The Council earned Interest and Investment income of £1.7m in 2023/24 on its portfolio of investments and holdings in property funds. This was £774k above budget, this has been transferred to the Interest Equalisation reserve to mitigate future losses.

2023/24 Expenditure

The chart below shows the £79.7m that the the Council spent in 2023/24. Housing benefits make up the largest outgoing (£23m) of the Council.



Included in the Council's running expenses figure of £18.7m is the following expenditure:

- £4.1m of premises related costs, including ongoing maintenance of the Council's operational buildings, business rates, insurance and utilities costs for all the Council's buildings, car parks, theatre and leisure facilities;
- £14m direct costs of providing Council services throughout the year including, public and environmental health, planning, sports, leisure and parks;

The cost of the Council's main contracts are included in the contracted services figure (£10m) are as follows:

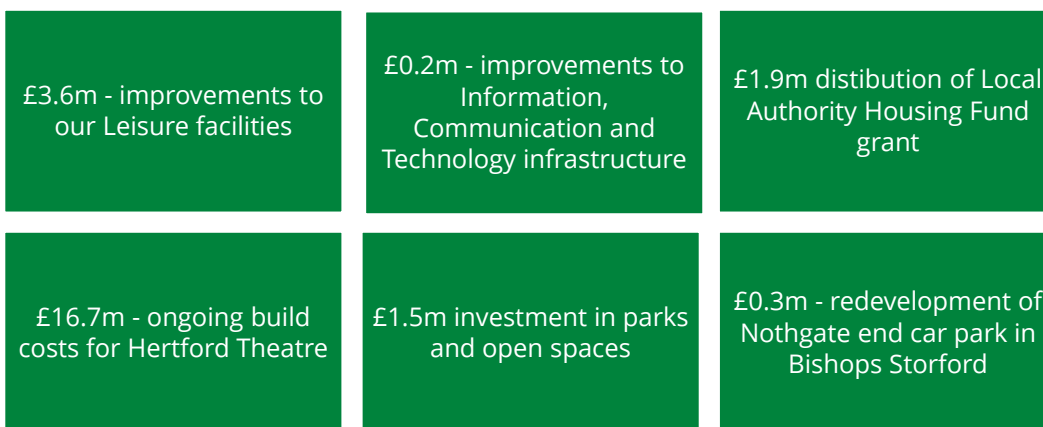
- £5.7m Refuse & Recycling
- £1.3m Grounds maintenance
- £0.8m Parking enforcement
- £0.8m Cleansing

FINANCIAL MANAGEMENT

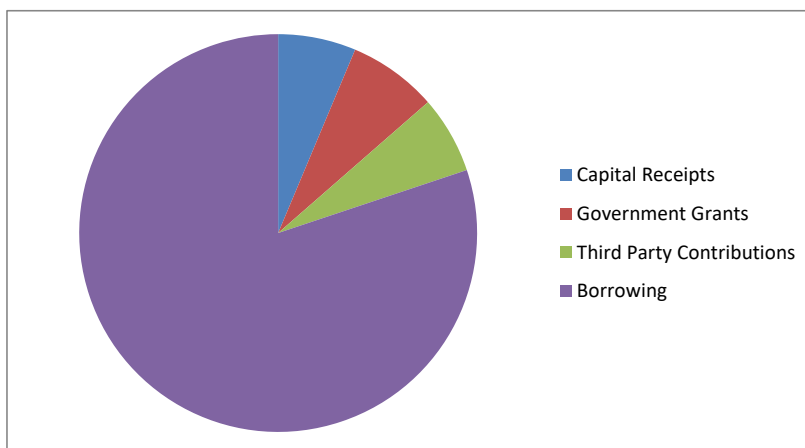
Capital

Capital expenditure relates to the acquisition or enhancement of assets which generates a benefit for a period greater than one year. This differs to the Revenue expenditure, discussed over the previous pages, which is defined as money that the authority spends or receives in the same year that the services are delivered.

The Council has embarked on an ambitious Capital Programme over the life of the Medium Term Financial Plan, during 2023/24 the Council incurred expenditure of £25.5m on capital projects, compared with a capital programme budget of £36.5m. A total budget of £11m has been carried forward to 2024/25 to match ongoing schemes which didn't commence in 2023/24 or where works are ongoing. A selection of the capital schemes undertaken this year are shown below:



A combination of capital grant income, receipts from disposal of assets, third party contributions and revenue contributions were used to fund the 2023/24 capital programme. The split is shown in the following pie chart:



MEDIUM TERM FINANCIAL PLAN

East Herts' approach to setting the revenue and capital budget for the four years commencing 2023/24 was to improve the organisational financial sustainability and resilience in the forthcoming years.

The budget report sets out the proposals and outcomes that Officers and Members had arrived at to ensure that the Council maintains a sustainable budget position for the future.

The MTFP provides the framework for the development of annual budgets in line with the aims of the Council's Corporate Strategy.

Reserves are an essential part of good financial management. They help councils cope with unpredictable financial pressures, help them smooth the impact of known spending requirements over time, and help to fund any in-year overspending. In 2023/24 the Council contributed a net £2.5m to general and earmarked reserves; the balance held in the general and earmarked at the end of the year is £22m.

Details of the Council's earmarked reserves (set aside for a defined purpose to meet known or predicted future liabilities) and General Reserve (to manage cash flows and limit the need for temporary borrowing and to provide a contingency for unforeseeable events and emergency spending) can be found within the Statement of Accounts.

PENSION FUND

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. Under current accounting standards the impact of any pension liability must be shown in the balance sheet.

Further information is given in note 33, on page 66.

EXPLANATION OF ACCOUNTING STATEMENTS

Statement	Explanation
Movement in Reserves Statement	Shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other reserves
Comprehensive Income & Expenditure Statement	A summary of the resources generated and consumed by the Council in the year
Balance Sheet	Sets out the financial position of the Council on 31 March 2024
Cash Flow Statement	Summarises the Council's inflows and outflows of cash for the year 2023/24
Notes to the Accounts	Provides support to the core financial statements, which informs and gives sufficient information to present a good understanding of the Council's activities. The notes include a Statement of Accounting Policies which details the legislation and principles on which the Statement of Accounts have been prepared. The purpose is to explain the basis for recognition, measurement and disclosure of transactions and other events in the Statement of Accounts
Supplementary Financial Statements – The Collection Fund	Shows the level of Non Domestic Rates and Council Tax that has been received by the Council, as billing authority, during the period
Glossary of Financial Terms	Explains some of the key terms used in the Statement of Accounts
Statement of Responsibilities for the Statement of Accounts	Identifies the officer who is responsible for the proper administration of the Council's financial affairs. The purpose is for the Chief Finance Officer to sign under a statement that the Statement of Accounts present a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2024

The Core Accounting Statements

MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (i.e. those that can be applied to fund expenditure or reduce taxation) and other reserves. The Surplus or (Deficit) on the Provision of Services line shows the economic cost of providing the Council's services with more details shown in the Comprehensive Income and Expenditure Statement. These are different from the statutory amounts required to be charged to the General Fund Balance for council tax setting purposes. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance before any discretionary transfers to or from earmarked reserves undertaken by the Council.

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	General Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves	
	£000	£000	£000	£000	£000	£000	£000	£000	
Balance at 31 March 2023	3,854	18,689	0	224	878	23,645	94,935	118,580	
Movement in reserves during 2023/24	(15,000)	0	0	0	0	(15,000)	-	(15,000)	
Other Comprehensive Income & Expenditure	0	0	0	0	0	0	17,603	17,603	
Total Comprehensive Income and Expenditure	(15,000)	0	0	0	0	(15,000)	17,603	2,603	
Adjustments between accounting basis and funding basis under regulations	Note 5	17,448	-	0	(35)	-	17,413	(16,440)	973
Net Increase/Decrease before Transfers to Earmarked Reserves	2,448	-	0	(35)	-	2,413	1,163	3,576	
Transfers to/(from) Earmarked Reserves	Note 6	(2,448)	2,224	-	-	225	-	-	-
Increase/Decrease in Year		0	2,224	0	(35)	225	2,413	1,163	3,576
Balance as at 31 March 2024 carried forward	3,854	20,913	0	189	1,103	26,058	96,098	122,156	

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	General Reserve	Total Usable Reserves	Total Unusable Reserves	Total Reserves	
	£000	£000	£000	£000	£000	£000	£000	£000	
Balance at 31 March 2022	3,854	21,307	0	224	1,065	26,450	61,335	87,785	
Movement in reserves during 2022/23	(204)	0	0	0	0	(204)	30,999	30,795	
Total Comprehensive Income and Expenditure	(204)	-	-	-	-	(204)	30,999	30,795	
Adjustments between accounting basis and funding basis under regulations	Note 5	(2,601)	-	0	0	-	(2,601)	2,601	0
Net Increase/Decrease before Transfers to Earmarked Reserves	(2,805)	-	-	0	-	(2,805)	33,600	30,795	
Transfers to/(from) Earmarked Reserves	Note 6	2,805	(2,618)	-	-	(187)	-	-	-
Increase/Decrease in Year		0	(2,618)	0	0	(187)	33,600	30,795	
Balance as at 31 March 2023 carried forward	3,854	18,689	0	224	878	23,645	94,935	118,580	

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

This statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices (GAAP), rather than the amount to be funded from taxation. Authorities raise taxation to cover expenditure in accordance with regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2023/24		2022/23	
	Gross	Gross	Net	Net
	Expenditure	Income	Expenditure	Expenditure
	£000	£000	£000	£000
Chief Executive, PA's & Directors	563	0	563	643
Communications, Strategy & Policy	2,635	(1,123)	1,512	1,526
Human Resources & Organisation Development	622	(11)	611	656
Strategic Finance & Property	10,052	(5,024)	5,028	5,015
Democratic & Legal Services	2,162	(470)	1,692	1,717
Housing & Health	6,231	(2,925)	3,306	3,583
Planning & Building Control	4,453	(1,777)	2,676	2,482
Operations	31,629	(11,574)	20,055	4,612
Shared Revenues & Benefits Service	27,032	(26,059)	973	1,424
Shared Business & Technology Services	2,258	(19)	2,239	2,277
NET COST OF SERVICES			38,655	23,935
Payments of precepts to parishes			5,351	5,060
Gain on disposal of non current (fixed) assets			(974)	(1,427)
Minimum Revenue provision			600	0
OTHER OPERATING EXPENDITURE			4,977	3,633
Interest payable and similar charges			541	596
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			189	1,024
Interest receivable and similar income			(1,774)	(1,463)
Income from investment properties (Note 10)			(501)	(822)
Direct expenditure incurred on investment properties (Note 10)			364	200
Changes in Fair Value of Investment Properties			740	(795)
FINANCING AND INVESTMENT EXPENDITURE			(441)	(1,260)
Recognised capital grants and contributions			(3,423)	(2,207)
Council tax income			(17,722)	(16,768)
Non domestic rates			322	(188)
Non service related government grants			(7,298)	(6,624)
Renewable energy			(70)	(318)
TAXATION AND NON-SPECIFIC GRANT INCOME (Note 29)			(28,191)	(26,105)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			15,000	203
(Surplus) or Deficit on revaluation of Fixed assets			(12,637)	1,566
Remeasurements of the net defined benefit liability (Note 33)			(7,656)	(37,236)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(20,293)	(35,670)
(Surplus) / Deficit on revaluation of financial instruments (Note 12)			1,717	4,667
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			1,717	4,667
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			(18,576)	(31,003)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			(3,576)	(30,800)

BALANCE SHEET

These financial statements are authorised by Brian Moldon - Head of Finance & S151 officer 29/04/2025



The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

		31 March '24		31 March '23
		£000	£000	£000
Property, Plant & Equipment	Note 7			
- Other land and buildings		89,854		88,533
- Vehicles, plant, furniture and equipment		1,884		2,280
- Infrastructure assets		1,140		1,285
- Community assets		6,625		4,900
- Surplus assets		4,886		6,093
- Assets under Construction		31,328		18,711
			135,717	
Investment Properties	Note 10	7,853		8,594
Intangible Assets	Note 11	199	8,052	292
			143,769	130,688
Long Term Investments	Note 12	17,838		19,555
Long Term Debtors	Note 15	5,188	23,026	5,190
TOTAL LONG TERM ASSETS			166,795	155,433
Assets Held For Sale	Note 17	4,441		409
Short Term Investments	Note 12	6,500		6,500
Short Term Debtors	Note 15	12,433		12,754
Cash and Cash Equivalents	Note 16	4,156		8,944
CURRENT ASSETS			27,530	28,607
Provisions	Note 19	(249)		(300)
Short Term Creditors	Note 18	(18,200)		(21,894)
Short Term Borrowing	Note 12	(48,500)		(30,000)
CURRENT LIABILITIES			(66,949)	(52,194)
Provisions	Note 19	(997)		(1,233)
Long Term Borrowing	Note 12	(1,500)		(1,522)
Net Pension Liability	Note 33	5,266		(2,862)
Grant Receipts in Advance	Note 29	(2,066)		(2,476)
- Capital				
- Revenue		(5,923)		(5,173)
LONG TERM LIABILITIES			(5,220)	(13,266)
NET ASSETS			122,156	118,580
USABLE RESERVES				
- General Fund	Note 20	3,854		3,854
- General Reserve	Note 20	1,103		878
- Earmarked Reserves	Note 6	20,912		18,688
- Capital Receipts Reserve	Note 20	0		0
- Capital grants Unapplied	Note 20	189		224
			26,058	23,644
UNUSABLE RESERVES				
- Revaluation Reserve	Note 21	31,032		20,815
- Financial Instrument Revaluation Reserve	Note 21	(2,160)		(443)
- Pensions Reserve	Note 21	5,250		(2,862)
- Capital Adjustment Account	Note 21	61,619		75,629
- Deferred Capital Receipts	Note 21	142		144
- Collection Fund Adjustment Account	Note 21	491		1,858
- Short-term Accumulating Compensated Absences Account	Note 21	(276)		(205)
			96,098	94,936
TOTAL RESERVES			122,156	118,580

THE CASH FLOW STATEMENT

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

	2023/24		2022/23
	£000	£000	£000
OPERATING ACTIVITIES			
Cash Inflows			
Council Tax receipts	(12,985)		(12,131)
NNDR Receipts	(16,025)		(15,704)
DWP grants for benefits	(24,370)		(22,375)
Other Government grants	(9,330)		(10,062)
Cash received for goods and services	(18,365)		(21,508)
Interest received	(1,774)		(1,463)
Cash inflows generated from operating activities	(82,849)		(83,243)
Cash Out Flows			
Cash paid to and on behalf of employees	15,754		14,895
Housing Benefit paid out	22,705		22,409
Other operating cash payments	40,117		37,884
Precepts paid to other authorities	5,351		5,060
Interest paid	1,306		320
Cash outflows generated from operating activities	85,233		80,568
Net Cash Inflow from operating activities		2,384	(2,675)
INVESTING ACTIVITIES			
- Purchase of property plant and equipment, investment property and intangible assets	24,149		16,620
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,722)		(1,427)
- Capital grants	(3,917)		(2,717)
- Proceeds from short-term and long-term investments	(4,000)		(4,000)
Net cash outflow from investing activities		14,510	8,476
FINANCING ACTIVITIES			
- Cash receipts of short and long-term borrowing	(18,500)		(10,000)
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)			
- Other payments for financing activities	6,405		4,161
Net cash outflow from financing activities		(12,095)	(5,839)
Net increase in cash and cash equivalents		4,799	(38)
Cash and cash equivalents at the beginning of the reporting period		(8,944)	(8,906)
Cash and cash equivalents at the end of the reporting period		(4,145)	(8,944)

NOTES TO THE FINANCIAL STATEMENTS

1. Accounting Policies

- i. The Statement of Accounts summarises the Council's transactions for the 2023/24 financial year and its position at the year-end of 31 March 2024. The Accounts and Audit Regulations 2015 require the Council to prepare the Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2023/24 and the Service Reporting Code of Practice (SeRCOP) 2023/24, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.
- ii. The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.

iii. Accruals of Income & Expenditure

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

- Income from the provision of services in the form of sales, fees, charges and rents is recognised and accounted for in the period to which they relate.
- Expenses in relation to services received (including services provided by employees, transport related, premises related and supplies and services related expenditure) are recorded as expenditure when the services are received rather than when payments are made, with the exception of quarterly utility payments where no actual apportionment is made for bills spanning two financial years.
- Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
- Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Provision is made for doubtful debts and known uncollectable debts are written off in accordance with the Council's agreed policy.

iv. Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three weeks or less that are readily convertible to known amounts of cash with insignificant risk of change in value, and are used to meet short term liquidity requirements.

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

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

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

Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

vi. Charges to Revenue for Non - Current Assets (Property, Plant and Equipment and Intangible Assets)

Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets 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 the losses can be written off amortisation of intangible fixed assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. Depreciation, revaluation, impairment losses and amortisations are therefore transferred to the Capital Adjustment Account in the Movement in Reserves Statement.

vii. Employee Benefits

Benefits Payable during Employment

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

Post Employment Benefits (Pensions)

The Council participates in one scheme, the Local Government Pension Scheme, which is a defined benefit final salary scheme administered by Hertfordshire County Council.

The liabilities of the Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.

Liabilities are discounted to their value at current prices, using a discount rate of 2.5%. The discount rate has been determined as the long term government bond yield plus an allowance for the average difference between the yield on corporate bonds and government bonds. This difference in yields is a result of the difference in the risk of default. This approach has been adopted as government bonds have a long enough term to match the term of the liabilities whereas corporate bonds have shorter terms.

The assets of Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value:

- quoted securities – current bid price;
- unquoted securities – professional estimate;
- unit trust and managed fund investments (including property) – current bid price and disclosed in line with the requirements of IAS19.

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

- current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
- past service cost / gain – the increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited / credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;
- interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
- expected return on assets – the annual investment return on the pension fund assets attributable to the Council, based on an average of the expected long-term return, credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;

- gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees
- debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non Distributed Costs;

- 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 – debited to the Pensions Reserve;

- contributions paid to the 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 or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.

In line with the requirements of the Code the past service contribution is no longer a current revenue item but is included as part of the payments to the pension fund (in accordance with pension scheme regulations) and is treated as a cash flow item which reduces the pensions liability. This is also in line with the requirements of the Code.

Further information can be found in Hertfordshire County Council’s Pension Fund’s Annual Report which is available upon request from LPP, Hertfordshire County Council, Post point CHO 033, County Hall, Pegs Lane, Hertford, SG13 8DQ.

viii. Events after the Balance Sheet Date

Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. 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 where material to reflect such events
- those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.

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

ix. Government grants and contributions - revenue and capital

Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised in the accounts when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and the grants or contributions will be received.

The grant or contribution is recognised immediately within the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition relating to the initial recognition that the Council has not satisfied.

Monies received as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a liability within the Grants Receipts in Advance Account. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (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. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund expenditure.

Revenue grants specific to service provision are shown against the relevant service in the Comprehensive Income and Expenditure Statement. General grants allocated by central government directly to local authorities as additional revenue funding which are non-ring fenced are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.

x. Minimum revenue provision

In accordance with current legislation the minimum revenue provision (MRP) for the redemption of debt is required to be calculated on a prudent basis having regard to guidelines set out for application of the prudential code.

xi. Overheads and support services

As the Council does not include the recharge of overheads and support services in how they monitor and manage financial performance they are no longer included in the year end accounts.

xii. Provision for bad debt

The value of receivables (debtors) shown on the Balance Sheet is adjusted for doubtful debts. The level of bad debt provision is reviewed annually. Uncollectable debts are written off against the provision. The following methods are used:

Trade Accounts Receivable	- Age and Collectability
Housing Benefits Overpayments	- Age and Collectability
National Non Domestic Rates	- Currently 100% of outstanding arrears
Council Tax	- 0.46% against the net debit due reviewed against sums written off and opening yearly balances

xiii. Revenue expenditure funded from Capital under Statute (REFCUS)

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

xiv. Capital receipts

Capital Receipts arise from the sale of non-current assets (Property, Plant and Equipment and Investment Properties). Further to the introduction of the Prudential Capital Finance System on 1 April 2004, capital receipts are all deemed to be “usable” and are held within the Capital Receipts Reserve.

Prior to this date, in accordance with Government legislation, a proportion of certain receipts had to be “set aside” and are retained within the Capital Adjustment Account as provision for the repayment of debt.

xv. VAT

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs and in most circumstances all VAT paid is recoverable from them. VAT has been included in the income and expenditure accounts only to the extent that it is irrecoverable.

xvi. Tax Income (Council Tax, Non-Domestic Rates (NDR))

Non Domestic Rates (NDR)

The Council collects, administers and distributes Non Domestic Rates (NDR) for its area based on local rateable values determined by the Valuation Office Agency (VOA). The tax liability is then calculated applying a business rate which is set and uniformly applied on a national basis. In 2013/14, the administration of NDR changed following the introduction of a Business Rates Retention Scheme which aims to give Councils greater incentive to grow businesses in their locality. This regime also increased the financial risk and opportunities for local authorities, with income becoming more volatile and difficult to predict.

The regime provides for local authorities to retain a proportion of the total collectable rates due in proportion of their relevant statutory share. The proportion for East Hert is 40%, the remainder being distributed to Hertfordshire County Council (10%) and Central Government (50%).

As part of the regime the Government set up a system of 'Top ups', 'Tariffs' and 'Safety Nets' that were introduced to ensure that Councils were guaranteed a minimum level of retained NDR income, thus providing some financial certainty under the new scheme. In addition to the local management of business rates, authorities are expected to finance appeals made in respect of rateable values as defined by VOA and the financial impact of uncollected business rate income as at 31 March 2021. Authorities are required to make a provision for these assets and liabilities in their accounts.

The accounting arrangements for the Non Domestic Rates are summarised as follows:

- the Council's element of Retained Business Rate income, Tariffs, Top Up and Safety net is included in the CI&E Statement based on the relevant regulations.
- the NDR Collection Fund is prepared on an agency arrangement basis. Relevant proportions of the accounts Surplus/Deficit/taxpayer's Arrears and Provisions are allocated to the relevant Preceptors and Government and accounted for as Debtors/ Creditors in the Billing Authority's Accounts
- the council's cashflow statement only includes the council's share of council tax, net cash collected and precepts paid.

Council Tax

The Council as billing authority acts as agent with regards to the collection and distribution of Council Tax on behalf of itself, Hertfordshire County Council, Hertfordshire Police and Town and Parish Councils. In line with these agency arrangements, and in order to reflect the risks and rewards within the Council, the following transactions are included:

- the Council's Comprehensive Income & Expenditure Statement includes only the statutory precept under regulation.
- a debtor/creditor to reflect the difference between the various preceptors share of cash collected in the year and cash paid to the preceptors on account in line with the appropriate regulations will be included in the Council's balance sheet.
- the council's cashflow statement only includes the council's share of council tax, net cash collected and precepts paid

xvii. Interests in Other Entities

The Council has set up a wholly owned subsidiary called Millstream Property Investments Ltd, which has the principal activity of acquiring, developing and refurbishing properties. The Company's accounts are consolidated into the Council's accounts and the consolidated accounts are included in the Council's Statement of Accounts.

Additionally, the Council also has an interest in Hertfordshire Building Control Limited, a company which is equally owned by seven Hertfordshire authorities.

xviii. Capitalisation of Interest

The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. Qualifying assets are where there is a 'substantial period of time' from the first capital expenditure financed from borrowing until the asset is ready to be brought into use. A substantial period of time is considered to mean in excess of two years.

2. Expenditure and Funding Analysis

The object of the Expenditure and Funding Analysis is to demonstrate to Council Taxpayers 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 general accepted accounting practices. The Expenditure and Funding Analysis also shows how this expenditure is allocated for decision making purposes between the Council's services. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

2023/24	Net Expenditure chargeable to the General Fund balance £000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive, PA's & Directors	402	161	563
Communications, Strategy & Policy	1,435	75	1,510
Human Resources & Organisation Development	595	16	611
Strategic Finance & Property	4,083	613	4,696
Legal & Democratic Services	1,627	64	1,691
Housing & Health	3,877	1,524	5,401
Planning & Building Control	2,590	85	2,675
Operations	2,568	17,486	20,054
Shared revenues & Benefits Service	823	150	973
Shared Business & Technology Services	2,235	4	2,239
Net cost of services	20,235	20,178	40,413
Other income and Expenditure	(24,311)	(1,102)	(25,413)
(Surplus) or Deficit on Provision of Services	(4,076)	19,076	15,000
Operating General Fund balance at 1 April 2023	23,644		
Transfers to/(from) Earmarked Reserves	2,414		
Closing General Fund Balance at 31 March 2024	26,058		

2022/23	Net Expenditure chargeable to the General Fund balance £000	Adjustments between Funding & Accounting basis £000	Net Expenditure in CIES £000
Chief Executive, PA's & Directors	413	230	643
Communications, Strategy & Policy	1,222	303	1,525
Human Resources & Organisation Development	558	98	656
Strategic Finance & Property	3,072	1,943	5,015
Legal & Democratic Services	1,453	264	1,717
Housing & Health	2,640	943	3,583
Planning & Building Control	2,100	382	2,482
Operations	2,478	2,134	4,612
Shared revenues & Benefits Service	649	776	1,425
Shared Business & Technology Services	2,273	4	2,277
Net cost of services	16,858	7,077	23,935
Other income and Expenditure	(13,705)	(10,028)	(23,733)
(Surplus) or Deficit on Provision of Services	3,153	(2,951)	202
Operating General Fund balance at 1 April 2022	26,449		
Transfers to/(from) Earmarked Reserves	(2,805)		
Closing General Fund Balance at 31 March 2023	23,644		

Note to the Expenditure and Funding Analysis - Adjustments between Funding and Accounting Basis

2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note2) £000	Other Differences (Note 3) £000	Total Adjustments £000
Chief Executive, PA's & Directors	147	10	4	161
Communications, Strategy & Policy	33	38	6	77
Human Resources & Organisation Development	4	11	1	16
Strategic Finance & Property	562	40	11	613
Legal & Democratic Services	30	30	5	65
Housing & Health	1,436	72	13	1,521
Planning & Building Control	18	59	8	85
Operations	17,448	31	7	17,486
Shared Revenues & Benefits Service	36	97	17	150
Shared Business & Technology Services	4	0	0	4
Net cost of services	19,718	388	72	20,178
Other income and expenditure from the Funding Analysis	(2,040)	(428)	1,366	(1,102)
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	17,678	(40)	1,438	19,076

2022/23

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts

	Adjustments for Capital Purposes (Note 1) £000	Net change for the Pensions Adjustments (Note2) £000	Other Differences (Note 3) £000	Total Adjustments £000
Chief Executive, PA's & Directors	145	87	(1)	231
Communications, Strategy & Policy	37	268	(1)	304
Human Resources & Organisation Development	10	88	-	98
Strategic Finance & Property	1,609	338	(4)	1,943
Legal & Democratic Services	31	234	(2)	263
Housing & Health	386	562	(4)	944
Planning & Building Control	21	363	(2)	382
Operations	1,887	248	(2)	2,133
Shared Revenues & Benefits Service	44	738	(7)	775
Shared Business & Technology Services	4	0	-	4
Net cost of services	4,174	2,926	-23	7,077
Other income and expenditure from the Funding Analysis	(4,427)	269	(5,870)	(10,028)
Difference between General Fund (surplus) or deficit and Comprehensive Income & Expenditure Statement (surplus) or deficit	(253)	3,195	(5,893)	(2,951)

Note 1 – Adjustments for Capital Purposes

Adjustments for capital purposes for this column add in depreciation and impairment and revaluation gains and losses in the services 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 asset;
- Financing and investment income and expenditure – the statutory charges for capital financing 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 received in the year to those receivable without conditions or for which conditions or for which conditions were satisfied throughout the year. The Taxation and Non Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions were satisfied in the year.

Note 2 – Net change for the pensions’ adjustments

Net change for the removal of pension contributions and the addition of IAS19 Employee Benefits pension related expenditure and income:

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

Note 3 – Other Differences

Other differences between amounts debited/credited to the Comprehensive Income and Expenditure Statement and amounts payable/receivable to be recognised under statute:

- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for Council Tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future surpluses or deficits on the Collection Fund.

3. Accounting Standards Issued not yet adopted

The Code of Practice on Local Authority Accounting in the United Kingdom (the Code) requires the Council to disclose information relating to accounting standards that have been issued but have not yet been adopted that could have a material impact on the accounts.

For this disclosure the standards introduced by the 2023/24 Code are:

- Definition of Accounting Estimates (Amendments to IAS 8) issued in February 2021.
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) issued in February 2021.
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) issued in May 2021.
- Updating a Reference to the Conceptual Framework (Amendments to IFRS 3) issued in May 2020.

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

The Statement of Accounts contains estimated figures that are based on assumptions made by the Council about the future that are otherwise uncertain. Estimates are made taking into account professional advice (e.g. actuarial advice), historical experience, current trends and other relevant information. Items included within the Council's Balance Sheet at 31 March 2024 for which there is a risk of material adjustment in the forthcoming year are as follows:

Pension Liability

The value of the pension liability as at 31st March 2024 is £2.9m. This liability depends on a number of factors, including discount rates, changes in retirement age, mortality rates and expected return on pension's assets. These are determined on an actuarial basis by Hymans Robertson, the actuaries for the Hertfordshire pension fund.

Change in assumptions at 31 March 2024	% increase to Defined Benefit Obligation	Approximate monetary amount (£m)
0.1% decrease in Real Discount Rate		
0.1% increase in the Salary Increase Rate		
0.1% increase in the Pension Increase Rate		

The figures in the table on the previous page give an indication of the potential impact that a change in assumptions could represent to the value of the pension liability. The figures represent key factors taken in isolation and are only indicative of the estimated impact as the assumptions interact in complex ways. The approach taken is consistent with that adopted to derive the IAS19 figures as per note 33.

Property, Plant and Equipment

The Councils assets are shown in the accounts at either Fair Value, Fair Value (Existing Use) or Market Value (dependent on the class of asset. Further information can be found in Note 7). The valuations are carried out by our internal asset management team in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation professional standards and International Financial Reporting Standards (IFRS). These valuations are arrived at using recent comparable transactions and for specialised properties using depreciated replacement cost methodology.

The tables below show the 31 March 2024 value of the assets in the Statement of Accounts, the impact a 5% increase or decrease in asset value would have on the Balance Sheet and the depreciation charged to the Comprehensive Income and Expenditure statement.

	31/03/2024	-5%		5%	
	Value	Value	Movement	Value	Movement
	£000	£000	£000	£000	£000
Other Land & Buildings	126,674	120,340	(6,334)	133,008	6,334
Vehicles, Plant, Furniture & Equip.	22,076	20,972	(1,104)	23,180	1,104
Infrastructure	8,633	8,201	(432)	9,065	432
Community Assets	6,716	6,380	(336)	7,052	336
Surplus Assets	4,886	4,642	(244)	5,130	244
	168,985	160,536	(8,449)	177,434	8,449

Depreciation

	31/03/2024	-5%		5%	
	Value	Value	Movement	Value	Movement
	£000	£000	£000	£000	£000
Other Land & Buildings	36,821	34,980	(1,841)	38662	1,841
Vehicles, Plant, Furniture & Equip.	20,191	19,181	(1,010)	21201	1,010
Infrastructure	7,493	7,118	(375)	7868	375
	64,505	61,280	(3,225)	67,730	3,225

Investment Properties

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. The Council's investment property has been valued as at 31 December 2023 (with a statement of professional opinion given that there has been no material change up to 31 March 2024) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

Non Domestic Rates – Provision for outstanding appeals

Since the Retained Business Rate scheme was introduced on 1st April 2013 Local Authorities have assumed the liability for refunding business rate payers who successfully appeal against the rateable value of their property.

Appeals against the rateable value of a property are lodged by the rate payer with the Valuation Office Agency, who provides information of all the appeals that have been lodged to the Council.

An estimate of the potential impact of successful appeals has been calculated using analysis provided from Inform (a member of the Institute of Rating, Revenues and Valuation) and local knowledge.

The carrying amount of the provision at 31 March 2024 is £3.1m, of which the Council's share of £1.25m is reflected in the accounts. Higher success rates of appeals could result in a need for a larger provision. An increase of 5% would change the required provision by £155k affecting the surplus/deficit distribution to the Council, Hertfordshire County Council and Central Government.

Debtors - As at 31 March 2024 the authority had a balance of short term debtors of £15.7m. A review of the age and collectability of the debts outstanding has resulted in a bad debt provision of £3.3m. If collection rates were to deteriorate then an additional provision would be required.

5. Adjustments between Accounting Basis and Funding Basis under Regulations

2023/24

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:

Charges for depreciation of non current assets

Revaluation / Impairment on Property Plant and Equipment

Movements in the market value of Investment Properties

Amortisation of intangible assets

Capital grants and contributions applied

Revenue expenditure funded from capital under statute

Revenue grants written down to the Capital Adjustment Account

Disposal of non current assets

Disposal of investment Properties

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease

Capital expenditure charged against the General Fund

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement

Application of grants to capital financing transferred to the Capital Adjustment Account

Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement

Use of Capital Receipts Reserve to finance new capital expenditure

Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease

Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)

Employer's pensions contributions and direct payments to pensioners payable in the year

Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements

Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements

	Usable Reserves			
	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
	3,002			- 3,002
	14,653			- 14,653
	740			- 740
	166			- 166
	(3,423)			3,423
	1,883			- 1,883
	-			-
	641			- 641
	-			-
				-
				-
			35	35
				-
	(1,615)	1,615		-
		(1,615)		1,615
	2			- 2
				-
	2,754			- 2,754
	(2,793)			2,793
				-
	1,366			- 1,366
	72			- 72
Total Adjustments	17,448	0	(35)	(17,413)

2022/23 comparative figure

Adjustments involving the Capital Adjustment Account:

Reversal of items debited or credited to the Comprehensive Income and Expenditure Statement:

	General Fund balance £000	Capital Receipts Reserve £000	Capital Grants Unapplied £000	Movement in Unusable Reserves £000
Charges for depreciation of non current assets	2,656	-	-	(2,656)
Revaluation / Impairment on Property Plant and Equipment	1,320	-	-	(1,320)
Movements in the market value of Investment Properties	(795)	-	-	795
Amortisation of intangible assets	200	-	-	(200)
Capital grants and contributions applied	(2,207)	-	-	2,207
Revenue expenditure funded from capital under statute	348	-	-	(348)
Revenue grants written down to the Capital Adjustment Account	-	-	-	-
Disposal of non current assets	1,656	-	-	(1,656)
Disposal of investment Properties	-	-	-	-

Insertion of items not debited or credited to the Comprehensive Income and Expenditure Statement:

Statutory adjustment relating to capital element of principal repayment for finance lease
Capital expenditure charged against the General Fund

Adjustments involving the Capital Grants Unapplied Account:

Capital grants and contributions unapplied credited to the Comprehensive Income and Expenditure Statement	-	3,083	3,083	-	-
Application of grants to capital financing transferred to the Capital Adjustment Account		-	3,083		3,083

Adjustments involving the Capital Receipts Reserve:

Transfer of cash sale proceeds credited as part of the gain/loss on disposal to the Comprehensive Income and Expenditure Statement				-	-
Use of Capital Receipts Reserve to finance new capital expenditure				-	0

Adjustments involving the Deferred Capital Receipts Reserve:

Statutory adjustment relating to capital element of principal payment for finance lease	2	-	-		(2)
---	---	---	---	--	-----

Adjustments involving the Pensions Reserve:

Reversal of items relating to retirement benefits debited or credited to the Comprehensive Income and Expenditure Statement (see Note 33)	5,878	-	-		(5,878)
Employer's pensions contributions and direct payments to pensioners payable in the year	(2,683)	-	-		2,683

Adjustments involving the Collection Fund Adjustment Account:

Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(5,870)	-	-		5,870
--	---------	---	---	--	-------

Adjustment involving the Accumulated Absences Account

Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(23)	-	-		23
---	------	---	---	--	----

Total Adjustments	(2,601)	0	0		2,601
--------------------------	----------------	----------	----------	--	--------------

6. Transfers to/from Earmarked Reserves

Amounts appropriated to / from reserves are distinguished from service expenditure disclosed in the Statement of Accounts. Reserves include earmarked reserves set aside for specific policy purposes and balances which represent resources set aside for purposes such as general contingencies and cashflow management.

This note sets out the amounts set aside from the General Fund in earmarked reserves to provide funding for future expenditure plans and the amounts posted back from earmarked reserves to meet General Fund expenditure in 2023/24

	Balance 1 April 2022 £000	Transfers Out/(In) 2022/23 £000	Balance 31 March 2023 £000	Transfers Out 2023/24 £000	Transfers In 2023/24 £000	Balance 31 March 2024 £000
Interest Equalisation Reserve	(2,045)		(2,045)	-	(1,212)	(3,257)
Insurance Fund	(908)	161	(747)	-	-	(747)
Emergency Planning Reserve	(36)	-	(36)	-	-	(36)
LDF/Green Belt Reserve	(62)	-	(62)	-	-	(62)
Housing Condition Survey Reserve	(90)	-	(90)	-	-	(90)
Council Elections Reserve	(63)	(35)	(98)	-	(235)	(333)
Sinking fund - Leisure Utilities / Pension Reserve	(228)	-	(228)	-	-	(228)
Performance Reward Grant Reserve	(10)	-	(10)	-	-	(10)
Waste Recycling Income Volatility Reserve	(353)	-	(353)	-	-	(353)
Footbridge Reserve	(150)	-	(150)	-	-	(150)
DCLG Preventing Repossessions	(18)	-	(18)	-	-	(18)
New Homes Bonus Priority Spend	(6,668)	(1,270)	(7,938)	-	(931)	(8,869)
Collection Fund Reserve	(1,963)	300	(1,663)	-	(3,400)	(5,063)
DEFRA Flood Support	(4)	-	(4)	-	-	(4)
Neighbourhood Planning	(64)	-	(64)	-	(111)	(175)
IER	(106)	26	(80)	32	-	(48)
MTFP Transition Funding Reserve	(413)	-	(413)	98	-	(315)
Flexible Homelessness Grant	(354)	-	(354)	-	-	(354)
Preventing Homelessness New Burdens Reserve	(31)	-	(31)	-	-	(31)
Healthy Lifestyle Promotions Reserve	(33)	-	(33)	-	-	(33)
Land Charges New Burdens	(30)	-	(30)	-	-	(30)
HB Subsidy Volatility Reserve	(50)	(50)	(100)	-	-	(100)
Section 31 NNDR	(7,071)	3,536	(3,535)	3,535	-	-
Parks & Open Spaces Reserve	(306)	-	(306)	-	-	(306)
Revs & Bens New Burdens Reserve	(250)	(50)	(300)	-	-	(300)
Total	(21,306)	2,618	(18,688)	3,665	(5,889)	(20,912)

Interest Equalisation Reserve	This reserve was established to assist the Council in managing the financial implications of adverse interest rate fluctuations. £1.2m has been added to this reserve in 2023/24
Insurance Fund	Its purpose is to support the Council's insurance and risk management process in anticipation of setting up a self-insurance fund in some areas to reduce future insurance premiums.
Emergency Planning Reserve	The reserve was set up to support the work of an Emergency Planning Officer Group that has been established within the Council. There was no call on it in 2023/24.
Local Development Framework / Green Belt Reserve	This reserve was established in 2008/09 to smooth expenditure over the Council's Medium Term Financial Plan (MTFP). There has been no call on the reserve in 2023/24.
Housing Condition Survey Reserve	This reserve was established to fund House Condition Surveys. There has been no movement on the reserve in 2023/24.
Council Elections Reserve	Established to smooth the cost of Elections over the MTFP. A further £235k was added to the reserve in 2023/24 to fund the cost of future elections.
Sinking Fund – Leisure Utilities and Pension	Further to the Council awarding a leisure contract to Sports and Leisure Management from January 2020, the Council provided guarantees in respect of utilities and employers pension costs. There was no call on it in 2023/24.
Performance Reward Grant Reserve	The Council received revenue grant funding in respect of the Local Area Agreement (Performance Reward Grant) in 2009/10. There was no call on the reserve in 2023/24.
Waste Recycling Income Volatility Reserve	The reserve has been established to manage income volatility in recycling income. There was no call on this reserve in 2023/24.
Footbridge Reserve	The Council's MTFP included setting aside £50k a year from 2010/11 to 2012/13 in order to meet any potential maintenance costs or liabilities that may arise relating to the footbridge over the River Stort. There was no call on the reserve 2023/24.
DCL Preventing Repossessions	This reserve was established from unspent Government Grant monies. There were no appropriations in 2023/24.
New Homes Bonus Priority Spend	This reserve was established from unspent New Homes Bonus monies received from DCLG and the 2014/15 GF underspend. Over the years, further amounts of New Homes Bonus monies have been transferred to this reserve with £931k added in 2023/24.

Collection Fund Reserve	As a result of a Council decision in January 2014, a Government Funding Risk Reserve was established to smooth the effect on the Council of income volatility following the new NDR funding regime. This was subsequently renamed the Collection Fund Reserve. £3.4m was transferred to the reserve in 2023/24.
DEFA Flood Support for Local Businesses	This reserve was established from the unspent element of a DEFRA grant received to enable the Council to support local businesses to repair damage following the flooding in 2013/14. There has been no call on this in 2023/24.
Neighbourhood Planning Grant	Created in 2014/15 from unspent Neighbourhood Planning grant received from MHCLG to fund future spend. There has been no call on this reserve in 2023/24.
IER Grant	This reserve was created from unspent grant monies received from the Cabinet Office to fund the costs of additional work involved in the Individual Electoral Registration Scheme. Further unspent grant monies were added to the reserve in 2019/20. £32k was utilised from this reserve in 2023/24.
MTFP Transition Funding Reserve	A new reserve established in 2016/17 from the Transition Grant awarded by MHCLG as part of the 2016/17 financial settlement. £98k was utilised in 2023/24.
Flexible Homelessness Grant	Established from unspent Government Grant monies in 2017/18 specifically to prevent and deal with homelessness. Further unspent grant monies have been added in 2019/20. No call on this reserve in 2023/24.
Preventing Homelessness New Burdens	A new reserve set up in 2017/18 from unspent Government Grant to deal with Homelessness. There was no call on this in 2023/24.
Healthy Lifestyle Promotions	A new reserve created in 2018/19 from unspent grant monies received to promote healthy living. There has been no call on this in 2023/24.
Land Charges New Burdens	This reserve was created from unused government grant received to cover costs of transferring the local land charges register to HM Land Registry. There has been no call on this in 2023/24.
HB Subsidy Volatility Reserve	This reserve was created in 2018/19 to manage the financial implications of fluctuations in Housing Benefit subsidy. There has been no call on this in 2023/24.
NNDR Section 31 Reserve	A new reserve created in 2020/21 from Section 31 grants received in 2020/21 but for use in 2021/22 to fund NNDR Collection Fund transactions. £3.535m has been appropriated in 2023/24.
Parks & Open Spaces Reserve	A new reserve created in 2021/22 from unspent contribution to be used to fund future works. No call made on this reserve in 2023/24.
Revs & Bens New Burdens	A new reserve established in 2021/22 from unspent Government Grant monies. No call made on this reserve in 2023/24.

7. Property, Plant & Equipment

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

Recognition

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

Measurement

Assets are initially measured at cost, comprising:

- The purchase price;
- Any costs attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management;

The Council does not capitalise borrowing costs incurred whilst assets are under construction. Assets are then carried in the Balance Sheet using the following measurement bases:

- Operational non-specialised property – fair value based on existing use value. The multi-storey car parks and surface car parks have been valued using the Existing Use Valuation method on the basis of income & expenditure, profit information;
- Operational specialised property (inc leisure centres and Hertford theatre) – depreciated replacement cost (DRC).;
- Community assets – nominal value or historical cost;
- Infrastructure and all other assets – depreciated historical cost;
- Surplus assets - fair value, estimated at highest and best use from a market participant's perspective.

In the event of a future disposal the market value at that time may realise more or less than the carrying value. Since April 2016 the Council has revalued its assets on an annual basis (formerly four year rolling basis). Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of a loss previously charged to a service.

The Valuations were carried out by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) on the basis of standards of professional practice set out in the guidance below:

- Royal Institution of Chartered Surveyors (RICS) Valuation - Professional Standards ('The red Book')
- International Financial Reporting Standards (IFRS)
- Chartered Institute of Public Finance and Accounting Code of Practice on Local Authority Accounting ('The CIPFA Code')

The valuer has arrived at their opinion of Fair Value, Fair Value (Existing Use) and Market Value from referring to recent comparable transactions. For Specialised properties the Fair value (Existing Use) has been derived using Depreciated Replacement Cost methodology.

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

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

The Revaluation Reserve contains revaluation gains recognised since 1 April 2007 only, the date of its formal implementation. Gains arising before that date have been consolidated into the Capital Adjustment Account. The current asset values used in the accounts are based upon a certificate issued by the Council's Asset & Estates Manager, Anna Osborne MRICS and Lucy Smith MRICS as at 31 March 2024. Property, plant and equipment are classified in the Balance Sheet in line with current Accounting Codes of Practice.

Impairment

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

Where impairment losses are identified, they are accounted for by:

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

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

Depreciation

All Property, Plant and Equipment, other than freehold land and Community Assets (with two exceptions being recreational facilities with a building element) are depreciated on a straight line basis over the period of the assets useful economic life. The following periods are used:

Freehold Land	No depreciation
Council Buildings	20 to 60 years
Infrastructure	10 to 20 years
Equipment, Furniture and Fittings	5 to 20 years
Community Assets	No depreciation (30 years for exceptions)
Non-operational assets	40 to 60 years
Enhancement to Leased Properties	10 to 25 years
Plant	20 to 35 years

Where an item of Property, Plant and Equipment has major components whose cost is significant in relation to the total cost of the item, the components are depreciated separately.

Componentisation

In line with accounting requirements the Council considers the identification of individual asset components on a prospective basis following either the enhancement of an asset or its revaluation. The Council has determined that it will adopt a de-minimis value of £1m for individual assets.

Disposals

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

The gain or loss on disposal is not a charge against council tax, as the cost of fixed assets is fully provided for under separate arrangements for capital financing. Amounts are transferred from the General Fund Balance in the Movement in Reserves Statement to the Capital Adjustment Account (the carrying amount of the asset) and the usable Capital Receipts Reserve (the disposal proceeds).

Property, Plant & Equipment

Cost or Valuation	Other Land & Buildings	Vehicles, Plant, Furniture & Equip.	Infrastructure	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
2022/23							
As at 01/04/2022	103,722	20,729	8,560	3,615	2,416	31,373.00	170,415
Additions	61	1,266		1,376	-	12,210	14,913
Disposals	0				-	-	0
Reclassifications	21,284				4,542	(24,872)	954
Revaluations	(2,021)				(865)	0	(2,886)
Total as at 31/03/2023	123,046	21,995	8,560	4,991	6,093	18,711	183,396
2023/24							
As at 01/04/2023	123,046	21,995	8,560	4,991	6,093	18,711	183,396
Additions	434	112	73	1,725		22,279	24,623
Disposals		(31)					(31)
Reclassifications	5,020					(9,662)	(4,642)
Revaluations	(1,826)				(1,207)		(3,033)
Total as at 31/03/2024	126,674	22,076	8,633	6,716	4,886	31,328	200,313
Depreciation & Impairment							
2022/23							
As at 01/04/2022	32,575	19,228	7,044	91	0	0	58,938
Charge for Year	1,938	487	231	-	-	-	2,656
Acc depreciation w/o on revaluation	-	-	-	-	-	-	0
Disposals	-	-	-	-	-	-	0
Impairment (reversal) recognised in the service	-	-	-	-	-	-	0
Revaluations	-	-	-	-	-	-	0
Total as at 31/03/2023	34,513	19,715	7,275	91	0	0	61,594
2023/24							
As at 01/04/2023	34,513	19,715	7,275	91	0	0	61,594
Charge for Year	2,308	476	218				3,002
Acc depreciation w/o on revaluation				-	-	-	0
Disposals				-	-	-	0
Impairment (reversal) recognised in the service				-	-	-	0
Revaluations				-	-	-	0
Total as at 31/03/2024	36,821	20,191	7,493	91	0	0	64,596
Net Book Value							
Balance Sheet as at 31/03/23	88,533	2,280	1,285	4,900	6,093	18,711	121,802
Balance Sheet as at 31/03/24	89,853	1,885	1,140	6,625	4,886	31,328	135,717

Reconciliation of Additions in the year to Capital Spend

	2023/24	2022/23
	£000	£000
Additions in the year (as above)	24,623	14,913
Intangible assets	74	116
Investment Properties	0	0
	24,697	15,029
plus CERA (not included in note 7)	0	0
Total Capital Spend	24,697	15,029

8. Analysis of Fixed Assets

	31 March '24	31 March '23
	Number	Number
Council Dwellings - Hostels	7	4
- Houses	2	2
Council Offices - Freehold	1	2
- Leasehold	1	0
Service Centre - Leasehold	1	1
Cash Offices	0	2
Off-Street Car Parks (incl. Leasehold)	35	35
Swimming Pools (including 3 joint-use pools)	5	5
Parks and Recreation Grounds/Open spaces	226Ha	188Ha
Public Halls/Community Centres (incl leasehold)	7	9
Commercial Property Rented Out	47	56
Land Awaiting Development	1.24Ha	1Ha
Public Convenience	2	3

9. Heritage Assets

In line with the 2012 Code and FRS 30, the Council has identified a number of assets that meet the definition of a heritage asset and are being preserved in trust for future generations because of their cultural, environmental or historical associations.

The Council's policy is to maintain Heritage assets in order to preserve them for future generations because of their cultural and historical associations. The Council does not consider that a commercial value can be placed upon these assets and its policy is, therefore, not to disclose on the balance sheet. They continue to be included within community assets with a nominal value. The assets are insured in order to protect the Council's interest in the event of damage or destruction.

The Heritage assets held within Community assets at a nominal sum are as follows; there is no value held for these assets.

- The Castle Wall (ancient flint), Hertford
- Monument, remains of Church of St Mary's, Old Cross
- Community land Obelisk, Bishop's Stortford
- Flowing River Sculpture, Bishop's Stortford
- Evolution sculpture at Hartham Common
- Hertford Theatre Wall Bronze Resin Sculpture
- Civic Regalia
- Oil Painting of Wallfields, Hertford
- Chainsaw sculpture Pishiobury Park, Sawbridgeworth

10. Investment Properties

Investment properties are those that are used solely to earn rentals and/or for capital appreciation.

Investment properties are measured initially at cost and subsequently at fair value, based on the amount at which the asset could be exchanged between knowledgeable parties at arm's-length. Properties are not depreciated but are revalued annually according to market conditions at the year-end. Gains and losses on revaluation are posted to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. The same treatment is applied to gains and losses on disposal.

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

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

	2023/24	2022/23
	£000	£000
Rental income from investment property	(501)	(822)
Direct operating expenses arising from investment property	364	200
Net gain	(137)	(622)

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 remittance of income and the proceeds of disposal. The Council has no contractual obligations to purchase, construct, enhance or develop investment property. In some cases, the Council has repairing obligations which are met through revenue expenditure.

Authorities shall account for investment property in accordance with IAS 40 Investment Property and should be valued to 'Fair Value'.

Investment property is recognised at cost, including transaction costs but excluding operational components (PPE) where these can be measured reliably. Following recognition investment property is revalued on a fair value basis reflecting market state and circumstances on a given date.

The objective of this measurement approach is to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under the current market conditions.

The following table summarises the movement through additions and re-classification of investment properties over the year:

	2023/24 £000	2022/23 £000
Balance at start of the year	8,594	9,161
Additions: Not transferred through re-classification	0	-
Additions: Transferred through re-classification	-	0
Disposals : Transferred through re-classification	-	(1,362)
Net gains / (losses) from fair value adjustments	(740)	795
Balance at end of the year	7,854	8,594

In addition to arriving at the fair values for the assets, IFRS 13 seeks to increase consistency and comparability within the valuation process which has been achieved through a 'fair value hierarchy'.

Fair Value Hierarchy

All the Council's investment properties have been value assessed as Level 2 on the fair value hierarchy for valuation purposes.

Valuation Techniques Used to Determine Level 2 Values for Investment Property

The fair value of investment property has been based on the market approach using current market conditions and recent sales prices, existing lease terms and rentals and other relevant information for similar assets in the local authority area. Market conditions for these asset types are such that the level of observable inputs are significant leading to the properties being categorised at Level 2 in the fair value hierarchy.

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

Highest and Best Use

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

Valuation Process for Investment Properties

The Council's investment property has been valued as at 31 December 2023 (with a statement of professional opinion given that there has been no material change up to 31 March 2024) by the Council's Estates and Asset Manager, Anna Osborne (MRICS) and Principal Assets and Estates Surveyor Lucy Smith (MRICS) in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors.

11. Intangible Assets

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

Intangible assets are measured initially at cost. Amounts are only revalued where the fair value of the assets held by the Council can be determined by reference to an active market. In practice, no intangible asset held by the Council meets this criterion, and they are therefore carried at amortised cost. The depreciable amount of an intangible asset is amortised over its useful life to the relevant service line(s) in the Comprehensive Income and Expenditure Statement.

Where expenditure on intangible assets qualifies as capital expenditure for statutory purposes, amortisation is not permitted to have an impact on the General Fund Balance. This is therefore reversed out of the General Fund Balance in the Movement in Reserves Statement and posted to the Capital Adjustment Account.

The Authority accounts for its software as intangible assets, to the extent that the software is not an integral part of a particular IT system and accounted for as part of the hardware item of Property, Plant and Equipment.

All software is given a finite useful life, based on assessments of the period that the software is expected to be of use to the Authority. The useful life assigned to the major software applications used by the Authority is 5 years. The movement on Intangible Asset balances during the year is as follows:

	Software	2023/24 Other Intangible	Total	Software	2022/23 Other Intangible	Total
	£000	£000	£000	£000	£000	£000
Balance at start of year:						
Gross carrying amounts	6,086	-	6,086	5,970	-	5,970
Accumulated amortisation	(5,794)	-	(5,794)	(5,594)	-	(5,594)
Net carrying amount at start of year	292	-	292	376	-	376
Additions:						
Purchases	74	-	74	116	-	116
Amortisation for the period	(166)	-	(166)	(200)	-	(200)
Net carrying amount at end of year	200	-	200	292	-	292
Comprising:						
Gross carrying amounts	6,160	-	6,160	6,086	-	6,086
Accumulated amortisation	(5,960)	-	(5,960)	(5,794)	-	(5,794)
	200	-	200	292	-	292

12. Financial Instruments

Financial Liabilities

Financial liabilities are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value and are carried at their amortised cost. Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest payable are based on the carrying amount of the liability, multiplied by the effective rate of interest for the instrument. The effective interest rate is the rate that exactly discounts estimated future cash payments over the life of the instrument to the amount at which it was originally recognised. For most of the borrowings that the authority has, this means that the amount presented in the Balance Sheet is the outstanding principal repayable (plus accrued interest); and interest charged to the CIES is the amount payable for the year according to 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

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

Soft Loans

The Code requires that a discounted interest rate be recognised as a reduction in the fair value of the asset. Potential Council loans falling within this category relate to an assisted car purchase scheme and a cycle scheme. The Council currently has no loans under its assisted car purchase scheme and the amount advanced under the cycle scheme is considered immaterial.

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

Expected Credit Loss Model

The authority recognises expected credit losses on all of its financial assets held at amortised cost [or where relevant FVOCI], either on a 12-month or lifetime basis. The expected credit loss model also applies to lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the authority. Impairment losses are calculated to reflect the expectation that the future cash flows might not take place because the borrower could default on their obligations. Credit risk plays a crucial part in assessing losses. Where risk has increased significantly since an instrument was initially recognised, losses are assessed on a lifetime basis. Where risk has not increased significantly or remains low, losses are assessed on the basis of 12-month expected losses.

Financial Assets Measured at Fair Value through Profit or Loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the authority becomes a party to the contractual provisions of a financial instrument and are initially measured and carried at fair value. Fair value gains and losses are recognised as they arrive in the Surplus or Deficit on the Provision of Services. The fair value measurements of the financial assets are based on the following techniques: instruments with quoted market prices – the market price Other instruments with fixed and determinable payments – discounted cash flow analysis.

Financial Assets Measured at Fair Value through Other Comprehensive Income

These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are accounted for through a reserve account, with the balance debited or credited to the Comprehensive Income and Expenditure Statement when the asset is disposed of. 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.

Financial Guarantees

The Code includes a requirement for financial guarantees to be recognised at fair value and charged to the Comprehensive Income and Expenditure Statement (amortised over the life of the guarantee). The levels of liability assessed at March 2024 are regarded as non material and therefore the accounting requirement has not been followed in respect of these guarantees. The Council has determined to set aside a reserve against potential liabilities under these guarantees as set out in Note 6 to the Notes to the Core Statements.

No other financial guarantees were identified in 2023/24.

Financial Instruments Balances

	Non-Current		Current	
	31 March '24	31 March '23	31 March '24	31 March '23
	£000	£000	£000	£000
Financial Assets				
Investments				
At amortised cost - principal amount	-	-	6,450	6,450
- accrued interest	-	-	50	50
Fair Value through other comprehensive income - designated equity instruments	17,838	19,555	-	-
- accrued interest	-	-	-	-
Total Investments	17,838	19,555	6,500	6,500
Cash & Cash Equivalents				
At amortised cost - principal amount	-	-	4,156	8,944
At amortised cost - accrued interest	-	-	-	-
Total Cash & Cash Equivalents	-	-	4,156	8,944
Debtors				
Financial Assets at amortised cost	5,188	5,190	12,433	12,754
Less Non Financial Instruments Assets	-	-	(2,426)	(9,454)
Total Debtors	5,188	5,190	10,007	3,300
Total Financial Assets	23,026	24,745	20,663	18,744
Financial liabilities				
Borrowing				
At amortised cost	(1,485)	(1,500)	(48,500)	(30,000)
At amortised cost - accrued interest	(15)	(22)	-	-
Creditors	-	-	18,200	(21,894)
Non Financial instruments Liabilities	-	-	5,052	8,956
Total Financial liabilities	(1,500)	(1,522)	(61,648)	(42,938)

See also Notes 33 and 33 to the Core Statements. (Investments and Borrowings)

The portion of long-term liabilities and investments due to be settled within 12 months of the Balance Sheet date are presented in the Balance Sheet under 'current liabilities' or 'current assets'. This would include accrued interest on long term liabilities and investments that are payable/receivable in 2023/24.

Available for Sale Financial Assets are measured at fair value on a recurring basis. The valuation techniques used to measure them maximise the use of relevant observable inputs and minimise the use of unobservable inputs and are categorised as follows:

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

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

Level 3 – unobservable inputs for the asset or liability.

Recurring fair value measurements	Input level in fair value hierarchy	Valuation technique used to measure fair value	2023/24 £000	2022/23 £000
Property Funds	Level 1	Unadjusted quoted prices in active markets for identical shares	17,408	19,083
Balance at end of the year			17,408	19,083

Transfers between Levels of the Fair Value Hierarchy

There were no transfers between input levels 1 and 2 during the year

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 represented by loans and receivables and long term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments (Level 2), using the following assumptions:

- For loans from the PWLB payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures. As the Debt Management Office provides a transparent approach allowing the exit cost to be calculated without undertaking a repayment or transfer it is appropriate to disclose the exit price.
- For non-PWLB loans payable, PWLB premature repayment rates have been applied to provide the fair value under PWLB debt redemption procedures;
- For loans receivable prevailing benchmark market rates have been used to provide the fair value;
- No early repayment or impairment is recognised;
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable the fair value is taken to be the carrying amount or the billed amount;

Financial Liabilities - fair value

	Input level in fair value hierarchy	Valuation technique used to measure fair value	2023/24 £000	2022/23 £000
Long Term Borrowing	Level 2	premature repayment rates	(2,455)	(2,452)
Short Term Borrowing			(49,016)	(30,090)
Balance at end of the year			(51,471)	(32,542)

Financial Instrument Revaluation Reserve

For financial instruments, there is a reserve to help manage the accounting requirements, the Financial Instruments Revaluation Reserve. This records unrealised revaluation gains/losses arising from holding available-for-sale investments and any unrealised losses that have not arisen from impairment of the assets. The table below sets out the transactions for the year:

	2023/24 £000	2022/23 £000
Balance at 1 April	(443)	4,224
Upward revaluation of investments	(1,717)	(4,667)
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	-	-
Accumulated Gains on assets sold and maturing assets written out to CI&E as part of Other Investment Income	-	-
	(2,160)	(443)

See also Note 21.

13. Financial Instruments Gains / Losses

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

	2023/24		2022/23	
	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000	Surplus or Deficit on the Provision of Services £000	Other Comprehensive Income and Expenditure £000
Net (gains) / losses on				
Financial Assets measured at fair value through profit or loss	-	-	-	-
Financial assets measured at amortised cost	-	-	-	-
Investments in equity instruments designated at fair value through other comprehensive income	-	(1,717)	-	(4,667)
Financial liabilities measured at fair value through profit or loss	-	-	-	-
Financial liabilities measured at amortised cost	-	-	-	-
Total net (gains)/losses	-	(1,717)	-	(4,667)
Interest Revenue				
Financial Assets measured at amortised cost	(967)	-	(612)	-
Other financial assets measured at fair value through other comprehensive income	(807)	-	(828)	-
Total interest revenue	(1,774)	-	(1,440)	-
Interest Expense				
Fee income:				
Financial assets or financial liabilities that are not at fair value through profit or loss	132	-	148	-
Fee expense:				
Financial assets or financial liabilities that are not at fair value through profit or loss	541	-	596	-
Total interest expense	673	-	744	-

14. Fair Value of Assets and Liabilities carried at Amortised Cost

Financial assets (represented by lending and receivables) and financial liabilities (represented by borrowings) are carried in the Balance Sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instrument, using the following assumptions:

- Link Asset Services has provided the Fair Value Calculation for the loans and investments.
- No early repayment or impairment is recognised.
- The fair value of trade and other receivables is taken to be the invoiced or billed amount
- Where the instrument will mature in the next 12 months, carrying amount is assumed to approximate to fair value.

The fair values are calculated as follows:

	31st March 2024		31st March 2023	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Financial Liabilities	(63,148)	(64,709)	(45,480)	-45,480

	31st March 2024		31st March 2023	
	Carrying Amount £000	Fair Value £000	Carrying Amount £000	Fair Value £000
Loans and Receivables	43,689	43,259	43,489	43,017

For financial liabilities, the fair value is more than the carrying amount because the Council's portfolio of loans comprises fixed rate loans where the interest rate 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 Council would have to pay if the lender requested or agreed to early repayment of the loans.

The fair value is greater than the carrying amount due to the Council's investment in Property Funds. The Fund value per unit, less the exit fee, is higher than price paid.

15. Debtors

Short Term Debtors

	31 March '24	31 March '23
	£000	£000
Central government bodies	1,214	1,045
Other local authorities	2,798	1,237
Bodies external to general government (ie all other bodies)	11,700	13,428
Bad debt provision	(3,279)	(2,956)
	12,433	12,754

Long Term Debtors

	31 March '24	31 March '23
	£000	£000
Bodies external to general government (ie all other bodies)	5,188	5,190
	5,188	5,190

16. Cash and Cash Equivalents

	31 March '24	31 March '23
	£000	£000
Short-term deposits with banks	4,156	8,944
Total Cash and Cash Equivalents	4,156	8,944

17. Assets Held for Sale

Assets Held for Sale	31 March '24	31 March '23
	£000	£000
Additions	4,441	409
	4,441	409

18. Creditors

Short Term Creditors	31 March '24	31 March '23
	£000	£000
Central government bodies	(3,992)	(9,637)
Other local authorities	(2,929)	(1,725)
Bodies external to general government (ie all other bodies)	(11,279)	(10,532)
	(18,200)	(21,894)

19. 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 can be made of the amount of the obligation. For instance, the Authority may be involved in a court case that could eventually result in the making of a settlement or the payment of compensation.

Provisions are charged as an expense to the appropriate service line in the Comprehensive Income and Expenditure Statement in the year that the authority becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

The provisions held for Non Domestic Rate appeals, Council Tax and Non Domestic Rates bad debts are charged as an expense to the relevant collection fund in the first instance. This charge either reduces the Council's surplus or increases the deficit due from the collection fund. These amounts are included in the Taxation and Non-specific Grant income section on the Comprehensive Income and Expenditure Statement.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet. Estimated settlements are reviewed at the end of each financial year - where it becomes less than probable that a transfer of economic benefits will now be required the provision is reversed and credited back to the relevant service.

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

Proper provision has been made for various liabilities which will be incurred but for which it is uncertain as to the amounts or the dates on which they arise. The provisions required cover a range of activities with the most significant being in respect of Non Domestic Rates Valuation Appeals.

	Short Term		Long Term	
	2023/24 £000	2022/23 £000	2023/24 £000	2022/23 £000
Balance at 1 April	300	496	1,233	2,200
Additions/Reductions	(43)	(388)	(116)	(1,500)
Amounts used	(8)	(60)	(120)	(100)
Transferred	-	252	-	633
Balance at 31 March	249	300	997	1,233

20. Usable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement, Note 5 Adjustments between accounting basis and funding basis under regulations and Note 6 Transfers to/from Earmarked Reserves.

21. Unusable Reserves

	31 March '24 £000	31 March '23 £000
Revaluation Reserve	31,032	20,815
Financial Instruments Revaluation Reserve	(2,160)	(443)
Capital Adjustment Account	61,619	75,629
Deferred Capital Receipts Reserve	142	144
Pensions Reserve	5,250	(2,862)
Collection Fund Adjustment Account	491	1,857
Accumulated Absences Account	(276)	(205)
Total Unusable Reserves	96,099	94,936

Revaluation Reserve

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

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

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

	2023/24		2022/23
	£000	£000	£000
Balance at 1 April		20,815	22,761
Downward revaluation of assets	10,647		(1,566)
Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services			
Surplus or deficit on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services		10,647	(1,566)
Difference between fair value depreciation and historical cost depreciation	(430)		(380)
Amount written off to the capital adjustment account			0
Balance at 31 March		31,032	20,815

Financial Instruments Revaluation Reserve

The Financial Instruments Revaluation Reserve contains the gains/losses made by the Council arising from increases/decreases in the value of its investments that have quoted market prices or otherwise do not have fixed or determinable payments. The balance is reduced when investments with accumulated gains are revalued downwards or impaired and the gains are lost or disposed of and the gains are realised.

	2023/24		2022/23
	£000	£000	£000
Balance at 1 April		(443)	4,224
Upward revaluation of investments			
Downward revaluation of investments not charged to the Surplus/Deficit on the provision of Services	(1,717)		(4,667)
		(1,717)	(4,667)
Accumulated gains on assets sold and maturing assets written out to the Comprehensive Income and Expenditure Statement as part of Other Investment Income		-	-
Balance at 31 March		(2,160)	(443)

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 (with reconciling postings from the Revaluation Reserve to convert fair value figures to a historical cost basis). The Account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The Account contains accumulated gains and losses on Investment Properties that have yet to be consumed by the Council. The Account also contains revaluation gains accumulated on Property, Plant and Equipment before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 5 provides details of the source of all transactions posted to the Account, apart from those involving the Revaluation Reserve.

	2023/24		2022/23
	£000	£000	£000
Balance at 1 April		75,629	75,343
Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income and Expenditure Statement:			
· Charges for depreciation of non current assets	(3,002)		(2,656)
· Charges for depreciation on revalued assets	319		380
· Movements in the market value of investment properties	(740)		795
· Revaluation/Impairment on Property, Plant and Equipment	(13,680)		(1,320)
· Amortisation of intangible assets	(166)		(200)
· Revenue expenditure funded from capital under statute	(1,883)		(348)
· Revenue grants written down to the Capital Adjustment Account	3,458		2,207
· Disposal of non-current assets	(530)		(1,656)
· Minimum Revenue Position	600		
· Adjusting amounts written out of Revaluation Reserve			
		(15,624)	(2,798)
Capital financing applied in the year:			
· Use of the Capital Receipts Reserve to finance new capital expenditure	1,614		3,084
· Capital grants and contributions credited to the Comprehensive Income and Expenditure Statement that have been applied to capital financing			0
· Application of grants to capital financing from the Capital Grants Unapplied Account			-
· Statutory adjustment for the capital element of finance lease repayments - Refuse trucks			-
· Capital expenditure charged against the General Fund	-		0
		1,614	3,084
Balance at 31 March		61,619	75,629

Pensions Reserve

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

	2023/24 £000	2022/23 £000
Balance at 1 April	(2,862)	(28,511)
Actuarial gains or (losses) on pensions assets and liabilities	8,388	28,848
Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement	(3,030)	(5,879)
Employer's pensions contributions and direct payments to pensioners payable in the year	2,754	2,680
Balance at 31 March	5,250	(2,862)

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 Council 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.

	2023/24 £000	2022/23 £000
Balance at 1 April	143	145
Transfer to the General Fund for the capital element of finance lease payments	(1)	(2)
Balance at 31 March	142	143

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 Non Domestic tax payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

	2023/24 £000	2022/23 £000
Balance at 1 April	1,857	(4,013)
Amount by which council tax income credited to the Comprehensive Income and Expenditure Statement is different from Council Tax and Non Domestic Rate income calculated for the year in accordance with statutory requirements	(1,366)	5,870
Balance at 31 March	491	1,857

Accumulated Absences Account

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

	2023/24 £000	2022/23 £000
Balance at 1 April	(205)	(228)
Amount by which officer remuneration charged to the Comprehensive Income and Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(71)	23
Balance at 31 March	(276)	(205)

22. Nature of Expenses Disclosure

	2023/24 £'000	2022/23 £'000
Employee Benefits Expenses	17,415	18,942
Other Service Expenses	28,164	23,136
Housing Benefits Transfer Payments	22,705	22,409
Depreciation, amortisation and impairment	19,718	4,591
Precepts and levies	5,351	5,060
Interest payments	541	596
Changes in fair value of Investment Properties	740	0
Minimum revenue Provision	600	0
Loss on disposal on non current assets	0	-
Net interest on the net defined benefit liability & remeasurement of the defined benefit liability for long term employee benefits	188	1,024
Total Expenditure	95,422	75,758
Fees charges and other service income	(23,894)	(21,054)
Government grants	(32,958)	(31,652)
Interest and investment income	(1,774)	(1,463)
Income from council tax and non-domestic rates	(17,399)	(16,956)
Gain on disposal of non current assets	(974)	(1,427)
Changes in fair value of Investment Properties	-	(795)
Recognised capital grants and contributions	(3,423)	(2,207)
Total Income	(80,422)	(75,554)
(Surplus)/Deficit on Provision of Services	15,000	204

23. Jointly Controlled Operations

The Council operates four services under a 'Jointly Controlled Operation' arrangement:

- Revenues and Benefits Service, with Stevenage Borough Council which commenced on 1st August 2011
- Business and Technology Services, with Stevenage Borough Council, which commenced on 1 August 2013
- Waste and Street Cleansing Service, with North Herts District Council, which commenced on 8 May 2018 and
- Hertfordshire CCTV partnership, with Stevenage Borough Council, North Hertfordshire Council, East Hertfordshire Council and Hertsmere Borough Council. Each member of the arrangement accounts for their share of the asset, liabilities and cash flows of the CCTV in their own accounts. This is considered de minimis and not included in the table below.

The Council is lead authority for the Revenues and Benefits shared service and Stevenage is lead for the Business and Technology service and North Herts is lead for the Waste and Street Cleansing service. All three arrangements are governed by separate Joint Partnership Boards comprising of Council officers. Each authority has equal representation on both Boards. These Boards report to each Authority's Executive Committee. The Revenues and Benefits Shared Service also operates a joint Committee with equal numbers of Councillors from both Authorities to scrutinise the operational management of the service.

In line with the Accounting Code of Practice this arrangement is accounted for as a jointly controlled operation. A jointly controlled operation uses the assets and resources of the two partner councils without the establishment of a separate legal entity. Under these arrangements each council accounts separately for its own transactions including use of assets, liabilities, income, expenditure and cash flows.

This note sets out details of the income & expenditure of the joint arrangements and the apportionments between the councils in accordance with the agreement entered into. For information purposes only and where relevant, other notes to the accounts show amounts relating to these arrangements.

	2023/24			2022/23		
	Waste and Street Cleansing Service	Business & Technical Service	Revenues & Benefits Service	Waste and Street Cleansing Service	Business & Technical Service	Revenues & Benefits Service
	£000	£000	£000	£000	£000	£000
Expenditure						
Employees	528	1,695	3,726	502	1,930	4,275
Transport Related Expenses	20	30	12	21	25	10
Supplies and Services	24	1,740	286	31	1,834	230
Support Services		468	1,034		414	1,356
Total Expenditure	572	3,933	5,058	554	4,203	5,870
Income						
Stevenage Borough Council		1,834	2,117			2,069
East Herts District Council	276	2,099	2,941	265	2,133	3,801
North Herts District Council	296		-	289	2,070	
Total Income	572	3,933	5,058	554	4,203	5,870
Net Expenditure	-	-	-	-	-	-

The contribution made by the Council has been incorporated into the Comprehensive Income and Expenditure Statement in the Net Costs of Service.

Additionally the Council partnered with 7 other local authorities across Hertfordshire to create a new fully integrated building control service, which was launched in August 2016. An additional local authority joined in 2019, so eight local authorities have equal control. The Council holds 13% of the share capital (£8) and is represented on the board. The company aims to provide a more flexible and efficient response to building control issues across the county. In 2016/17 the Council made a loan to the company of £107k, which is held under Long Term Debtors on the balance sheet.

24. External Audit Costs

This note discloses the amounts that East Herts Council has paid to its external auditors for work carried out in performing statutory functions and in providing any additional services. In 2023/24 the auditors appointed to East Herts council changed from Ernst & Young (up to 2022/23) to Azets.

In 2023/24 East Herts Council incurred the following fees relating to external audit and inspection:

	2023/24 £000	2022/23 £000
Fees payable to Azets with regard to external audit services carried out by the appointed auditor	208	55
Fees payable to Azets for the certification of grant claims and returns	28	22
Prior Year additional fees	0	0
	236	77

25. Members Allowances

The total payments made to elected Members of East Herts Council, under its Members' Allowance Scheme for the year ending 31 March, was as follows:

	2023/24 £000	2022/23 £000
Basic Allowances	284	271
Special Responsibility Allowances	144	132
Travel and Subsistence expenses	2	2
	430	405

A full disclosure of payments is available on the Council's website.

26. Officer Emoluments

The number of employees, excluding senior officers disclosed in note 28, whose remuneration, was £50,000 or more in bands of £5,000 are shown below. The previous year has been restated to exclude officers disclosed in note 28.

Remuneration Band	Number of Employees	
	2023/24	2022/23
	Total	Total
£50,000 to £54,999	12	4
£55,000 to £59,999	6	6
£60,000 to £64,999	2	10
£65,000 to £69,999	8	-
£70,000 to £74,999	-	-
£75,000 to £79,999	-	1
£80,000 to £84,999	1	-

27. Exit Packages

The numbers of exit packages with total cost per band and total cost of the compulsory and other departures are set out in the table below.

Exit package cost band (including special payments)	Number of Redundancies		Number of other departures		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23	2023/24	2022/23
							£	£
£								
0-20,000	4	-	4	-	8	-	104,450	-
20,001-40,000	-	-	1	-	1	-	33,807	-
40,001-60,000	2	-	-	-	2	-	90,838	-
60,001-80,000	-	-	-	-	-	-	-	-
80,001-100,000	-	-	-	-	-	-	-	-
100,001-150,000	-	-	-	-	-	-	-	-
Total	6	-	5	-	11	-	229,095	-

28. Senior Officer Remuneration

An additional disclosure is required for Senior Officer's Remuneration (the Chief Executive and those reporting directly to the Chief Executive), whose salary is more than £50,000 per year:

	Salary (inc expense allowance)	Expenses Allowances	Total Remuneration excluding pension contributions	Pension Contributions	Total Remuneration including pension contributions
	£	£	£	£	£
2023/24					
Chief Executive	130,728	-	130,728	25,884	156,612
Deputy Chief Executive	109,672	-	109,672	21,715	131,387
Head of Revenues & Benefits Shared Service	65,172	-	65,172	12,904	78,076
Head of HR & Organisational Development - left part way through the year	28,692	-	28,692	5,388	34,080
Head of Strategic Finance & Property	85,237	-	85,237	16,877	102,114
Head of Communications, Strategy & Policy	82,301	-	82,301	16,296	98,597
Head of Legal & Democratic Services	88,271	379	88,650	17,478	106,128
Head of Housing & Health	82,301	-	82,301	16,296	98,597
Head of Operations - on maternity leave for part of the year	32,183	-	32,183	-	32,183
Head of Planning & Building Control	82,925	-	82,925	15,498	98,422
2022/23					
Chief Executive	126,645		126,645	24,063	150,708
Deputy Chief Executive	105,963	23	105,986	20,133	126,119
Head of Revenues & Benefits Shared Service	87,084		87,084	16,546	103,631
Head of HR & Organisational Development	79,227		79,227	15,053	94,280
Head of Strategic Finance & Property	82,240		82,240	15,626	97,866
Head of Communications, Strategy & Policy	79,227	37	79,264	14,864	94,129
Head of Legal & Democratic Services	83,504	341	83,845	15,866	99,711
Head of Housing & Health	79,227	60	79,287	15,053	94,340
Head of Operations	75,347		75,347	-	75,347
Head of Planning & Building Control	73,504		73,504	13,966	87,470

29. Grant Income

The Council credited the following grants, contributions and donations to the Comprehensive Income and Expenditure Statement in 2023/24:

	2023/24 £000	2022/23 £000
Credited to Taxation and Non Specific Grant Income		
Council Tax	17,722	16,768
Non-Domestic Rates	- 322	188
New Homes Bonus	931	1,383
Other Capital Grants	3,423	2,207
Sec 31 Business Rate Support	5,102	4,846
Other Revenue Grants	1,265	395
Renewable Energy	70	318
	28,191	26,105
Credited to Services		
<u>Grants</u>		
DWP	23,386	23,078
DCLG	1,846	1,432
DEFRA	154	9
Home Office	194	136
Office of National Statistics	-	1
Department of Education	9	16
	25,589	24,672
<u>Other Contributions</u>		
Contributions from Other Authorities*	3,555	3,566
Income from Other Bodies	1,466	1,195
	5,021	4,761

* includes the contribution from Stevenage Borough Council for the Shared Revenues and Benefits Service

The Council 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 require the monies to be returned to the funding body if not used for the purpose provided. The balances at year end are as follows:

	2023/24 £000	2022/23 £000
Grants Receipts in Advance		
Capital		
Other Capital Grants	411	811
Developer Contributions	1,655	1,665
	2,066	2,476
Revenue		
Developer Contributions	5,609	4,936
Other Revenue Grants	314	237
	5,923	5,173

30. Related Party Transactions

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

Related parties to this authority would include:

Central government; local authorities and other bodies precepting or levying demands on the Council Tax; its members; its chief officers; and its pension fund. Members of close family, or the same household of an individual identified as a related party are also assumed to be related parties.

All significant material transactions with related parties, such as parish precepts, precepts, pension fund contributions etc, have been disclosed in the Comprehensive Income and Expenditure Statement.

The UK government exerts significant influence through legislation and grant funding, which has been disclosed in the Comprehensive Income and Expenditure Statement.

Three senior officers of the Council held a position of director at Millstream Property Investments Ltd, a wholly-owned company by East Herts. The Council transacted with this company to the value of £175k in 2023/24

A senior officer of the Council held a position of Director at Hertfordshire CCTV Partnership Ltd. The Council paid this company £92k during 2023/24

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

Hertfordshire County Council is a related party in respect of various transactions including pension's contributions and precepts. Additionally they act as the "accountable body" for the Hertfordshire Local Area agreement.

Shown in the Balance Sheet are totals for debtors and creditors which represent amounts due to or from related parties. The principal year end balances with related parties included in these totals are shown within Notes 15 & 18.

31. Capital Expenditure and Capital Financing

	2023/24 £000	2022/23 £000
Opening Capital Financing Requirement	40,065	28,321
Capital investment		
Property, Plant & Equipment	507	1,327
Infrastructure	73	-
Community Assets	1,723	1,376
Investment Property	-	-
Intangible Assets	74	116
Assets Under Construction	21,303	12,210
Revenue Expenditure Funded from capital under Statute	1,883	402
Third Party Loan	-	-
Surplus	-	-
Assets Held For Sale	-	-
Sources of finance		
Capital receipts	(1,615)	(1,427)
Government grants and other contributions	(3,458)	(2,207)
Borrowing		
Sums set aside from Revenue:		
Direct revenue contributions	(33)	(53)
Loan/ finance lease principal repayments		
Closing Capital Financing Requirement	60,522	40,065
Explanation of movements in year		
Increase in underlying need to borrowing (unsupported by government financial assistance)	(20,457)	(11,744)
Decrease in Surplus in Capital Resource	(20,457)	(11,744)

32. Leases

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

Arrangements that do not have the legal status of a lease but convey a right to use an asset in return for payment (embedded leases) are accounted for under this policy where fulfilment of the arrangement is dependent on the use of specific assets.

The Council as a Lessor

Finance Leases

Property, plant and equipment held under finance leases is recognised on the Balance Sheet at the commencement of the lease at its fair value measured at the lease's inception (or the present value of the minimum lease payments, if lower). The asset recognised is matched by a liability for the obligation to pay the lessor.

Lease payments are apportioned between:

- a charge for the acquisition of the interest in the property, plant or equipment
- applied to write down the lease liability, and

a finance charge (debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

Property, Plant and Equipment recognised under finance leases are accounted for using the policies applied generally to such assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life (where ownership of the asset does not transfer to the Council at the end of the lease period).

Depreciation is applied in the year of acquisition.

The Council is not required to raise council tax to cover depreciation, impairment and gains and losses on revaluation arising on leased assets. Any such costs that have been charged to the Surplus or Deficit on the Provision of Services are not proper charges to the General Fund. Such amounts are transferred to the Capital Adjustment Account and reported in the Movement in Reserves Statement.

Operating Leases

Rents paid under operating leases are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefiting from use of the leased property, plant or equipment. Charges are made on a straight-line basis over the life of the lease.

The Council as a Lessor

Finance Leases

Where the Council grants a finance lease over a property or an item of plant or equipment, the relevant asset is written out of the Balance Sheet as a disposal. At the commencement of the lease, the carrying amount of the asset in the Balance Sheet (whether Property, Plant and Equipment or Investment Properties) is written off to the Other Operating Expenditure line in the Comprehensive Income and Expenditure Statement as part of the gain or loss on disposal. A gain, representing the Council's net investment in the lease, is credited to the same line in the Comprehensive Income and Expenditure Statement also as part of the gain or loss on disposal (i.e. netted off against the carrying value of the asset at the time of disposal), matched by a lease (long-term debtor) asset in the Balance Sheet.

Lease rentals receivable are apportioned between:

- a charge for the acquisition of the interest in the property – applied to write down the lease debtor (together with any premiums received), and

- finance income (credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement).

The gain credited to the Comprehensive Income and Expenditure Statement on disposal is not permitted by statute to increase the General Fund Balance and is required to be treated as a capital receipt. Where a premium has been received, this is posted out of the General Fund Balance to the Capital Receipts Reserve in the Movement in Reserves Statement.

Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund Balance to the Deferred Capital Receipts Reserve in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the Capital Receipts Reserve.

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 over the lease term on the same basis as rental income.

Finance leases

As at 31 March 2024, the Council did not hold any leases that fell into the category of a finance lease.

Council as a lessee

Operating leases

The Council leases the Buntingford Service Centre.

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

	31 March '24	31 March '23
	£000	£000
Not later than one year	300	300
Later than one year and not later than five years	1,200	1,200
Later than five years	1,200	1,500
	2,700	3,000

The expenditure charged to Comprehensive Income and Expenditure Statement during the year in relation to these leases was:

	2023/24	2022/23
	£000	£000
Minimum lease payments	300	300
Lease payments receivable	-	-
	300	300

Council as a lessor

Finance leases

The Council leases out Pindars Lodge.

Following the introduction of IFRS 1 and this asset's transfer from an operating lease to finance lease, a lease term of 50 years from March 1997 was set.

The Council has a gross investment in the lease, made up of the minimum lease payments expected to be received over the remaining term. The minimum lease payments comprise settlement of the long-term debtor for the interest in the property acquired by the lessee and finance income that will be earned by the Council in future years whilst the debtor remains outstanding. The gross investment is made up of the following amounts:

	2023/24	2022/23
	£000	£000
Finance lease debtor as at 31 March	142	144
Unearned finance income	200	202
Gross investment in lease as at 31 March	342	346

The gross investment in the lease which are the minimum lease payments, will be received over the following periods:

	Gross investment in lease 31 March '24 £000	Gross investment in lease 31 March '23 £000
Not later than 1 year	14	14
Later than 1 year and not later than 5 years	56	56
Later than 5 years	265	279
	335	349

Operating Leases

The council receives income from a variety of properties ranging from Industrial and Commercial ground leases, to a small number of commercial premises including shops and other miscellaneous properties. Each is subject to individual agreements and reviews. The terms are dependent upon a number of criteria; the corporate priorities of the Council, options that are available, historic and legal agreements. The future minimum lease payments receivable under non-cancellable leases in future years are:

	31 March '24 £000	31 March '23 £000
Not later than one year	1,346	1,243
Later than 1 year and not later than 5 years	5,136	3,529
Later than 5 years	58,156	59,227

33. Pension Scheme

As part of the terms and conditions of employment the Council makes contributions towards the cost of post-employment benefits. Although these benefits will not actually be payable until the employee retires, the Council has a commitment to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme which is administered by Hertfordshire County Council. This is a funded defined benefit scheme which means that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets in the long term. Under the Scheme members' retirement benefits are not affected by the Fund's performance.

Pension contributions are based on rates determined by the Fund's professionally qualified actuary based on triennial reviews. The most recent review was undertaken in January 2022.

Transactions Relating to Post Employment benefits

The Council recognises the cost of retirement benefits in the Net Cost of Services when they are earned by employees, rather than when the benefits are eventually paid as pensions.

However, the charge the Council is required to make against council tax is based on the cash payable in the year, the real cost of 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 and Expenditure Statement and the General Fund balance via the Movement in Reserves during the year.

	2023/24 £000	2022/23 £000
Comprehensive Income & Expenditure Statement:		
<i>Service Cost comprising:</i>		
Current service cost	2,457	4,855
Past Service Cost	108	0
<i>Financing and Investment Income and Expenditure</i>		
Net Interest Expense	131	1,024
Total post employment benefit charged to surplus or deficit on the provision of services	2,696	5,879
<i>Other post employment benefit credited to the Comprehensive Income and Expenditure Statement</i>		
<i>Remeasurement of the net defined benefit liability comprising:</i>		
Return on plan assets (excluding the amount included in net interest ex	(5,393)	(12,477)
Actuarial gains/(losses) arising on changes in demographic assumptions	(5,790)	58,226
Actuarial gains/(losses) arising on changes in financial assumptions	(812)	1,123
Other actuarial gains or losses	3,972	(9,636)
Total post employment benefits charged to the Comprehensive Income and Expenditure Statement	(8,023)	37,236
Movement in Reserve Statement		
Reversal of net charges made to the surplus or deficit on the provision of services for post employment benefits in accordance with the code		
<i>Actual amount charges against the general fund balance for pensions in the year:</i>		
Employers contributions payable to scheme	0	2,680

Pensions Assets and Liabilities recognised in the Balance Sheet

	2023/24 £000	2022/23 £000
Opening Fair Value of scheme assets	123,799	133,905
Interest income	5,833	3,597
Remeasurement gain/(loss):		
Other Experience		-
Return on plan assets, excluding the amount included in the net interest expense	5,393	(12,477)
Contributions from employer	2,786	2,680
contributions from employees into the scheme	739	709
Benefits paid	(5,530)	(4,615)
31 March	133,020	123,799

Reconciliation of present value of scheme liabilities

Balance at 1 April	126,661	170,804
Current service cost	2,457	4,855
Past service cost	108	0
Interest cost	5,964	4,621
Contributions by scheme participants	739	709
<i>Remeasurment (gain) and losses:</i>		
Actuarial gains/(losses) arising on changes in demographic assumptions	(5,790)	(58,226)
Actuarial gains/(losses) arising on changes in financial assumptions	(812)	(1,123)
Other acutarial gains or losses	3,972	9,636
Benefits paid	(5,530)	(4,615)
31 March	127,769	126,661

	2023/24 £000	2022/23 £000
Scheme history		
Present value of the defined benefit obligation	(127,769)	(126,661)
Fair value of assets	133,020	123,799
Surplus/(Deficit) in the scheme	5,251	(2,862)

Impact on the net worth of the Council

Statutory arrangements for funding the deficit means that the financial position of the Council remains healthy as:

the deficit on the Local government scheme will be made good by increased contributions over the remaining working life of employees (i.e. before payments fall due), as assessed by the scheme actuary.

finance is only required to be raised to cover discretionary benefits when the pensions are actually paid.

The total contributions expected to be made to the pension scheme by the Council in the year to 31 March 2025 is £2.743m (£2.624m to 31 March 2024).

A full breakdown of the Fund's assets including the prior financial year comparator is detailed below:

Asset Category	Period Ended 31 March 2024				Period Ended 31 March 2023			
	Quoted prices in active markets	Quoted prices not in active markets	Total	% of Total Assets	Quoted prices in active markets	Quoted prices not in active markets	Total	% of Total Assets
	£000	£000	£000	%	£000	£000	£000	%
Equity Securities								
Consumer	1,800	-	1,800	1	1,904	-	1,904	2
Manufacturing	2,087	-	2,087	2	1,044	-	1,044	1
Energy & Utilities	0	-	-	0	-	-	-	0
Financial Institutions	1,184	-	1,184	1	711	-	711	1
Health & Care	1,127	-	1,127	1	1,037	-	1,037	1
Information Technology	1,845	-	1,845	1	2,296	-	2,296	2
Other	-	-	-	-	-	-	-	0
Debt Securities								
Corporate Bonds (investment grade)	-	-	-	-	-	-	-	0
Corporate Bonds (non investment grade)	-	-	-	-	-	-	-	0
UK Government	6,782	-	6,782	5	5,165	-	5,165	4
Other	-	3,382	3,382	3	-	3,324	3,324	3
Private Equity	-	11,623	11,623	9	-	10,963	10,963	9
Real Estate								
UK Property	-	9,167	9,167	7	-	9,157	9,157	7
Overseas Property	-	6,661	6,661	5	-	7,074	7,074	6
Investment Funds & Unit Trusts:								
Equities	50,226	-	50,226	39	46,650	-	46,650	38
Bonds	19,058	-	19,058	14	17,348	-	17,348	14
Commodities	-	-	-	-	-	-	-	0
Infrastructure	-	201	201	-	-	143	143	0
Other	997	8,137	9,134	7	1,077	7,406	8,483	7
Derivatives								
Foreign Exchange	-	387	387	0	-	182	182	0
Cash and Cash Equivalents	8,357	-	8,357	6	8,320	-	8,320	7
TOTALS	93,462	39,559	133,020	100	85,552	38,248	123,799	100

Basis for estimating assets and liabilities

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

The principal assumptions used by the actuary have been:

	31 March '24	31 March '23
Long-term expected rate of return on assets in the scheme:		
Equity investments	2.5%	2.5%
Bonds	2.5%	2.5%
Property	2.5%	2.5%
Cash	2.5%	2.5%
Mortality assumptions:		
Longevity at 65 for current pensioners:		
Men	22.0 years	22.2 years
Women	24.5 years	24.7 years
Longevity at 65 for future pensioners:		
Men	22.8 years	23.0 years
Women	26.0 years	26.2 years
Rate of inflation/ Pension increase	2.8%	3.0%
Rate of increase in salaries	3.3%	3.5%
Discount Rate	4.8%	4.75%
Take up option to convert annual pensions into retirement lump sum for pre April 2008 service		
Take up option to convert annual pensions into retirement lump sum for post April 2008 service		

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes at each change that the assumption analysed changes while all the others 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 cost method. The methods and types of assumptions used in preparing the sensitivity analysis did not change from those used in the previous period

Change in assumptions as at 31 March 2024:	Approximate % increase Defined Benefit Obligation %
Longevity (increase or decrease in 1 year)	4%
0.1% decrease in real discount rate	2%
0.1% increase in the salary increase rate	0%
0.1% increase in the Pension increase rate	2%

Impact on the Council's Cashflow

The objectives of the scheme is to keep employer contributions at as constant a rate as possible. The Council has agreed a strategy with the schemes actuary, Hymans Robertson LLP, to achieve a funding level of 100% over the next 25 years. Funding levels are monitored on an annual basis.

34. Nature and Extent of Risks arising from Financial Instruments

Key Risks

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

- ▣ **Credit risk** the possibility that other parties might fail to pay amounts due to the Council;
- ▣ **Liquidity risk** the possibility that the Council might not have funds available to meet its commitments to make payments;
- ▣ **Re-financing risk** the possibility that the Council might be requiring to renew a financial instrument on maturity at disadvantageous interest rates or terms;
- ▣ **Market risk** the possibility that financial loss might arise for the Council as a result of changes in such measures as interest rates or stock market movements.

The Council's management of treasury risks actively works to minimise the Council's exposure to the unpredictability of financial markets and to protect and maximise (given the identified level of risk) the financial resources available to fund services. The Council in the annual Treasury Management Strategy Statement provides written principles for overall risk management, as well as written policies (covering specific areas, such as interest rate risk, credit risk and the investment of surplus cash).

1 Credit Risk

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

This risk is minimised through the Annual Investment Strategy, which requires that deposits are not made with financial institutions unless they meet identified minimum credit criteria, in accordance with the Fitch, Moody's and Standard & Poor's Credit Ratings Services. The Annual Investment Strategy also considers maximum amounts and time limits with a financial institution located in each category.

This Council uses the creditworthiness service provided by Capita Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moody's and Standard and Poor's, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- Credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings;
- Sovereign ratings to select counterparties from only the most creditworthy countries.

The full Investment Strategy for 203/24 was approved by Full Council on 3rd March 2023 and is available on the Council's website.

Customers for goods and services are assessed, taking into account their financial position, past experience and other factors, with individual credit limits being set in accordance with internal ratings in accordance with parameters set by the Council.

The Authority's maximum exposure to credit risk in relation to its investments in financial institutions cannot be assessed generally as the risk of any institution failing to make interest payments or repay the principal sum will be specific to each individual institution. Recent experience has shown that it is rare for such entities to be unable to meet their commitments. A risk of irrecoverability applies to all of the Authority's deposits, but there was no evidence at the 31 March 2024 that this was likely to crystallise.

No credit limits were exceeded during the reporting period and the Council does not expect any losses from non-performance by any of its counterparties in relation to deposits and bonds.

Accounts Receivable

The Council does not generally allow credit facilities to customers in relationship to debts.

The past due amount can be analysed by age as follows: (see policy xii)

	31 March '24	31 March '23
	£000	£000
Less than three months	626	349
Three months to one year	516	475
More than one year	1,462	1,476
	2,604	2,300

The Council pursues all debts in line with its established debt recovery policy.

2 Liquidity Risk

The Council manages its liquidity position through the risk management procedures above (setting and approval of prudential indicators and the approval of the treasury and investment strategy reports, as well as through a comprehensive cash flow management system, as required by the CIPFA Code of Practice. This seeks to ensure that cash is available when needed.

The Council has ready access to borrowings from the money markets to cover any day to day cash flow need, and the PWLB and money markets for access to longer term funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is therefore no significant risk that it will be unable to raise finance to meet its commitments under financial instruments.

See Financial instruments Note 12

3 Refinancing and Maturity Risk

The Council maintains a debt and investment portfolio. Whilst the cash flow procedures above are considered against the refinancing risk procedures, longer-term risk to the Council relates to managing the exposure to replacing financial instruments as they mature. This risk relates to both the maturing of longer term financial liabilities and longer term financial assets.

The approved treasury indicator limits for the maturity structure of debt and the limits placed on investments placed for greater than one year in duration are the key parameters used to address this risk. The Council approved treasury and investment strategies address the main risks and the central treasury team address the operational risks within the approved parameters. This includes:

- monitoring the maturity profile of financial liabilities and amending the profile through either new borrowing or the rescheduling of the existing debt; and
- monitoring the maturity profile of investments to ensure sufficient liquidity is available for the Council's day to day cash flow needs, and the spread of longer term investments provide stability of maturities and returns in relation to the longer term cash flow needs.

4 Market Risk

Interest rate risk

The Council is exposed to interest rate movements on its borrowings and investments.

Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise;
- Borrowings at fixed rates – the fair value of the borrowing will fall (no impact on revenue balances);
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise; and
- Investments at fixed rates – the fair value of the assets will fall (no impact on revenue balances).

Borrowings are not carried at fair value on the balance sheet, so nominal gains and losses on fixed rate impact on the Income and Expenditure Account. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Comprehensive Income and Expenditure Statement and affect the General Fund Balance. Movements in the fair value of fixed rate investments will be reflected in the Comprehensive Income & Expenditure Statement.

The Council has a number of strategies for managing interest rate risk. The Annual Treasury Management Strategy draws together Council's prudential and treasury indicators and its expected treasury operations, including an expectation of interest rate movements. From this Strategy a treasury indicator is set which provides maximum limits for fixed and variable interest rates exposure. The treasury team will monitor market and forecast interest rates within the year to adjust exposures appropriately. For instance during periods of falling interest rates, and where economic circumstances make it favourable, fixed rate investments may be taken for longer periods to secure better long term returns, similarly the drawing of longer term fixed rates borrowing would be postponed.

With low interest rates generally prevailing, the Council has an interest equalisation reserve that assists in managing interest rate fluctuations in the medium term. The balance as at 31 March 2024 is £3.3m.

Based on the current Treasury Management position at 31 March 2024, if interest rates had been 1% higher with all other variables held constant, the financial effect would be:

	£000
Increase in interest payable on variable rate borrowings	no variable borrowings
Increase in interest receivable on variable rate investments	371
Increase in government grant receivable for financing costs	de minimus
Surplus on the Provision of Services	de minimus

Impact on Comprehensive I & E Statement

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

5 Price Risk

The Council, does not generally invest in equity shares or marketable bonds.

However, it does hold units in property funds to the value of £20m. Whilst these holdings are generally illiquid, the Council is exposed to losses arising from movements in the price of the units.

To limit its exposure to price movements the council has set a property fund investment limit of £20m, at the time of investment.

These units are all classified as Available-for-Sale, meaning that all movements in price will impact on gains and losses recognised in the Financial Instruments Revaluation Reserve. A general shift of 5% in the general price of shares (positive or negative) would thus have resulted in a £1m gain or loss being recognised in the Financial Instruments Revaluation Reserve.

6 Foreign Exchange Risk

The Council has no financial assets or liabilities denominated in foreign currencies and thus has no exposure to risk arising from movements in exchange rates.

The Council also has no shareholdings or insurance investment fund, therefore has no exposure to any further risks.

35. Capital Commitments

At 31 March 2024, the authority has entered into one contract for the construction or enhancement of property, plant and equipment, the major commitments are:

- **Hertford Theatre – £30.975m** (*This figure includes £26.16m spend to 31/03/2024*)

36. Contingent Liability

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

Following the Municipal Mutual Insurance Scheme Arrangement being "triggered" the Council has paid a total levy of £34,478 as at 31 March 2024. A contingent liability of around £137,913 remains in respect of potential further exposure against existing claims. Further claims could be notified.

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

37. Post Balance Sheet Event

There are no post balance sheet events as at 23 April 2025

THE COLLECTION FUND

INCOME AND EXPENDITURE ACCOUNT

		2023/24			2022/23		
		£000	£000	£000	£000	£000	£000
		Council Tax	NDR	Total	Council Tax	NDR	Total
Income collectable from Council Taxpayers	Note 2	136,973		136,973	128,058	-	128,058
S31 S13A(1)/ (c) transfer from General Fund		117		117	35	-	35
Income collectable from Business Ratepayers	Note 3		41,737	41,737	-	39,580	39,580
Total Income		137,090	41,737	178,827	128,093	39,580	167,673
Council Tax Precepts and Demands							
Hertfordshire County Council		102,588		102,588	95,750	-	95,750
East Herts Council		17,464		17,464	16,586	-	16,586
Hertfordshire Police		15,206		15,206	13,962	-	13,962
Business Rates Shares:							
Payments to Government			24,780	24,780	-	19,918	19,918
Payments to Hertfordshire County Council			4,956	4,956	-	3,984	3,984
Payment to East Herts Council			19,824	19,824	-	15,934	15,934
Charges to Collection Fund							
Costs of Collection			202	202	-	199	199
Bad Debt Provision - Increase:							
Council Tax		(164)		(164)	704	-	704
Non Domestic Rates			(178)	(178)		(176)	(176)
Non Domestic Rates Appeals Provision	Note 4		(716)	(716)	-	(2,227)	(2,227)
Transitional Protection Payment			(7,495)	(7,495)	-	174	174
Disregarded Amounts			113	113	-	318	318
Distribution of prior years' Fund balance		1,351	3,869	5,220	1	(12,763)	(12,762)
Total Expenditure		136,445	45,355	181,800	127,003	25,361	152,364
In year Movement in Fund		(645)	3,618	2,973	(1,090)	(14,219)	(15,309)
Balance as at 1 April		(2,215)	(3,921)	(6,136)	(1,125)	10,298	9,173
Balance as at 31 March		(2,860)	(303)	(3,163)	(2,215)	(3,921)	(6,136)
Allocated to :							
East Herts Council		(369)	(121)	(490)	(288)	1,569	1,281
Hertfordshire Police		(322)	(30)	(352)	(247)	-	(247)
Hertfordshire County Council		(2,169)		(2,169)	(1,680)	392	(1,288)
Government			(152)	(152)	-	1,961	1,961
Total		(2,860)	(303)	(3,163)	(2,215)	3,922	1,707

NOTES TO THE COLLECTION FUND INCOME AND EXPENDITURE ACCOUNT

1. General

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 Government of Council Tax and Non-Domestic Rates.

There is no requirement for a separate Collection Fund Balance sheet, as the assets and liabilities of the fund belong to the various bodies and Government.

In 2013/14 the local government finance regime was revised with the introduction of the Retained Business Rates scheme. The main aim of the scheme is to give Council's a greater incentive to grow businesses in the district. It does, however, also increase the financial risk to the Council due to non collection and the volatility of the NDR tax base.

The retained income scheme allows the Council to retain a proportion of the total NDR income received. The Council's share is 40% with the remainder being split between Hertfordshire County Council (10%) and Government (50%).

2. Council Tax

The Council's tax base i.e. the number of chargeable dwellings in each valuation band (adjusted for dwellings where discounts apply) converted to an equivalent number of Band D dwellings, is calculated as follows:-

The tax base for 2023/24 was approved at Full Council on 14 December 2022 and was calculated as follows:

Band	Estimated no. of taxable properties after effect of discounts	Ratio	Band D Equivalent dwellings
Disa A	0.00	5/9	0.00
A	656.86	6/9	437.91
B	4,305.65	7/9	3,348.84
C	12,831.26	8/9	11,405.56
D	14,529.67	9/9	14,529.67
E	10,789.37	11/9	13,187.01
F	7,472.12	13/9	10,793.06
G	5,584.57	15/9	9,307.62
H	796.84	18/9	1,593.68
	56,966.34		64,603.35
Estimated collection rate			98.9%
2023/24 Estimated Council Tax base			63,892.7
Council Tax Collection			£000
2023/24 estimated Council Tax due			135,259
<i>63892.8 x £2,116.96 (average band D charge)</i>			
2023/24 Council Tax income			137,090
Surplus			(1,831)

3. Income from Business Ratepayers

The Council collects non-domestic rates for its area which are based on local rateable values provided by the Valuation Office Agency (VOA) multiplied by a uniform rate (which for 2021/22 was 51.2p (2020/21 51.2p).

The total amount less certain reliefs and allowances is distributed to East Herts Council (40%), Hertfordshire County Council (10%) and Central Government (50%).

When the Retained Business Rates scheme was introduced, the Government set a baseline for each authority identifying the funding required. In order to ensure that each authority receives their base line amount, a top up or tariff amount is applied to each local authority.

East Herts is a tariff authority, which means that it doesn't keep its entire share but is subject to pay a tariff (£15.853m in 2021/22) to Central Government which is when used to fund 'top up' authorities.

The business rates retention scheme provides the opportunity for local authorities to share in the benefits of growth in the rates tax base i.e. provides an incentive for economic development and regeneration. Any income retained from growth is subject to a levy of 50%. Conversely if any Council suffers a significant drop in NNDR due to the loss of one or more major businesses, or a large number of smaller businesses, or a greater than expected loss from revaluations, then a safety net of 92.5% of the baseline applies. At the year end the total non-domestic rateable value was £118 million (£117 million for 2020/21).

4. Provisions

The Collection Fund account includes provisions for bad debts on arrears based on past years experience and the current years collection rate.

	2023/24			2022/23		
	£000 Council Tax	£000 NDR	£000 Total	£000 Council Tax	£000 NDR	£000 Total
Balance at 1 April	(4,012)	(2,099)	(6,111)	(3,539)	(2,474)	(6,013)
Additional provisions made in year	114	178	292	(705)	177	(528)
Provision applied	285	327	612	232	198	430
Balance at 31 March	(3,613)	(1,594)	(5,207)	(4,012)	(2,099)	(6,111)

In addition, a provision has been made for NDR appeals against the rateable valuations assessed and determined by the Valuation Office Agency (VOA) which have not been settled by 31 March 2024.

	2023/24 £000	2022/23 £000
Balance at 1 April	(3,832)	(6,059)
Change in provisions made	396	1,474
Provision applied in year	320	753
Balance at 31 March	(3,116)	(3,832)

Group Accounts

Introduction

In order to provide a full picture of the economic and financial activities of the Council, and its exposure to risk, the accounting statements of its subsidiary are consolidated with those of the Council. The resulting Group Accounts are presented in addition to the Council's single entity accounts. They include the core accounting statements, similar in presentation and purpose to the Council's accounts, and any explanatory notes considered necessary to explain material movements from the single entity accounts. Where no notes are given, users of the accounts should refer to the notes in the single entity accounts.

Group accounts have been prepared under the requirements of the Code of Practice on Local Authority Accounting, consolidating any subsidiary over which the Council exercises control or influence.

Millstream Property Investments Ltd, is a wholly owned company formed in February 2018 by the Council. There are no minority shareholders and no restrictions on the Council's ability to access or use the assets or settle the liabilities of the group. Millstream Property Investments Ltd was created to acquire, develop and refurbish homes to provide rental properties to tenants wishing to live in the private sector, but with the assurance that the accommodation is managed by a responsible landlord.

Millstream was not consolidated in 2018/19 as it's activities for that year were not material to the Council's accounts

Accounting Policies

Millstream Property Investments Ltd has prepared it's 2023/24 accounts using accounting policies consistent with those applied by the Council and no adjustments have been required to align accounting policies. Both entities have a financial year end of 31 March.

GROUP MOVEMENT IN RESERVES STATEMENT

This statement shows the movement in the year on the different reserves held by the Council, analysed into usable reserves (ie those that can be applied to fund expenditure or reduce taxation) and other reserves.

	General Fund Balance	Earmarked General Fund Reserves	Capital Receipts Reserve	Capital Grants Unapplied	General Reserve	Total Usable Reserves	Total Unusable Reserves	Total Authority Reserves	Share of Reserves of Subsidiaries	Total Reserves
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at 31 March 2023	3,854	21,306	0	224	1,065	26,449	72,174	98,623	1,754	100,377
Movement in reserves during 2023/24										
Total Comprehensive Income and Expenditure		-	-	-	-	0		0		0
Tax expenses for Millstream Property Investment		0	0	0	0	0	0	0	0	0
Adjustments between group accounts and authority accounts		0	0	0	0	0	0	0		0
Adjustments between group accounts and authority accounts		0	0	0	0	0	0	0	0	0
Net Increase/Decrease before Transfers	0	0	0	0	0	0	0	0	0	0
Transfers to/(from) Earmarked Reserves			-	-		-	-	-		
Increase/Decrease in Year	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2024 carried forward	3,854	21,306	-	224	1,065	26,449	72,174	98,623	1,754	100,377

GROUP COMPREHENSIVE INCOME AND 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 regulations, generally this will be different from the accounting cost. The taxation position is shown in the Movement in Reserves Statement.

	2023/24		2022/23	
	Gross Expenditure	Gross Income	Net Expenditure	Net Expenditure
	£000	£000	£000	£000
Chief Executive, PA's & Directors	563	-	563	643
Communications, Strategy & Policy	2,635	(1,123)	1,512	1,526
Human Resources & Organisation Development	622	(11)	611	656
Strategic Finance & Property	10,052	(4,975)	5,077	5,049
Democratic & Legal Services	2,162	(470)	1,692	1,717
Housing & Health	6,231	(2,926)	3,305	3,583
Planning & Building Control	4,453	(1,777)	2,676	2,482
Operations	31,629	(11,574)	20,055	4,612
Shared Revenues & Benefits Service	27,032	(26,059)	973	1,424
Shared Business & Technology Services	2,258	(19)	2,239	2,277
NET COST OF SERVICES	87,637		38,703	23,969
Payments of precepts to parishes			5,351	5,060
Gain on disposal of non current (fixed) assets			(974)	(1,427)
Minimum Revenue Provision			600	0
OTHER OPERATING EXPENDITURE			4,977	3,633
Interest payable and similar charges			541	596
Net Interest on the net defined benefit liability & remeasurements of the defined benefit liability for long term employee benefits			189	1,024
Interest receivable and similar income			(1,633)	(1,322)
Income from investment properties		Note 1	(763)	(1,037)
Direct expenditure incurred on investment properties		Note 1	447	296
Changes in Fair Value of Investment Properties			899	(860)
FINANCING AND INVESTMENT EXPENDITURE			(320)	(1,303)
Recognised capital grants and contributions			(3,423)	(2,207)
Council tax income			(17,722)	(16,768)
Non domestic rates			322	(188)
Non service related government grants			(7,298)	(6,624)
Renewable Energy			(70)	(318)
TAXATION AND NON-SPECIFIC GRANT INCOME			(28,191)	(26,105)
(SURPLUS) / DEFICIT ON PROVISION OF SERVICES			15,169	194
Millstream Capital contribution			0	0
Tax expenses of subsidiaries			(43)	3
GROUP (SURPLUS)/DEFICIT			15,126	197
(Surplus) or Deficit on revaluation of PPE assets			(12,637)	1,566
Reclassification of Grant				
Remeasurements of the net defined benefit liability			(7,656)	(37,236)
ITEMS THAT WILL NOT BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			(20,293)	(35,670)
(Surplus) / Deficit on revaluation of financial instruments			1,717	4,667
ITEMS THAT MAY BE RECLASSIFIED TO THE (SURPLUS) OR DEFICIT ON PROVISION OF SERVICES			1,717	4,667
Millstream Other Operating Income				2
OTHER COMPREHENSIVE INCOME AND EXPENDITURE			(18,576)	(31,001)
TOTAL COMPREHENSIVE INCOME AND EXPENDITURE			(3,450)	(30,804)

All operations arise from continuing activities.

GROUP BALANCE SHEET

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council.

	31 March '24		31 March '23
	£000	£000	
Property, Plant & Equipment			
- Other land and buildings	89,854		88,533
- Vehicles, plant, furniture and equipment	1,884		2,280
- Infrastructure assets	1,140		1,285
- Community assets	6,625		4,900
- Surplus assets	4,886		6,093
- Assets under Construction	31,328		18,711
		135,717	
Investment Properties	13,360		14,260
Intangible Assets	199	13,559	292
		149,276	136,354
Long Term Investments		17,838	20,108
Long Term Debtors	Note 2	1,905	245
TOTAL LONG TERM ASSETS		169,019	156,707
Assets Held For Sale		4,441	409
Short Term Investments		6,500	6,500
Short Term Debtors	Note 2	12,244	12,601
Cash and Cash Equivalents		4,249	9,012
CURRENT ASSETS		27,434	28,522
Provisions	Note 2	(249)	(300)
Short Term Creditors	Note 2	(18,234)	(21,934)
Short Term Borrowing		(48,500)	(30,000)
CURRENT LIABILITIES		(66,983)	(52,235)
Provisions		(1,068)	(1,347)
Long Term Borrowing		(1,500)	(1,522)
Long Term Creditors	Note 2	0	-
Net Pension Liability		5,266	(2,862)
Grant Receipts in Advance	- Capital	(2,066)	(2,476)
	- Revenue	(5,923)	(5,173)
LONG TERM LIABILITIES		(5,291)	(13,379)
NET ASSETS		124,179	119,614
USABLE RESERVES			
- General Fund		3,854	3,854
- General Reserve		1,103	878
- Earmarked Reserves		20,912	18,688
- Capital Receipts Reserve		0	0
- Capital grants Unapplied		189	224
- Profit and Loss Reserve	Note 3	367	682
		26,425	24,326
UNUSABLE RESERVES			
- Revaluation Reserve		31,032	20,815
- Financial Instrument Revaluation Reserve		(2,160)	(443)
- Pensions Reserve		5,250	(2,862)
- Capital Adjustment Account		61,619	75,629
- Deferred Capital Receipts		142	144
- Collection Fund Adjustment Account		491	1,858
- Short-term Accumulating Compensated Absences Account		(276)	(205)
- Share capital		1,656	0
		97,754	98,938
TOTAL RESERVES		124,179	119,262

GROUP CASH FLOW STATEMENT

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

	2023/24		2022/23
	£000	£000	£000
OPERATING ACTIVITIES			
Cash Inflows			
Council Tax receipts	(12,985)		(12,131)
NNDR Receipts	(16,025)		(15,704)
DWP grants for benefits	(24,370)		(22,375)
Other Government grants	(9,330)		(10,062)
Cash received for goods and services	(18,628)		(21,693)
Interest received	(1,633)		(1,322)
Cash inflows generated from operating activities	(82,971)		(83,287)
Cash Out Flows			
Cash paid to and on behalf of employees	15,754		14,895
Housing Benefit paid out	22,705		22,409
Other operating cash payments	40,282		38,063
Precepts paid to other authorities	5,351		5,060
Interest paid	1,165		179
Cash outflows generated from operating activities	85,257		80,606
Net Cash Inflow from operating activities		2,286	(2,681)
INVESTING ACTIVITIES			
- Purchase of property plant and equipment, investment property and intangible assets	24,149		16,620
- Proceeds from the sale of property, plant and equipment, investment property and intangible assets	(1,722)		(1,427)
- Capital grants	(3,917)		(2,717)
- Proceeds from short-term and long-term investments	(4,000)		(4,000)
Net cash inflow from investing activities		14,510	8,476
FINANCING ACTIVITIES			
- Cash Payments for the reduction of the outstanding liabilities relating to finance leases (Principal)	(18,500)		(10,000)
- Other payments for financing activities	6,405		4,161
Net cash outflow from financing activities		(12,095)	(5,839)
Net decrease in cash and cash equivalents		4,701	(106)
Cash and cash equivalents at the beginning of the reporting period		(9,012)	(8,906)
Cash and cash equivalents at the end of the reporting period		(4,311)	(9,012)

Note 1 - Investment Property

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

	31 March '24			31 March '23		
	£000	£000	£000	£000	£000	£000
	East Herts District Council	Millstream Property Investments Ltd	Group total	East Herts District Council	Millstream Property Investments Ltd	Group total
Income from investment property	(501)	(263)	(764)	(822)	(215)	(1,037)
Direct expenditure arising from investment property	364	30	394	200	270	470

Note 2 - Debtors and Creditors

The effect of transactions between the Council and its subsidiary Millstream Property Investments Ltd are eliminated in Group Accounts, therefore debtors and creditors between these parties have been excluded.

Note 3 - Financial Instruments

IFRS 9 requirement is to consider whether loans are made under market terms, especially those made between related parties.

During the year Millstream Property Investments Ltd did not receive any loans from its parent company East Herts Council. However loans were advanced to Millstream by the parent company in 2019/20 and 2020/21 but were deemed at below market rate as there was no interest charged.

	31 March '24 £000
Opening balance at 31 March 2023	2,338
Profit or loss for 2023/24	- 128
Closing balance at 31 March 2024	2,210

	31 March '23 £000
Opening balance at 31 March 2022	
Profit or loss for 2022/23	
Capital contribution	
Closing balance at 31 March 2023	2,338

Note 4 - Summary of Financial Position of Subsidiary

Millstream Property Investments Ltd has been consolidated in the group accounts as a 100% owned subsidiary. The summary of financial position of the company is shown below:

Statement of comprehensive income and expenditure	31 March 2024	31 March 2023
	£000	£000
Revenue	263	215
Cost of sales	(60)	(30)
Gross profit	203	185
Administrative expenses	(66)	(51)
Other operating income	0	2
Operating profit	137	136
Interest payable	(148)	(190)
Other gains losses	(159)	65
Profit/(Loss) on ordinary activities before taxation	(170)	11
Tax on profit/(loss)	43	(3)
Profit/(Loss) and total comprehensive income for the financial year	(127)	8

Statement of financial position	31 March 2024	31 March 2023
	£000	£000
Non current assets		
Investment properties	5,507	5,666
Current assets		
Trade debtor	3	2
Cash and Cash equivalents	93	68
Total Assets	5,603	5,736
Current liabilities		
Trade creditor	225	196
Non current liabilities		
Loans	3,097	3,089
Provision for liabilities	71	114
Total liabilities	3,393	3,399
Net Assets/Liabilities	2,210	2,337
Equity		
Share capital	1,656	1,656
Retained earnings	554	682
Total equity	2,210	2,338

GLOSSARY OF FINANCIAL TERMS

Accounting Policies

Those principles, bases, conventions, rules and practices applied by the Council that specify how the effects of transactions and other events are to be reflected in its financial statements through:

- Recognising;
- Measuring bases;
- Presenting.

Accruals

Accruals The concept that Income & Expenditure are recognised as they are earned or incurred, not as money is received or paid.

Accumulated Absences

Accumulated Absences Holiday entitlements (or any form of leave such as time off in lieu) earned by employees but not taken before the year end which can be carried forward into the following year.

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
- the actuarial assumptions have changed

Amortisation

The term used to refer to the charging of the value of a transaction or asset (usually related to intangible fixed assets) to the Income and Expenditure Account over a period of time, reflecting the value to the authority; similar to the depreciation charge for tangible fixed assets.

Asset

An item having value measurable in monetary terms. Assets can either be defined as fixed or current. A fixed asset has use and value for more than one year whereas a current asset (eg stocks or short term debtors) can readily be converted into cash.

Capital Expenditure

Capital Expenditure Expenditure on the acquisition of a fixed asset or works which have a long term value to the Council, either directly to the Council or indirectly in the form of grants to other bodies.

Capital Financing Requirement

It measures an authority's underlying need to borrow or finance by other long term liabilities for a capital purpose.

Capital Receipts

The proceeds from the disposal of land and other assets. Proportions of capital receipts can be used to finance new capital expenditure, within rules set down by government, but they cannot be used for revenue purposes.

CIPFA

CIPFA Chartered Institute of Public Finance and Accountancy. The principal accountancy body dealing with local government finance.

Code of Practice on Local Authority Accounting (The Code)

Code of Practice on Local Authority Accounting sets out the arrangements required to be followed in the Statement of Accounts. It constitutes 'proper accounting practice' and is recognised as such by statute.

Community Assets

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

Consistency

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

Contingent Asset

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

Contingent Liability

A contingent liability is a possible liability arising from past events whose existence will be confirmed only by the occurrence of one or more uncertain events not wholly within the local authority's control.

Creditor

An amount owed by the Council for work done, goods received, or services provided within the accounting period and for which payments has not been made at the Balance Sheet date.

Current Service Cost (Pensions)

The increase in liabilities as a result of years of service earned this year.

Curtailment

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

Curtailments include:

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

Debtor

Sums of money due to the Council but not yet received at the Balance Sheet date.

Deficit

An excess of expenditure over income (or liabilities over assets).

Defined Benefit Scheme

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

Depreciation

Charges reflecting the decline in the value (not cost) of assets as a result of their usage or ageing.

DEFRA

Department for Environment, Food and Rural Affairs.

DWP

Department for Work & Pensions.

Expected Rate of Return on Pensions Assets

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

Earmarked reserve

These are funds that are set aside for a specific purpose, or a particular service, or type of service.

Financial Instruments

Any document with monetary value. For example, securities such as bonds and stocks which have value and may be traded in exchange for money.

Finance Lease

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

Government Grants

Assistance by government and inter-government agencies and similar bodies, whether local, national or international, towards either revenue or capital expenditure incurred in providing local services.

International Financial Reporting Standards

International Financial Reporting Standards cover specific aspects of accounting practice and set out the correct accounting treatment. Compliance with them is mandatory.

Impairment

This is a reduction in value of a fixed asset as shown in the balance sheet to reflect its true value

Infrastructure Assets

Expenditure on works of construction or improvement but which have no tangible value, such as construction or improvement to highways and footpaths.

Intangible Asset

Non-financial fixed assets that do not have physical substance but are identifiable and are controlled by the authority through custom or legal rights e.g. computer software.

Interest Cost (pensions)

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

Investments (non-pensions fund)

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

Investments, other than those in relation to the pension fund, that do not meet the above criteria should be classified as current assets.

Investment properties

Property that is used solely to earn rentals and/or for capital appreciation.

LAA

Local Area Agreement.

Liquid resources

Current asset investments that are readily disposal by the authority without disrupting its business.

MHCLG

Ministry of Housing, Communities and Local Government (formerly DCLG - Department for Communities and Local Government).

MTFP

Medium Term Financial Plan.

NDR

Non Domestic Rates.

Operating Lease

A lease whereby the ownership of the fixed asset remains with the lessor.

Past Service Cost

The increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years.

Revenue Expenditure

The day to day running costs incurred by the Council in providing its services.

REFCUS (Revenue Expenditure Funded from Capital Under Statute)

Capital expenditure which is allowable under statute to be funded from capital resources but which does not fall within the definition of a fixed asset. An example is a grant made to another party to finance capital investment.

Surplus

An excess of income over expenditure (or assets over liabilities)

Statement of Responsibilities for the Statement of Account

The Authority's Responsibilities

The Authority is required:

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

The Chief Financial Officers' Responsibilities

The Chief Financial Officer 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 Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently;
- Make judgements and estimates that were reasonable and prudent;
- Complied with the local authority Code.

The Chief Financial Officer has also:

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

EAST HERTFORDSHIRE DISTRICT COUNCIL

Certificate of Responsible Finance Officer

I certify that this Statement of Accounts presents a true and fair view of the financial position of the Authority at the reporting date and its income and expenditure for the year ended 31 March 2024.



Signed

Date

29/04/2025

Brian Moldon

Head of Strategic Finance and Section 151 Officer
East Hertfordshire District Council

Signed

Date

Councillor Martin Adams

Chairman of Audit and Governance Committee

Agenda Item 9

East Herts Council Report

Leadership Team Meeting

Date of meeting: Tuesday 20 May 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: 2024/25 Accounting Policies

Ward(s) affected: (All Wards);

Summary – To seek approval for the accounting policies to be used as the basis for preparation of the 2024/25 Statement of Accounts.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE COMMITTEE

- a) That the accounting policies set out in Appendix A be approved for use in the 2024/25 Statement of Accounts.

1.0 Proposal(s)

1.1 For the financial year 2024/25 the Council must publish its draft Statement of Accounts by 30th June 2025. It is best practice for Audit & Governance Committee to consider the accounting policies ahead of the production and publication of accounts.

2.0 Background

2.1 The accounting policies adopted by the Council determine the accounting treatment that is applied to transactions during the financial year and in the preparation of the Statement of Accounts. The accounting policies are published within the Statement of Accounts document in accordance with the Code of Practice on Local Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS).

3.0 Reason(s)

3.1 Officers have assessed the accounting policies that are deemed necessary to explain clearly and underpin the accounting treatment of transactions within the Council's Statement of Accounts for 2024/25. In undertaking this assessment, a review of all accounting policies previously agreed has been undertaken to check their relevance, clarity, legislative compliance and that they are in compliance with the Code of Practice on Local Authority Accounting and incorporate the requirements of International Financial Reporting Standards (IFRS). The accounting policies for 2024/25 are presented in Appendix A.

3.2 The approval of the accounting policies to be applied by the Council demonstrates that consideration is being given to which policies to adopt and apply and that those charged with governance are fully informed of the policies that are being adopted.

4.0 Options

4.1 The Council is required to have appropriate accounting policies within its Statement of Accounts. Officers have developed what they consider to be an appropriate set of policies based on those adopted in previous financial years after taking into account of changes as required by current legislation.

5.0 Risks

5.1 None of the policies outlined in Appendix A conflict with legislative or IFRS requirements, therefore the risk of adopting a policy that contravenes good practice is considered minimal.

6.0 Implications/Consultations

6.1

Community Safety

None arising directly from this report.

Data Protection

None arising directly from this report.

Equalities

None arising directly from this report.

Environmental Sustainability

None arising directly from this report.

Financial

There are no direct financial implications arising from this report. The Accounting policies will be used to determine the accounting treatment of the financial transactions of the Council for 2024/25.

Health and Safety

None arising directly from this report.

Human Resources

None arising directly from this report.

Human Rights

None arising directly from this report.

Legal

The agreement of appropriate accounting policies is part of the process of ensuring that the Council satisfies its legal obligation to prepare a Statement of Accounts. The accounting policies must comply with current legislation, the Code of Practice on Local authority Accounting and IFRS requirements.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1

Appendix A	2024/25 Accounting Policies
------------	-----------------------------

Contact Member

Councillor Carl Brittain

Executive Member for Financial Sustainability

carl.brittain@eastherts.gov.uk

Contact Officer

Brian Moldon

Head of Finance & S151 officer,

Contact Tel. No. 01279 502050

brian.moldon@eastherts.gov.uk

Report Author

Alison Street

Service Manager (Strategic Finance)

alison.street@eastherts.gov.uk

Accounting Policies 2024/25

	General Policies
i.	The Statement of Accounts summarises the Council's transactions for the 2024/25 financial year and its position at the year-end of 31 March 2025. The Accounts and Audit (England) Regulations 2015 require the Council to prepare the Statement of Accounts in accordance with proper accounting practices. These practices primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2024/25 and the Service Reporting Code of Practice (SeRCOP) 2024/25, supported by International Financial Reporting Standards (IFRS) and statutory guidance issued under section 12 of the 2003 Act. The accounting convention adopted in the Statement of Accounts is principally historical cost, modified by the revaluation of certain categories of non-current assets and financial instruments.
ii.	The accounts are prepared on a going concern basis; that is, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future from the date that the accounts are authorised for issue.
iii.	Accruals of income & expenditure
	Activity is accounted for in the year that it takes place, not simply when cash payments are made or received. In particular:
	· Income from the provision of services in the form of sales, fees, charges and rents is recognised and accounted for in the period to which they relate.
	· Expenses in relation to services received (including services provided by employees, transport related, premises related, and supplies and services related expenditure) are recorded as expenditure when the services are received rather than when payments are made, with the exception of quarterly utility payments where no actual apportionment is made for bills spanning two financial years.
	· Interest receivable on investments and payable on borrowings is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than the cash flows fixed or determined by the contract.
	· Where income and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the Balance Sheet. Provision is made for doubtful debts and known uncollectable debts are written off in accordance with the Council's agreed policy.
iv.	Cash and cash equivalents
	Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in no more than three weeks or less that are readily convertible to known amounts of cash with insignificant risk of change in value and are used to meet short term liquidity requirements.
	In the Cash Flow Statement, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Council's cash
v.	Prior period adjustments, changes in accounting policies and estimates and errors
	Prior period adjustments may arise as a result of a change in accounting policies or to correct a material error. Changes in accounting estimates are accounted for

	prospectively i.e. in the current and future years affected by the change and do not give rise to a prior period adjustment.
	Changes in accounting policies are only made when required by proper accounting practices or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Council's financial position or financial performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.
vi.	Charges to revenue for non-current assets
	Services, support services and trading accounts are debited with the following amounts to record the cost of holding fixed assets during the year;
	<ul style="list-style-type: none"> • Depreciation attributable to the assets used by the relevant service
	<ul style="list-style-type: none"> • Revaluation and impairment losses on assets used by the service where there are no accumulated gains in the Revaluation Reserve against which the losses can be written off.
	<ul style="list-style-type: none"> • Amortisation of intangible fixed assets attributable to the service.
	The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisations. Depreciation, revaluation, impairment losses and amortisations are therefore transferred to the Capital Adjustment Account in the Movement in Reserves Statement.
vii.	Employee benefits
	Benefits payable during employment
	Short-term employee benefits are those due to be settled within 12 months of the year- end. They include such benefits as salaries, paid annual leave and paid sick leave, and non- monetary benefits (e.g. cars) for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi time earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is made at the salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the Surplus or Deficit on the Provision of Services, but then reversed out through the Movement in Reserves Statement so that holiday benefits are charged to revenue in the financial year in which the holiday absence occurs.
	Post employment benefits (pensions)
	The Council participates in one scheme, the Local Government Pension Scheme, which is a defined benefit final salary scheme administered by Hertfordshire County Council.
	The liabilities of the Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit credit method – i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc, and projections of future earnings for current employees.

	Liabilities are discounted to their value at current prices, using a discount rate. The discount rate has been determined as the long-term government bond yield plus an allowance for the average difference between the yield on corporate bonds and government bonds. This difference in yields is a result of the difference in the risk of default. This approach has been adopted as government bonds have a long enough term to match the term of the liabilities whereas corporate bonds have shorter terms.
	The assets of Hertfordshire County Council pension fund attributable to the Council are included in the Balance Sheet at their fair value as required under IAS19.
	The change in the net pensions' liability is analysed into seven components:
	<ul style="list-style-type: none"> • Current service cost – the increase in liabilities as a result of years of service earned this year – allocated in the Comprehensive Income and Expenditure Statement to the services for which the employees worked;
	<ul style="list-style-type: none"> • Past service cost / gain – the increase / decrease in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited / credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> • Interest cost – the expected increase in the present value of liabilities during the year as they move one year closer to being paid – debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> • Expected return on assets – the annual investment return on the pension fund assets attributable to the Council, based on an average of the expected long-term return, credited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement;
	<ul style="list-style-type: none"> • Gains or losses on settlements and curtailments – the result of actions to relieve the Council of liabilities or events that reduce the expected future service or accrual of benefits of employees – debited or credited to the Surplus or Deficit on the Provision of Services in the Comprehensive Income and Expenditure Statement as part of Non-Distributed Costs;
	<ul style="list-style-type: none"> • 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 – debited to the Pensions Reserve;
	<ul style="list-style-type: none"> • Contributions paid to the 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 or directly to pensioners in the year, not the amount calculated according to the relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove the debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but

	unpaid at the year-end. The negative balance that arises on the Pensions Reserve thereby measures the beneficial impact to the General Fund of being required to account for retirement benefits on the basis of cash flows rather than as benefits are earned by employees.
	In line with the requirements of the Code the past service contribution is no longer a current revenue item but is included as part of the payments to the pension fund (in accordance with pension scheme regulations) and is treated as a cash flow item which reduces the pensions liability. This is also in line with the requirements of the Code.
	Further information can be found in Hertfordshire County Council's Pension Fund's Annual Report, which is available upon request from LPP, Hertfordshire County Council, Post point CHO 033, County Hall, Pegs Lane, Hertford, SG13 8DQ.
viii.	Events after the balance sheet date
	Events after the Balance Sheet date are those events, both favourable and unfavourable, that occur between the end of the reporting period and the date when the Statement of Accounts is authorised for issue. Two types of events can be identified:
	<ul style="list-style-type: none"> • Those that provide evidence of conditions that existed at the end of the reporting period – the Statement of Accounts is adjusted where material to reflect such events
	<ul style="list-style-type: none"> • Those that are indicative of conditions that arose after the reporting period – the Statement of Accounts is not adjusted to reflect such events, but where a category of events would have a material effect, disclosure is made in the notes of the nature of the events and their estimated financial effect.
	Events taking place after the date of authorisation for issue are not reflected in the Statement of Accounts.
ix.	Government grants and contributions - revenue and capital
	Grants and contributions relating to capital and revenue expenditure are accounted for on an accruals basis and recognised in the accounts when there is reasonable assurance that the Council will comply with any conditions attached to the payments, and the grants or contributions will be received.
	The grant or contribution is recognised immediately within the Comprehensive Income and Expenditure Statement as income, except to the extent that the grant or contribution has a condition relating to the initial recognition that the Council has not satisfied.
	Monies received as grants and contributions for which conditions have not been satisfied are carried in the Balance Sheet as a liability within the Grants Receipts in Advance Account. When conditions are satisfied, the grant or contribution is credited to the relevant service line (attributable revenue grants and contributions) or Taxation and Non-Specific Grant Income (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. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the

	Capital Grants Unapplied Reserve are transferred to the Capital Adjustment Account once they have been applied to fund expenditure.
	Revenue grants specific to service provision are shown against the relevant service in the Comprehensive Income and Expenditure Statement. General grants allocated by central government directly to local authorities as additional revenue funding which are non- ring fenced are credited to Taxation and Non-Specific Grant Income in the Comprehensive Income and Expenditure Statement.
x.	Minimum revenue provision
	In accordance with current legislation the minimum revenue provision (MRP) for the redemption of debt is required to be calculated on a prudent basis having regard to guidelines set out for application of the prudential code.
xi.	Overheads and support services
	As the Council does not include the recharge of overheads and support services in how they monitor and manage financial performance they are no longer included in the year end accounts.
xii.	Provision for bad debt
	The value of receivables (debtors) shown on the Balance Sheet is adjusted for doubtful debts. The level of bad debt provision is reviewed annually. Uncollectable debts are written off against the provision. The following methods are used:
	Trade Accounts Receivable - Age and Collectability
	Housing Benefits Overpayments - Age and Collectability
	National Non-Domestic Rates - Currently 100% of outstanding arrears
	Council Tax - 0.52% against the net debit due reviewed against sums written off and opening yearly balances
xiii.	Revenue Expenditure Funded from Capital under Statute (REFCUS)
	Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer in the Movement in Reserves Statement from the General Fund Balance to the Capital Adjustment Account is made which reverses out the amounts charged so that there is no impact on the level of council tax.
xiv.	Capital receipts
	Capital Receipts arise from the sale of non-current assets (Property, Plant and Equipment and Investment Properties). Further to the introduction of the Prudential Capital Finance System on 1 April 2004, capital receipts are all deemed to be “usable” and are held within the Capital Receipts Reserve.
	Prior to this date, in accordance with Government legislation, a proportion of certain receipts had to be “set aside” and are retained within the Capital Adjustment Account as provision for the repayment of debt.
xv.	VAT
	Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenues & Customs and in most circumstances all VAT paid is recoverable from them. VAT has been included in the income and expenditure accounts only to the extent that it is irrecoverable.

xvi.	Tax Income (Council Tax, Non-Domestic Rates (NDR))
	The Council Tax and NDR income in the CIES is the Council's share of accrued income for the year. However, regulations determine the amount of Council Tax and NDR that must be included in the Councils General Fund. Therefore, the difference between the income included in the CIES and the amount required by regulation to be credited to the General Fund is taken to the collection fund adjustment account and included as a reconciling item in the Movement in Reserves Statement
	The Balance Sheet includes the Council's share of the end of year balances in respect of the Council Tax and NDR relating to arrears, impairment allowances for doubtful debts, overpayments, prepayments, and appeals.
	Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line within the CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.
xvii.	Interests in other entities
	The Council has set up a wholly owned subsidiary called Millstream Property Investments Ltd, which has the principal activity of acquiring, developing and refurbishing properties. The Company's accounts are consolidated into the Council's accounts and the consolidated accounts are included in the Council's Statement of Accounts.
	In addition, the Council also has an interest in Hertfordshire Building Control Limited, a company which is equally owned by seven Hertfordshire authorities.
xviii.	Capitalisation of interest
	The Council capitalises borrowing costs incurred whilst qualifying assets are under construction. Qualifying assets are where there is a 'substantial period of time' from the first capital expenditure financed from borrowing until the asset is ready to be brought into use. A substantial period of time is considered to mean in excess of two years.

East Herts Council Report

Leadership Team Meeting

Date of meeting: Tuesday 20 May 2025

Report by: Councillor Carl Brittain – Executive Member for Financial Sustainability

Report title: Monitoring 2024/25 quarter 4 corporate risk register

Ward(s) affected: All

Summary – This report provides the Committee with the corporate risk register which details how East Herts manages the key risks to the Council.

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:

- a) The 2024/25 quarter four corporate risk register and actions being taken to control and mitigate risk be noted.

1.0 Background

1.1 Leadership team reviews the content of the corporate risk register quarterly and provides updates that are relayed within this monitoring report to Audit and Governance Committee.

1.2 The Corporate Risk Register is attached at Appendix A. The format concentrates on key risks and is very focussed on control and mitigation actions.

2.0 Risk register results for quarter four

2.1 Leadership Team has set a risk tolerance level. Risks above the tolerance levels are actively managed and regularly reviewed to ensure that contingency and mitigation action is being taken. Risks below the tolerance line are managed by Heads of Service but these are often delegated. Heads of Service are responsible for keeping all risks under review and taking action to reduce the impact of the risk on the council.

		Likelihood			
		1	2	3	4
Impact	A				
	B			2	1, 6
	C		3, 7	4, 8	
	D		5		

Table 1 Risk score

2.2 Details of how risks are scored can be found below. Appendix A shows the comprehensive breakdown of each risk.

Likelihood	Score	Description	Likelihood of occurrence	Probability of occurrence	
	4	High	Monthly	The event is expected to occur or occurs regularly	
	3	Medium	Annually	The event will probably occur	
	2	Low	1 in 5 years	The event may occur	
	1	Very Low	Less frequently than 1 in 5 years	The event may occur in exceptional circumstances	

Impact	Score	Description	Financial	Reputation	Service / operation
	A	Critical	> £1m p.a.	Serious negative media	Catastrophic fall in service quality or long-term disruption to services
	B	Significant	£400,000 to £1m p.a.	Adverse national media	Major fall in service quality or serious disruption to services
	C	Marginal	£100,000 to £400,000 p.a.	Adverse local media	Significant fall in service quality
	D	Minor	< £100,000	Public concerns restricted to local complaints	Little impact to service quality

Table 2: Methodology of corporate risk scoring

2.3 The risk scores reflect control and mitigation measures (Residual scores) rather than the Inherent (before any action is taken to control) scores.

2.4 No risks have had a score increase or decrease since the last report and no new risks have been added.

3.0 Implications

Community Safety

No

Data Protection

The topic features within the corporate risk register.

Equalities

The topic features within the corporate risk register.

Environmental Sustainability

Climate change features within the corporate risk register.

Financial

Not specific but risk management can provide protection of budgets from unexpected losses. Better governance can be demonstrated, and the annual audit plan is risk based.

Health and Safety

Not specific but risk management can provide a safer environment across the District and all services for the benefit of the public, staff and our contractors.

Human Resources

No

Human Rights

No

Legal

Not specific but legal matters feature within the corporate risk register.

Specific Wards

No

4.0 Background papers, appendices and other relevant material

4.1 Appendix A Corporate Risk Register

Contact Member

Councillor Carl Brittain, Executive Member for
Financial Sustainability

Carl.Brittain@eastherts.gov.uk

Contact Officer Brian Moldon, Head of Finance S151,
Brian.Moldon@eastherts.gov.uk

Report Author

Brian Moldon, Alison Street, Head of Finance,
Financial Planning Manager

brian.moldon@eastherts.gov.uk,
alison.street@eastherts.gov.uk

Reference	Risk Title	Impact	Likelihood	Likelihood reduction	LR Target Date	Impact Mitigation	RHT Target Date	Residual Impact	Residual Likelihood	Progress Update	Risk Owner
1- Financial Resources	Expenditure is likely to exceed the resources available to the council triggering a report in the public interest by the s.151 officer under section 114 (3) of the Local Government Finance Act 1988.	A	4	Medium Term Financial Plan which plans for further reductions in net expenditure to reflect real terms reduction in council funding Annual savings plan Transforming East Herts Programme to deliver efficiencies and enable customers to access services 24/7 on the web site Reductions in non-essential capital expenditure and agreement to sell assets to realise capital receipt which will be applied to pay down debt. Revised BEAM business plan aims to support the MTFP with £200k per year		s.114 Report leading to appointment of Commissioners but also access to Government support Requesting CIPFA support prior to reaching s.114 threshold Requesting Government support although flexibility on capital receipts and further borrowing would be counter-productive BEAM business plan kept under review in its first year of operation		B	4	Savings schedule being reviewed to ensure achieved Monthly budget meetings with Leadership Team MTFP refresh is underway Expedited asset disposal programme commenced	Brian Moldon
2- Climate Change	Lack of mitigation of and adaptation to climate changes adversely impacts of service delivery	B	4	Declaration of Climate Emergency by Council Reducing carbon emissions from council operations - Climate Change Action Plan Seeking to influence residents to reduce carbon footprint for the district		Adaption Plan Business Continuity Plan Severe Weather section Emergency Plan including specific response plans to flooding etc. Health and Safety Policy details severe weather response Works to Great Amwell depot site taking account of flood risk assessment.		B	3	Adaption risk assessment substantially complete. Producing offsetting strategy and business case for carbon credits. All vehicles in council fleet now BEVs and in waste contract all vehicles below 3.5 tonnes will be electric. Depot works due to go to Development Management Committee in summer 2025.	Jonathan Geall
3- District Plan	District Plan not up to date leading to a developer led system, resulting in unsustainable, unplanned, piecemeal development across the district without the required supporting infrastructure such as roads, schools, healthcare facilities etc.	A	2	By Executive / Council Budget for evidence studies in place, including reserve. Evidence base updated in line with the National Planning Policy Framework and Planning Practice Guidance. Legal requirements including the Duty to Co-operate met.	Mar-26	Programme of work agreed for the preparation of the new District Plan. Resources in place to progress the new District Plan. Duty to Co-operate complied with. New District Plan is legally compliant and in conformity with the NPPF.	Mar-26		2	Formal work on the new District Plan will start in early 2026 under the new planning system. In the meantime, we have undertaken the following preparatory work: •Agreed a revised timetable for the preparation of the new District Plan in the form of a Local Development Scheme (LDS). The LDS sets out the key plan-making stages and timetable for the new District Plan and takes account of the Government's plan-making reforms. •Undertaken a Call for Sites - an opportunity for landowners, developers, agents and site promoters to submit sites which may be considered to have the potential for future development. •Developed a Strategic Vision to chart a clear and ambitious course for the district's future which will serve as the golden thread for the new District Plan, informing policies and decision-making that will shape East Herts in the years to come. Community Engagement on the Vision will take place in June/July 2025. •Commenced work on a District Design Code. •Started work on updating our evidence base including - Green Belt Review, Employment Land Review, Open Space and Sports Facilities Assessment, Village Hierarchy Study, and LCWIP.	Sara Saunders
4- Key Contractor	A key major contractor of the council fails meaning that services stop altogether e.g the refuse contractor fails and streets are not swept and bins are not emptied	C	4	Monitoring of major contractors for risks of business failure Parent Company Guarantee/Performance Bond Contract compliance procedure should note issues locally such as recruitment freeze or other issues that may indicate financial health issues with company		Local Authority Trading Company ready to activate to take over service provision Business Continuity Plans Performance Bonds or parent company guarantee		C	3	Continued monitoring of positions. The new waste contract with Veolia is currently in mobilisation, and the Council will continue to monitor this as the new service is rolled out.	James Ellis
5- Governance	There is a governance failure caused by a lack of policies, procedures and internal controls leading to loss of legal cases on process and/or loss of assets	B	4	All Executive, Committee and Council reports require sign off by legal and finance to ensure compliance with budget and policy framework and current legislation. List of policies maintained with review dates. Information Governance function strengthened to ensure compliance with data protection and Freedom of Information. Ensuring Equalities Impact Assessments are completed for all policies		In house legal staff in place with few vacancies therefore capacity available to address issues that arise unexpectedly. Internal audit provided by Shared Internal Audit Service using assurance mapping methodology which allows for all assurance levels to be seen and assessed. Monitoring Officer and s.151 officer work closely together and horizon scan for potential issues		D	2	Minor amendments to Constitution to reflect legislation changes made. HR policies have been amended for legislative change.	James Ellis
6 Ransomware attack deletes data	A successful ransomware attack would render the council's IT systems completely inoperative for an extended period. This would paralyze all council operations, preventing it from collecting revenues, calculating and paying benefits, paying staff and suppliers, and executing any regulatory or enforcement actions.	A	4	We patch all systems and have updated firewalls and anti-virus software for the network. Databases are moved, operating systems use support releases, and laptops are protected with AV and firewall systems. System access requires 2-factor authentication. Staff complete mandatory data protection and Cyber security training.	WiFi - May 2025	Rubrik backs up our on-premises systems for a duration of 42 days. The most recent three backups are retained on the Rubrik appliance located in Daneshill, and all backups, including these three, are stored in the Rubrik Cloud Vault. Rubrik identifies indicators of compromise in our backups, allowing us to either revert to a clean backup (up to 42 days old) or recover the latest backup to an isolated network environment, remove the compromise, and then restore from the backup. We also maintain snapshots on the Pure arrays. A snapshot is created on the array volume every four hours, with all snapshots retained on the array volume for one week. Additionally, we keep a consolidated snapshot per day for an additional five days. This results in six snapshots per day, which are kept for five extra days beyond the current setup, totaling 42+5 (consolidated) snapshots.	On-going	B	4	Our systems are undergoing updates. Business systems are migrating to New Vision, and office WiFi will be upgraded for better coverage and security. The IT restructure has created a dedicated cybersecurity team to enhance protection, though ransom attacks can't be fully eliminated. This year, 529 attacks have been detected and prevented.	Helen Standen
7- Major Data Breach	A major data breach of sensitive personal data occurs causing reputational damage and the Information Commissioner to fine the Council	A	3	Mandatory staff training Laptop/mobile device security Confidential waste shredded		Mandatory staff training Data Protection and Privacy Statements Culture of reporting all breaches and learning from each breach		C	2	The Cyber Police training course has been well received and uptake has been very high. IT will provide a half yearly update on any non compliance.	James Ellis
8- Staff and skills	The lack of the right staff to deliver services leads to service backlogs and failures. Staff are not skilled up to perform work in a digital environment and to work in an agile ways means that investment in systems and digital access channels is wasted	B	4	LGA have been commissioned to undertake a Decision Making Accountability Review to help inform the structure of the council. Commercial skills training requirements identified. Cultural change training requirements being worked on to cement Transforming East Herts investment as recognised in the July 2022 Business Case	LGA DMA report expected 24/05/2024 Culture Change training 31/03/2025	Introduction of new systems and moving transactions onto the web goes through a first stage of process review using Lean Six Sigma principles so wasteful processes are eliminated as well as maximising the technological capabilities. As far as possible human interventions in a process will be reduced or eliminated altogether. Training in skills is being worked up to deliver culture change to ensure investment is maximised. Managers have been trained as part of the Blueprint Programme and aspiring managers trained as part of the First Step Programme	Culture Change training 31/03/2025	C	3	Decision Making Accountability review is being reviewed by the new Chief Executive and the Leader of the Council. Following announcement of LGR and Devolution the CEO has reviewed the senior structure and is working towards ensuring decision making is taken at the most efficient and cost effective level.	Helen Standen

East Herts Council Report

Audit and Governance

Date of meeting: Wednesday 28th May

Report by: tba

Report title: Social Value Policy 2025-2030

Ward(s) affected: (All Wards);

Summary

A social value policy was adopted in by the council in 2021. Since then, the council has adopted a new corporate and Procurement Strategy so social value policy has been updated accordingly.

RECOMMENDATIONS FOR AUDIT & GOVERNANCE:

- a) To approve the draft Social Value Policy 2025-2030 set out in Appendix A.

1.0 Proposal(s)

1.1 Social Value Policy has been updated to reflect current corporate and procurement strategies.

1.2 The East Hertfordshire selection of Themes, Outcomes, and Measures (TOM's) has also been refreshed following a review by the Social Value Portal of the TOM's in general.

2.0 Background

2.1 When the Social Value policy was adopted in 2021 it was set to be reviewed every three years. However, a new version was delayed in order to utilise the refresh of the National TOMs in late 2024 and the adoption by the council of a Procurement Strategy in early 2025 under which this policy sits.

2.3 The policy gives clear direction as to where and when additional social value is included as a requirement of a procurement exercise.

2.3 The Social Value Policy is included as an appendix A and the TOMs at Appendix B.

3.0 Reason(s)

3.1 The Social Value Policy 2025-2030 reflects the current Corporate Strategy and Procurement Strategy.

3.2 The TOMs chosen for East Herts are reflecting the current Corporate Strategy and priorities following a general refresh of available TOMS by Social Value Portal.

4.0 Options

4.1 For the Council to continue with the existing Social Value Policy and TOM's selection.

4.2 For the Council to adopt the new Social Value Policy 2025-2030 which will align directly with the Council's Corporate Vision and Priorities.

5.0 Risks

5.1 If the Social Value Policy is not adopted then it will increase the risk of procurements not supporting the Council's Vision and Corporate Priorities.

6.0 Implications/Consultations

6.1

Community Safety

No implications as a result of this report

Data Protection

No implications as a result of this report

Equalities

The Council has committed itself to providing high quality services that are relevant to the needs and responsive to the views of all sections of the local community, irrespective of their race, gender, disability, culture, religion, age, sexual orientation or marital status. The General Equality Duty (Section 149 of the Equality Act 2010) requires the Council to have due regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations in the exercise of its functions. These considerations are the duty of decision makers.

Environmental Sustainability

No implications as a result of this report

Financial

No implications as a result of this report

Health and Safety

No implications as a result of this report

Human Resources

It is anticipated that the outcomes and deliverables of this policy will be absorbed in the current workload of both the Corporate Procurement team and Procuring Officers across the Council. As procurement occasionally involves outsourcing of services, workforce matters involving the transfer of staff in line with the Transfer of Undertakings (Protection of Employment) Regulations 2006 is an area that procuring officers may need to consider.

Human Rights

The Council require all contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.

Legal

No implications as a result of this report

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Draft Social Value Policy 2025-2030

7.2 Themes, Outcomes and Measures (TOMs)

Contact Member

Councillor Carl Brittain

Executive Member for Financial Sustainability

carl.brittain@eastherts.gov.uk

Contact Officer

Brian Moldon

Head of

Finance ,

Contact Tel. No. extn 2006

Report Author

Kirsten Brown

Corporate Procurement Manager

Social Value Policy

DRAFT for approval by

Review by

Contents

1.0	Introduction	3
2.0	What do we mean by social value?.....	3
3.0	How will we deliver social value?.....	4
4.0	Performance Obligation route	4
5.0	Additional Social value.....	5
6.0	Weighting.....	5
7.0	Major Planning Applications	6
8.0	How will we measure social value?	6
9.0	What are the social value outcomes we want to achieve?	6
11.0	Our Social Value Toms 2025 onwards.....	7
12.0	How will we monitor delivery of social value?	7
13.0	When will this policy be reviewed?	7

1.0 Introduction

- 1.1 The Public Services (Social Value) Act 2012 requires all public bodies in England and Wales to consider how the services they commission and procure might improve the economic, social and environmental well-being of their area. It asks public bodies to consider the ways that they could benefit society as part of each decision made. Social value requires officers to think about how they achieve outcomes in a more integrated way, rather than thinking about isolated services or services in the short term. This approach requires officers to consider long term costs, sustainability and how inclusion of additional social value outcomes can potentially reduce pressures in other areas.
- 1.2 East Herts Council embraces the spirit of the Public Services (Social Value) Act 2012. Improving social, environmental and economic wellbeing will help support priorities to build community capacity and resilience.
- 1.3 This Social Value Policy Statement outlines how East Herts Council will embed social value and demonstrates the council's commitment to delivering social value benefits through its commissioning and procurement arrangements.

2.0 What do we mean by social value?

- 2.1 The term 'social value' refers to approaches which maximise the additional benefits that can be created through the delivery, procurement or commissioning of goods and services, above and beyond those directly related to those goods and services.
- 2.2 East Herts Council recognises that social value is about maximising the impact of public expenditure. Social value is defined as the additional benefit to the community from a commissioning / procurement process over and above the direct purchasing of goods, services and outcomes.
- 2.3 The Procurement Act 2023 which came into force in February 2025 requires local authorities to consider social value during procurement exercises and changes the requirement to accept the Most Economically Advantageous Tender to the Most Advantageous Tender and this policy provides for proper consideration of social value in procurement exercises.

3.0 How will we deliver social value?

- 3.1 The overall approach to delivering Social Value is to agree proportionate and relevant social value outcomes with suppliers during the procurement. There are two different, but complementary routes through which this can be achieved. Firstly, Social Value can be built

into the contract as a performance obligation within the requirements/specification. Secondly, suppliers can be asked to be innovative about how they might deliver additional Social Value through the contract, and their responses are assessed as part of the overall evaluation process. Note, that these routes are not necessarily independent i.e. both may be used within the same procurement process.

4.0 Performance Obligation route

- 4.1 The officer leading the procurement, in developing the requirements/specification for the contract, should consider the nature of the contract and the Social Value priorities described below. Where the lead officer considers that specific additional Social Value obligations are appropriate and relevant then these should be included in the requirements/specification. It is important that these obligations support the council's overall strategic priorities and are proportionate to the goods and/or services being delivered under the contract.
- 4.2 Examples of Performance Obligation Social Value requirements are:
 - 4.2.1 a construction contract that includes targeting local recruitment and training for construction related skills;
 - 4.2.2 a catering contract which requires the use of seasonal, locally sourced ingredients and specifying active reductions in "food miles" over the life of the contract; and
 - 4.2.3 a grounds maintenance contract requiring the use of indigenous plants only or specifying low maintenance wild areas, where appropriate, to increase biodiversity and reduce harm to the environment.

5.0 Additional Social value

- 5.1 Tender documents give a weighting in the evaluation for the provision of additional social value. This route offers greater opportunity for potential suppliers to be innovative in their responses in the social value they can offer and does not restrict suppliers to considering only Social Value benefits within the constraints of the scope of the contract.
- 5.2 Examples of Social Value that might be offered by suppliers through this route include:
 - 5.2.1 A provider that invests in programmes to help local long-term unemployed people into training, qualifications and employment.
 - 5.2.2 A provider that wins a contract to undertake property maintenance and repair work, and offers to provide building

materials and labour, free of charge, to local community organisations.

- 5.2.3 A provider that wins a contract to undertake property maintenance and repair work, and offers to also promote careers in construction and trades to local schools, and commits to employing young people.
- 5.3 Lead officers should ensure that procurement documents, allow potential providers to outline how they will deliver Social Value in addition to the core requirements of the contract. It is essential lead officers ensure that procurement documents are clear on how responses will be assessed and evaluated. All procurements over the thresholds for the Procurement act 2023 must, wherever possible, use the social value portal for Social Value responses to tenders and for reporting of Social Value throughout the contract. Procurements between the councils tendering threshold and the Procurement act 2023 thresholds may be evaluated and reported on internally.

6.0 Weighting

- 6.1 For procurements above the councils tendering threshold Social Value must be 10% as a minimum of the overall evaluation scores with the remaining 90% split between cost and quality unless the procurement process being used makes it impractical

7.0 Major Planning Applications

- 7.1 We cannot require developers to demonstrate social value when they submit a planning application until the East Herts District Plan is reviewed. We will, however, ask developers, on a voluntary basis, to consider social value as part of the pre-application public consultation process and to submit, as part of their application, evidence on how social value benefits will be delivered and sustained by a development through its lifecycle.
- 7.2 In doing this we will be guided by "Embedding Social Value into Planning" by the Social Value Portal and commend it to developers.

8.0 How will we measure social value?

- 8.1 We will measure social value using the National Social Value Measurement Framework – or National TOMs for short. It is a method of reporting and measuring social value to a consistent standard. It provides the golden thread between an organisation's overarching strategy and vision, to the delivery of that vision. TOMS stands for:
 - 8.1.1 **Themes** - visionary social value areas

- 8.1.2 **Outcomes** - the positive changes within communities the council wants to see
- 8.1.3 **Measures** - a set of measurements used to achieve outcomes.
- 8.2 The National TOMS convert all social value offers into a monetary amount that can be used to score the social value offered consistently across tenders. As part of tender submissions and during the life of the contract we will ask bidders and the successful contractor to record social value on the National TOMs portal socialvalueportal.com

9.0 What are the social value outcomes we want to achieve?

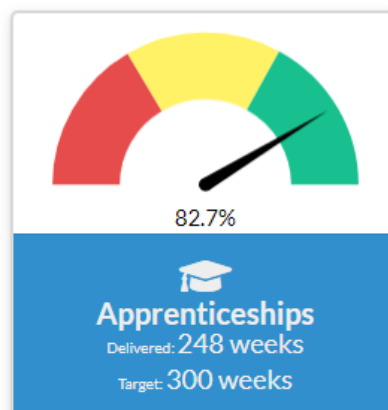
- 9.1 Through social value we intend to deliver on the priorities set out in the Corporate Plan in particular:
 - 9.1.1 Environmentally focused which is reflected in the TOMs theme of Planet
 - 9.1.2 Acting with the community which is reflected in the themes of Community and Economy
 - 9.1.3 Fair and inclusive which is reflected in the theme of Work
- 9.2 Bidders are presented with a selection of 20 measures chosen by the council that cover a variety of possible outcomes and measures across the four themes. This enables them to make offers that are achievable for them as a bidder to deliver as additional social value whilst delivering that contract.

11.0 Our Social Value Toms 2025 onwards

See appendix A

12.0 How will we monitor delivery of social value?

- 12.1 We will monitor delivery using the social value portal. We will require contractors to upload their delivery against their social value



commitments and the supporting evidence. We will report our social value gains to the community using an easy to understand dashboard format that looks like this:

13.0 When will this policy be reviewed?

- 13.1 This policy will be reviewed no later than 3 years after its adoption by the Executive. The Social Value Priorities list will be reviewed in line with updates to the National TOMs to ensure it remains in line with our Corporate Plan priorities.

NT Ref	Theme: Outcome Measure	Proxy	Units
NT1	Work Local people employed or retained		£1.00 no. people FTE
NT4	Work Employees recruited who are Not in Education Employment or Training (16-24 y.o.)	£53,013.00	no. people FTE
NT8	Work Upskilling of existing employees through accredited training	£13.02	no. weeks
NT81	Work Upskilling of existing employees through apprenticeships	£30.33	no. weeks
NT14	Economy Spend with VCSEs in the supply chain	£0.12	£
NT18	Economy Spend with local companies in the supply chain	£1.00	£
NT103	Economy Meet the buyer events showcasing local supply chain opportunities	£1.00	£ invested inc. time, materials, equipment etc
NT39	Economy Support for mental health awareness campaigns for staff	£1.00	£ invested inc. time, materials, equipment etc
NT51	Economy Initiatives to promote and support responsible business	£1.00	£ invested inc. time, materials, equipment etc
NT24	Community Support for community initiatives to reduce crime	£1.00	£ invested inc. time, materials, equipment etc
NT29	Community Support for local community projects through volunteering	£17.48	no. staff volunteering hours
NT110	Community Support for involvement in cultural events	£1.00	£ invested inc. time, materials, equipment etc
NT25	Community Support for initiatives to tackle homelessness	£1.00	£ invested inc. time, materials, equipment etc
NT63	Community Support for initiatives to help rough sleepers	£1.00	£ invested inc. time, materials, equipment etc
NT26	Community Support for community health or wellbeing interventions	£1.00	£ invested inc. time, materials, equipment etc
NT27	Community Support for initiatives focused on strengthening community networks	£1.00	£ invested inc. time, materials, equipment etc
NT31	Planet Reductions in scope 1 & 2 CO2e emissions through decarbonisation	£252.11	tCO2e
NT33	Planet Miles driven using Zero Emission Vehicles	£0.05	miles driven
NT64	Planet Contributions to certified carbon offset funds (compliant with UKGBC guidance)	£1.00	£
NT116	Planet Expert support on carbon reduction to SMEs in the supply chain	£1.00	£ invested inc. time, materials, equipment etc
NT117	Planet Support for environmental & biodiversity conservation	£1.00	£ invested inc. time, materials, equipment etc
NT72	Planet Hard-to-recycle waste diverted from landfill/incineration	£102.10	tonnes

East Herts Council Report Audit & Governance Committee

Date of meeting: 28 May 2025

Report by: Cllr Sarah Hopewell, Executive Member for wellbeing

Report title: Annual Leisure Contract Performance Report

Ward(s) affected: All

Summary – To present the annual review of East Herts Council’s fifteen-year leisure contract with Sport and Leisure Management Ltd (SLM) - trading as Everyone Active (EA).

RECOMMENDATIONS FOR Audit & Governance Committee:

a) To review and receive the Annual Leisure Contract Performance Report (2024) as set by the service leisure provider below.

1.0 Background

1.1 The fifteen-year contract with our leisure provider, Sport and Leisure Management Ltd. (SLM), commenced on 1 January 2020 and is now in its sixth year. This report reviews the performance of Everyone Active (EA) throughout 2024 in delivering services under the terms of this agreement.

1.2 East Herts Council remains dedicated to providing outstanding leisure services that promote health, well-being, and community engagement.

1.3 The Council's Corporate Plan commits to:

- Listen and be open and transparent in decision making and actions. We will prioritise improved consultation, engagement, and conversation with our communities.
- Maintain and improve council services while making them more cost efficient through the “Transforming East Herts” programme.
- Deliver our Thriving Together Plan to promote physical exercise, healthy lifestyles and other measures that boost community wellbeing.

<https://www.eastherts.gov.uk/about-east-herts-0/vision-and-corporate-priorities>

1.4 This report highlights key achievements and developments across the district’s leisure centres during 2024.

1.5 There was considerable progress and development within the leisure centres in 2024. Total attendance exceeded 1.6 million visits, with 2,735 additional unique active users compared to 2023.

1.6 This growth was supported by the relaunch of the ‘exercise referral’ scheme in April 2024 and the introduction of dedicated senior and wellbeing programmes.

These lighter activity sessions contributed to a 33% rise in participation among the key target demographic - adults aged 60+ - resulting in an additional 39,539 visits year-on-year.

1.7 In October it was announced Fanshawe and Leventhorpe pool and gym were to close in December 2024. These closures were due to the withdrawal of funding from the Department for Education, which provided funding to support the management and operations of the facilities, and the centres were not able to continue operating.

1.8 For customers, all Learn to Swim participants were offered alternatives at other Everyone Active sites, and fitness members were granted a price freeze until April 2026 to encourage continued engagement. Approximately 230 members moved from Fanshawe pool and gym to Hartham Leisure Centre, and 300 members moved to Grange Paddocks Leisure Centre from Leventhorpe pool and gym.

1.9 However, logistical issues did prevent some Learn to Swim users - particularly those at higher stages of the programme - from transitioning to new sites. Similarly, for fitness members, the additional travel time (up to 25 – 30 minutes) was a barrier, resulting in lower-than-anticipated customer migration to Grange Paddocks Leisure Centre.

1.10 There were 23 staff members who were successful redeployed - eight to Hartham and 15 to Grange Paddocks Leisure Centre. However, four management staff were made redundant, as suitable alternative roles could not be identified.

1.11 The closures followed a process of consideration by Council outlined in the Leisure Strategy: Direction of Travel for Fanshawe and Leventhorpe Pool and Gym, October 2017

<https://democracy.eastherts.gov.uk/mgIssueHistoryHome.aspx?IIId=21238&optionId=0&J=10>

1.12 The refreshed exercise referral scheme included the recruitment and training of specialist staff who, in 2025, are focusing on developing mental health support services and targeted rehabilitation activities, such as pulmonary rehab.

1.13 Since the scheme's relaunch in April, 106 referrals have been received from 19 different partners. Notably, 92% of those completing the initial twelve-week programme have remained active. The most common referral reason was hypertension, accounting for 21 referrals. This initiative underpins the broader community health and wellbeing framework, which integrates site activities around six core pillars, detailed later in the report.

1.14 Increased participation in 2024 was driven by a higher number of unique users. Encouragingly, the number of 'fairly active' (20-149 minutes of exercise per week) users rose by 7% - from 20,465 in 2023 to 21,831 - an increase of 1,366 individuals. Meanwhile, the number of 'active' (150+ minutes of exercise per week) users increased by 9%, adding 1,369 individuals for a total of 16,064.

1.15 Hartham Leisure Centre was a key contributor to this growth, with a 25% rise in active and fairly active users. Grange Paddocks Leisure Centre also saw a 3% increase, attributed to programme adaptations and the introduction of lighter activity sessions. The rise in participation is notable and a positive impact on community health - encouraging sustained physical activity across the district

The annual report covers two main components:

- Performance against contract specifications
- Qualitative achievements and service improvements.

2.0 Annual report

The following sections present the contractual performance, covering key areas such as customer throughput, satisfaction, health and safety, social value contributions and utilities summary.

2.1 Customer throughput

East Herts Council continues to provide sector-leading leisure facilities, ensuring inclusive access to sport and physical activity opportunities - irrespective of age, ethnicity, gender, or activity level.

Promoting an active lifestyle remains central to the Council's commitment to community health and well-being.

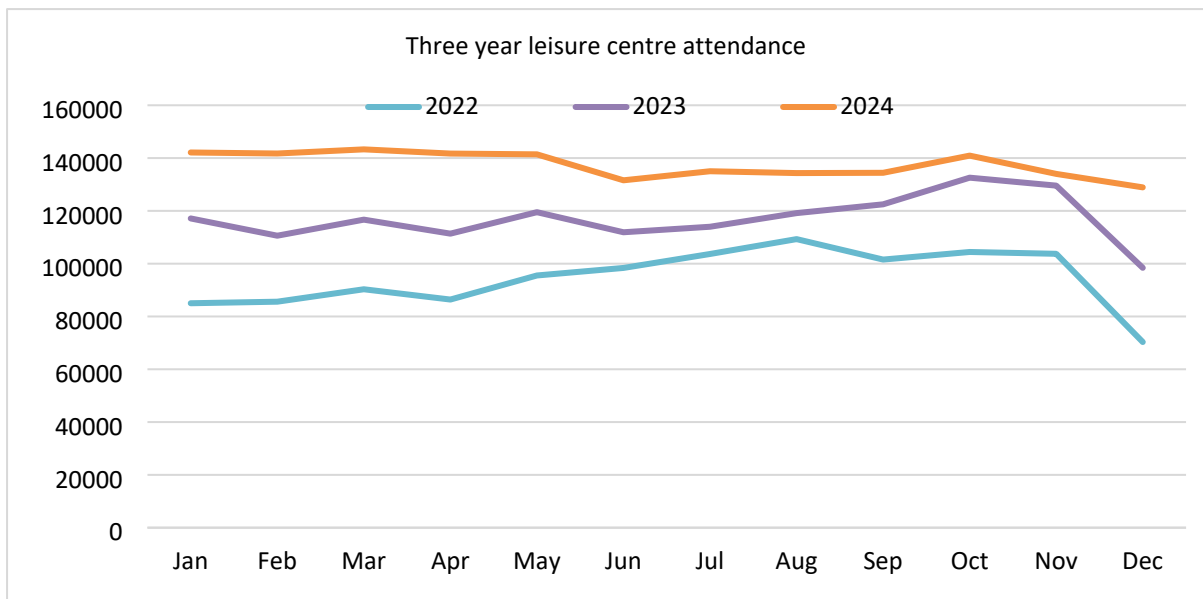
'Customer throughput' refers to the total number of users engaging with the centres. The following data highlights the key figures that are measured.

2.2 Attendance

A primary indicator of EA's performance is overall facility usage. In 2024, total attendance reached 1,649,424 visits - an impressive 17.5% increase over the 2023 figure of 1.4 million. This growth of 246,071 visits reflects combined efforts across several sites:

- Fanshawe pool and gym: increase of 28,772 visits (up 33.3%)
- Grange Paddocks Leisure Centre: increase of 75,288 visits (up 9.9%)
- Hartham Leisure Centre: the largest growth, with 204,998 additional visits (up 47.6%)
- Leventhorpe pool and gym: A decrease of 3,665 visits

These attendance figures underscore the Council's continued success in promoting physical activity and maintaining high engagement across its facilities.



Activities included in the data are:

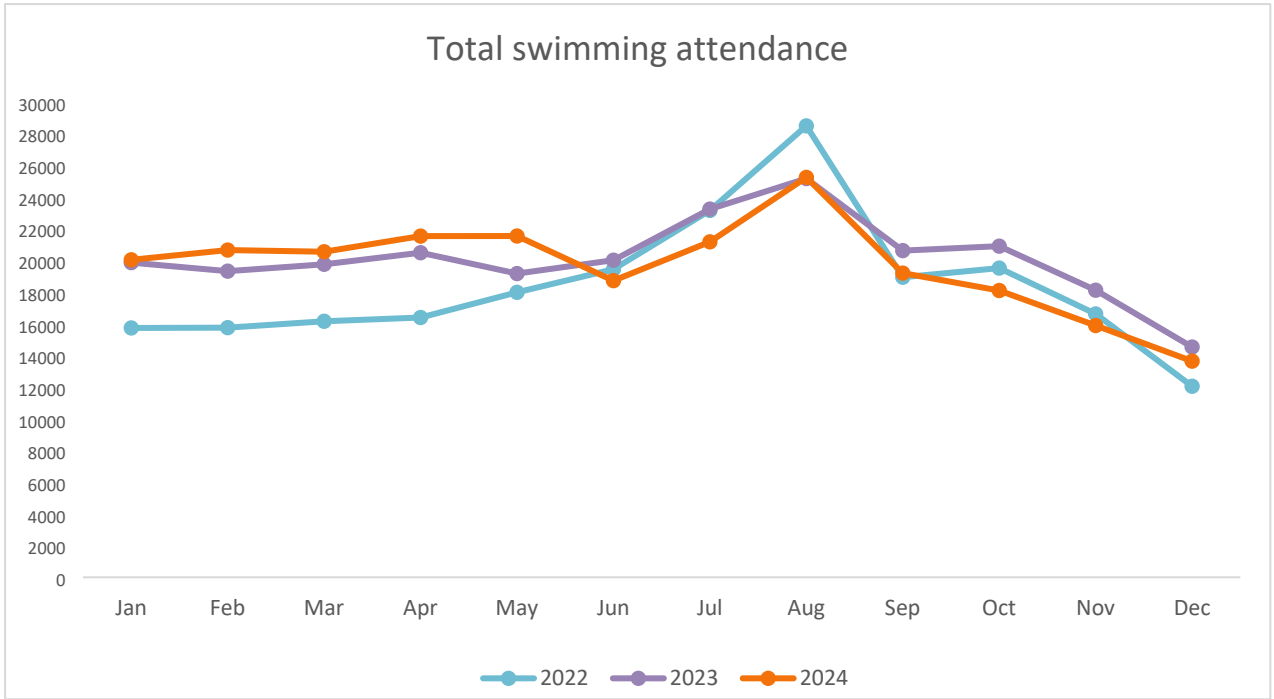
- Gym
- Casual swim
- Group exercise classes
- Swimming lessons (including one-to-one and school)
- Tennis (Hartham leisure centre)
- Football (3g pitch)

2.3 Swimming attendance

Swimming participation figures for 2024 do not include data from Ward Freman, and all year-on-year comparisons are now based on like-for-like site data. The exclusion of Ward Freman pool figures is to prevent the data from being skewed.

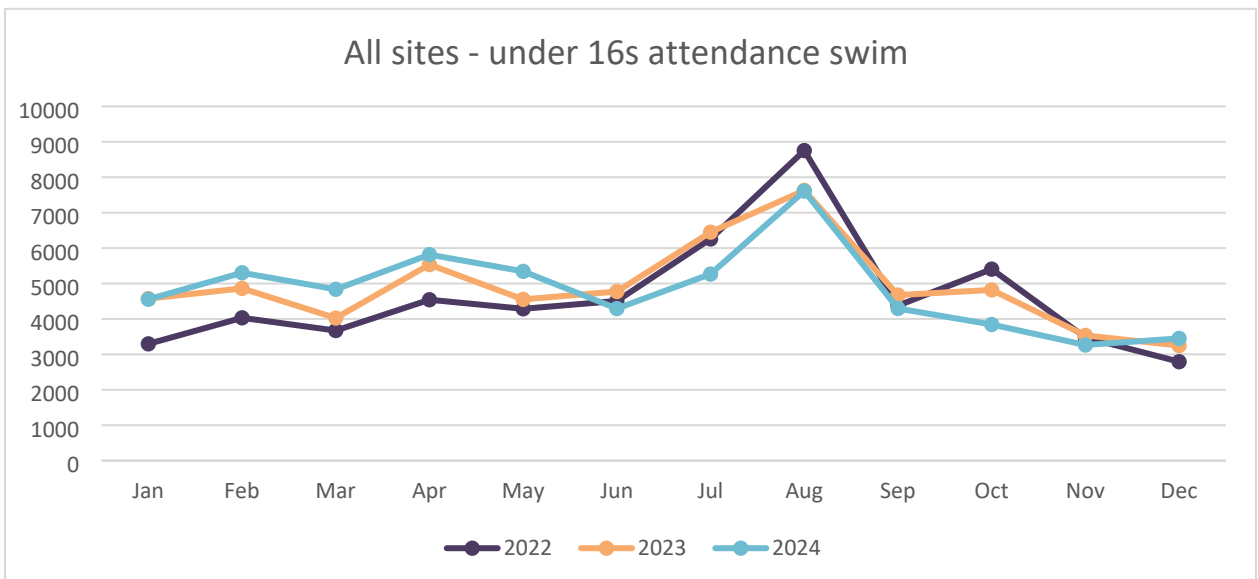
In 2024, there were a total of 236,131 swimming attendances – an increase of 1.6%, equating to 3,732 additional swims compared to 2023 (excluding Ward Freman pool data). When examining attendance by age demographics, there are encouraging signs of growth and engagement across all groups.

Everyone Active have seen an increase of 9.4% with senior swim participation, which has been a factor in overall participation. This total attendance of 42,733 60+ swimmers is a positive performance, partly influenced by the rise in the membership base. However, this is complemented by the increase in target sessions, including more quiet swimming sessions.



2.4 Under-16 swim performance

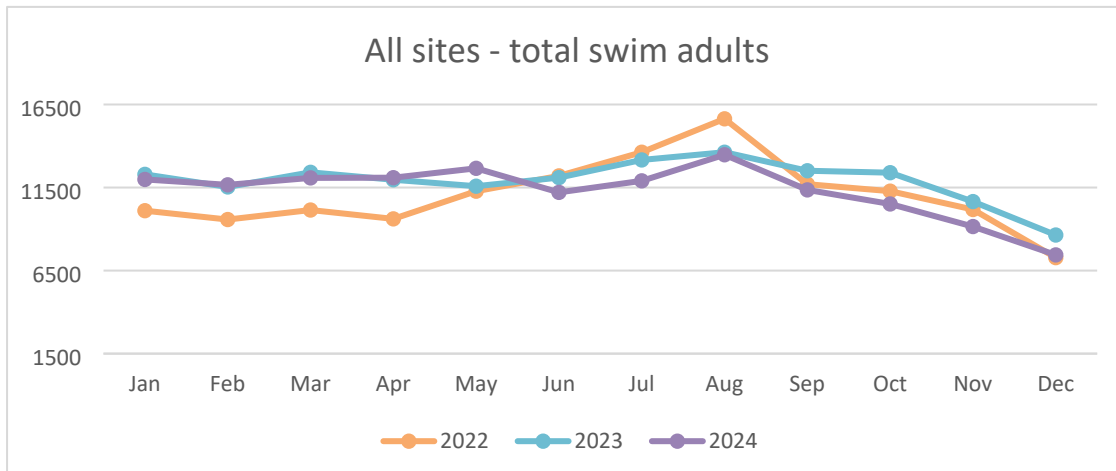
Under-16 swim attendance increased by 1.8%, with 57,880 visits in 2024 – nearly 1,000 more than in 2023. This growth is encouraging, especially given the overall reduction in available pools during 2024.



2.5 Adult swim performance

Adult swim attendance declined in 2024, both in total and when compared across like-for-like sites. The overall decrease was 5.1%, equating to 7,350 fewer swims year-on-year. This decline can largely be attributed to the closure announcements of Fanshawe and Leventhorpe pool and gym.

Adult swim participation now appears to be polarised, with the majority of users being either young children or older adults. Everyone Active are actively exploring ways to address this shift and promote balanced usage across all age groups for 2025.



2.6 Gym attendance

Gym usage continued to grow significantly in 2024, driven by an expanding membership base. Total gym attendance reached 536,950 visits - an increase of 156,621 visits or 41.2% year-on-year. This growth was evident across these sites:

- Fanshawe saw an increase of 16,626 visits (85.5%)
- Grange Paddocks increased by 19,998 visits (8.7%)
- Hartham, following its refurbishment in late 2023, experienced the largest growth with 119,926 additional visits - a rise of 92.8%

The extension to Hartham Leisure Centre - including new dry changing rooms, two additional studios, a spinning studio, and a 120-station gym - has supported this growth in membership. Everyone Active projected that in a mature year, membership would reach 3,600, thus exceeding initial expectations.

2.7 Senior gym attendance

The renewed focus on community wellbeing, including the introduction of quiet gyms, targeted sessions, and enhanced exercise referral programming, contributed to a substantial rise in senior gym attendance. In 2024, there were 38,350 visits by senior users - an increase of 12,045 visits or 45.8%.

- Hartham alone accounted for 6,926 of these visits, up 75.7%

- Grange Paddocks also saw strong growth, with 3,576 more visits - a 23.2% increase.

2.8 Membership

Following a strong year in 2023, particularly with Hartham Leisure Centre's reopening, overall membership sales in 2024 were slightly lower. Total sales reached 14,602 - down 1,510 compared to the previous year. The decrease is partly attributed to high initial uptake following Hartham's refurbishment and reduced sales in Quarter 4 at the dual-use sites.

Despite this, the overall fitness membership base grew by 1.4%. It's worth noting that growth was higher earlier in the year, but the October price increase at Hartham Leisure Centre contributed to a rise in member cancellations - a typical trend following pricing adjustments.

Everyone Active also experienced member loss due to site closures, with some users choosing not to transfer from Leventhorpe pool and gym to Grange Paddocks Leisure Centre or from Fanshawe pool and gym to Hartham Leisure Centre due to travel or site preferences. Around 425 members from Fanshawe and Leventhorpe chose not to transition to another site.

Everyone Active have also introduced a new membership called YOU+. This holistic approach aims to optimize overall health and well-being, focusing on six pillars of wellness: sleep, nutrition, movement, recovery, brain health, and social wellness.

2.9 Fitness membership numbers

While total fitness membership increased by 1.4% across the contract in 2024, this figure was higher earlier in the year. The October membership price rise at Hartham Leisure Centre led to an expected increase in cancellations. This price increase aligned all members to the same monthly price, initially there was a new members promotion monthly fee. Additionally, significant membership drop-offs occurred when users were required to transfer from Leventhorpe pool and gym to Grange Paddocks Leisure or Fanshawe pool and gym to Hartham Leisure Centre.

2.10 Health and wellbeing initiatives

Health and wellbeing initiatives remain central to Everyone Active's mission. Through strategic planning and community partnerships, Everyone Active continues to offer inclusive, accessible physical activity programmes. These efforts are vital in supporting the community's broader health outcomes and long-term wellness.

Some of the initiatives include free meditation/yoga classes during mental health awareness week, senior and wellbeing programmes offering lighter activities and the very popular community café, supporting those with Parkinson's and their careers.

2.11 Parkinson's support

As part of the Community Health and Wellbeing programme, 146 people regularly accessed the free Parkinson’s membership in 2024 - an increase of 14 users. This initiative, delivered in partnership with West Essex and Stort Valley NHS, forms part of the ‘Moving Medicine’ approach.

Two new outreach sessions are set to launch in January 2025 at Lea Wharf in collaboration with their Activity Practice team. These include free meditation and seated Pilates sessions for patients. Everyone Active aim to expand this outreach work into additional pilot locations during 2025 to broaden community impact.

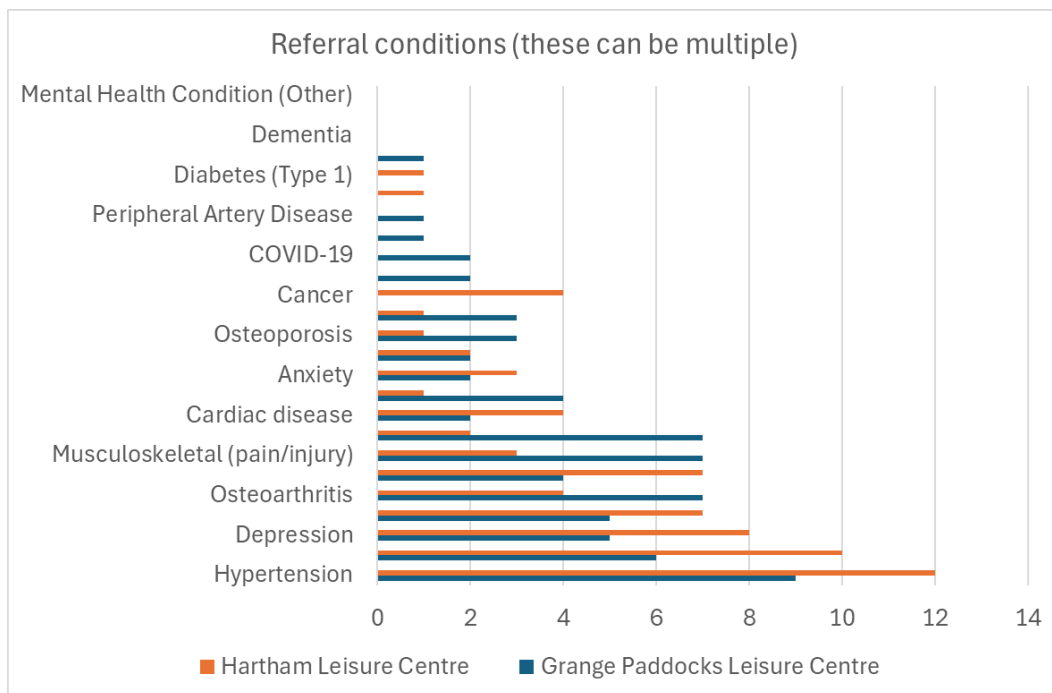
2.12 Exercise referral

The Exercise Referral scheme was relaunched in April 2024, supported by the introduction of a secure online referral system called Refer All. Communications were sent to all local Primary Care Networks (PCNs), and since April, 106 new referrals have been received - a strong indicator of both reach and relevance within local health networks.

While GPs remain the most common referral source (46 referrals), the scheme is now seeing broader engagement:

- 18 referrals from nurses
- 15 referrals from physiotherapists

This demonstrates the success of local outreach and reinforces the commitment to making exercise a fundamental part of preventative healthcare.



These exercise referrals are from 19 different partner organisations. Of those, 14 individuals have completed the full 12-week programme, and 13 of them remain active two months post-completion - a strong indication of long-term engagement.

Some individuals were unable to begin the programme, primarily due to time constraints and cost concerns. While the scheme offers a discounted membership rate, this reduced pricing is available for up to 12 months after completing the programme, which Everyone Active continue to promote as a benefit.

Overall, the relaunch of the scheme has been a positive step forward. Everyone Active are planning further collaboration with the Primary Care Network (PCN) group, with a shared ambition of embedding movement as a central element in long-term health planning. In 2025, Everyone Active will introduce a seated exercise session at Lea Wharf Medical Centre in Hertford to support patients in taking further steps towards a more active lifestyle.

2.13 Partnership working

Everyone Active continues to collaborate with a broad range of partners to deliver impactful, community-led initiatives. Current partnerships include:

- **Alzheimer's UK** - Promoting active lifestyles and the use of East Herts leisure facilities among individuals living with dementia.
- **I Love Hertford** - Social media engagement supporting local community activities.
- **Community Voice and Hertfordshire Police** – Working together to support initiatives in Hertford and Hartham.
- **Stort Valley Healthcare** - Collaborative work with Parkinson's and dementia alliances.
- **Lea Wharf Medical Centre** - A PCN partner and pilot site for East Herts' *Active Practices* initiative.
- **Herts Sport Partnership** - Supporting Holiday Activity and Food (HAF) programmes at Grange Paddocks Leisure Centre.
- **Weight Watchers** - Through their corporate partnership Everyone Active providing free community space at Grange Paddocks Leisure Centre for meetings, helping bridge the gap for those not yet ready for physical activity.
- **Stevenage Football Community Trust** - Delivering coaching for the Walking Football sessions at Hartham Leisure Centre.
- **Man V Fat** - A football-based weight-loss programme hosted at Grange Paddocks Leisure Centre.
- **Macmillan Cancer Support** - Collaborating on fundraising initiatives.
- **Caudwell Youth** - Supporting youth development and leadership through targeted programmes.
- **Football for Fathers** - Offering recreational football for men aged 30+, helping them re-engage with the sport in a social setting.
- **Table Tennis England** - Partnering to deliver junior table tennis activities.

2.14 Social value

Social value refers to the wider benefits an organisation generates for individuals, communities, and public services - including the NHS - through improved health outcomes and reduced reliance on healthcare resources. This value is calculated based on healthcare cost savings related to eight key health outcomes, such as decreased illness risk, fewer GP visits, and reduced use of psychotherapy services among physically active individuals.

In the 12-month period of 2024, the total social value generated by users of East Herts leisure centres was £6,776,929. This represents a £1,531,045 increase from 2023 - a 29% uplift in value year-on-year.

The improvement is partially due to the growth in total user numbers, but also reflects a positive shift in user activity levels. The proportion of fairly active users (30–149 minutes of activity per week) and active users (150+ minutes per week) has increased. For example:

- The average social value generated by fairly active users rose slightly, from £3.00 in 2023 to £3.03 in 2024.
- The number of active users increased from 14,695 in 2023 to 16,064 in 2024, and their average social value rose from £376 to £419 per person — a £43 increase.

These figures highlight the increasing value of engaging communities in regular physical activity, and the ongoing impact of investment in local facilities and targeted programmes.

SV per person	Jan to Dec 2021	Jan to Dec 2022	Jan to Dec 2023	Jan to Dec 2024		Yr on Yr variance	% Variance
Total	£ 89	£ 159	£ 157	£ 179		£ 22	14%
FAN	£ 78	£ 109	£ 116	£ 146		£ 30	26%
GPP	£ 71	£ 183	£ 178	£ 184		£ 6	3%
HAR	£ 161	£ 156	£ 149	£ 184		£ 35	23%
LEV	£ 74	£ 99	£ 111	£ 114		£ 3	3%
WFR	£ 36	£ 56	£ 65	£ -		-£ 65	-100%

2.15 Customer satisfaction

Everyone Active distributes customer satisfaction surveys to members via email every six months. These surveys gather valuable user feedback, which is used to inform Everyone Active's Quality Action Plan and support the development of future strategies.

In addition to survey results, customer comments are collected through verbal feedback, email, letters, and the single customer view online system available at all centres. This combination of formal and informal feedback provides a broader perspective on user experience.

The latest combined customer satisfaction score stands at 81.2%, a slight decrease from 81.6% in 2023 and 82.4% in 2022. While overall satisfaction remains high, site-specific variations are evident. Notably, Hartham Leisure Centre experienced a significant drop in satisfaction, primarily due to the increased user base, ongoing construction work (with new changing rooms scheduled to open in April 2024), and temporarily limited parking availability. These factors contributed to a 3% decline in satisfaction at that site.

	2024	2023	2022	2021	2019	2018	2017
How satisfied are you with your overall visit to the centre ?	Very Good to Good	Very Good to Good	Very Good to Good	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied
All Sites	81.2%	81.6%	82.4%	86.9%	86.7%	87.3%	87.7%
FAN	64.1%	66.4%	62.9%	83.3%	81.0%	78.7%	87.0%
GPP	85.1%	88.4%	88.6%	87.9%	87.1%	77.7%	83.0%
HAR	79.8%	77.0%	77.0%	86.1%	86.4%	87.4%	84.2%
LEV	86.6%	84.2%	86.4%	88.2%	91.6%	94.1%	93.0%

2.16 Swimming experience

The swimming customer satisfaction score for 2024 increased to 82.4%, up from 81.7% in 2023 across all sites – a positive development. This improvement reflects a better overall swimming experience for most users, with the exception of adult swimming. The rise in satisfaction also corresponds with an increase in overall swimming attendance.

Everyone Active are gathering more targeted feedback in areas where challenges persist. Key issues raised by customers include programming aspects such as the scheduling of lane swimming sessions, the availability of fast and slow lanes, and the cleanliness of changing rooms. These elements remain essential to the user experience.

Additionally, swimmer behaviour – particularly in relation to lane usage – continues to be a recurring theme, especially among regular fitness swimmers. Everyone Active are exploring ways to address these concerns through clearer guidance, improved signage, and ongoing review of pool management practices.

	2024	2023	2022	2021	2019	2018	2017
0.5.How would you rate the overall swimming experience in the leisure centre?	Very Good to Good	Very Good to Good	Very Good to Good	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied	% very satisfied or fairly satisfied
All Sites	82.4%	81.7%	84.1%	78.2%	80.2%	81.8%	80.8%
FAN	79.7%	81.0%	68.0%	81.7%	81.3%	58.4%	71.6%
GPP	83.4%	84.4%	88.7%	85.0%	73.8%	58.1%	72.1%
HAR	80.9%	76.6%	83.7%	81.7%	80.4%	84.1%	82.9%
LEV	87.5%	86.5%	84.1%	81.8%	81.3%	83.2%	88.3%

2.17 Value for money

The value for money satisfaction score for 2024 stands at 76.7%, a slight decrease from 78.41% in 2023 – a drop of 1.7%. One contributing factor appears to be the increase in the membership promotional price to £39.99 ahead of Hartham Leisure Centre’s relaunch, which was noted in customer feedback and post-user surveys.

Despite this slight dip in satisfaction, the level of dissatisfaction has decreased, falling from 4.15% in 2023 to 3.47% in 2024 – an improvement of 0.67%. Additionally, 19.83% of customers rated their value for money experience as "Average" in 2024.

While pricing is a key factor in how value is perceived, Everyone Active recognise that value for money extends beyond cost alone. They are committed to enhancing the overall member experience through increased social engagement and wellbeing-focused initiatives. This includes member events, community activities, and programmes aimed at helping users stay active and improve their overall health. The goal is to ensure that customers see value not just in the price they pay, but in the broader experience they receive.

	2024	2023	2022	2021	2019	2018	2017
How would you rate the activities at the centre in terms of Value of Money	Very Good to Good	Very Good to Good	Very Good to Good				
All Sites	76.70%	78.41%	77.78%				
FAN	71.83%	70.71%	67.01%				
GPP	75.48%	77.65%	80.97%				
HAR	78.07%	80.47%	74.47%				
LEV	81.71%	80.39%	81.82%				

2.18 Health and safety

There have been no major incidents reported across the contract during 2024.

To assess health and safety performance, Everyone Active use a benchmarking unit based on the number of accidents per 10,000 visits. This approach enables

meaningful comparisons between sites. Everyone Active has set a group-wide threshold of no more than 3 accidents per 10,000 visits.

In 2024, a total of 114 accidents were recorded, with 19 occurring in quarter 4. This marks a reduction from the 163 accidents logged in 2023. Part of this decrease can be attributed to the closure of Ward Freman pool, which accounted for 12 accidents in 2023. However, the most notable improvement stems from a change in how incidents are recorded. First aid cases - such as minor issues like nosebleeds - that are not the result of an actual accident are now logged as first aid provisions rather than accidents.

Despite increased participation levels, the accident rate has decreased significantly. In 2024, the rate fell to 0.64 accidents per 10,000 visits, down from 1.12 in 2023. This continues a positive downward trend observed over the past five years, as shown in the table below.

2024 Accident Analysis											
Contract	Site	Total Site Attendance	Total Accidents	Natural Causes	Sporting Injury	Other type of Injury	No of Customer Accidents	No of SLIPS (Non-Sporting)	No of Contractor Accidents	No of Colleague Accidents	Monthly Accident Rate per 10,000 Visits
East Herts 2024 only	Fanshaw Pool and Gym	115209	20	5	0	13	20	4	0	0	1.7360
	Grange Paddocks	832671	43	7	12	23	39	1	0	3	0.4684
	Hartham Leisure Centre	635972	46	8	8	29	42	3	0	3	0.6604
	Leventhorpe Pool and Gym	65572	5	0	0	5	5	1	0	1	0.7625
	TOTAL	1649424	114	20	20	70	106	9	0	7	0.6426

2.19 Inspections

In addition to company monitoring arrangements, East Herts Council officers carry out a combination of announced and unannounced monthly inspections. These reviews assess service delivery, marketing efforts, health and safety standards, and overall adherence to monitoring procedures. All findings are recorded to support continuous improvement and ensure compliance across sites.

2.20 Utilities

As highlighted in previous reports, utility consumption continues to be a key area of focus for both Everyone Active and the wider leisure industry. Everyone Active are working closely with their energy partner, Consultus, utilising their My Energy monitoring system to track usage patterns by day and time. This allows them to identify trends and pinpoint opportunities for energy-saving improvements.

At Hartham and Grange Paddocks Leisure Centre, building management systems have been installed, enabling more precise control of heating and cooling operations. Everyone Active have introduced small, but impactful adjustments—such as 15-minute changes to start and stop times for heating and cooling plant operations—to optimise energy efficiency without affecting user comfort.

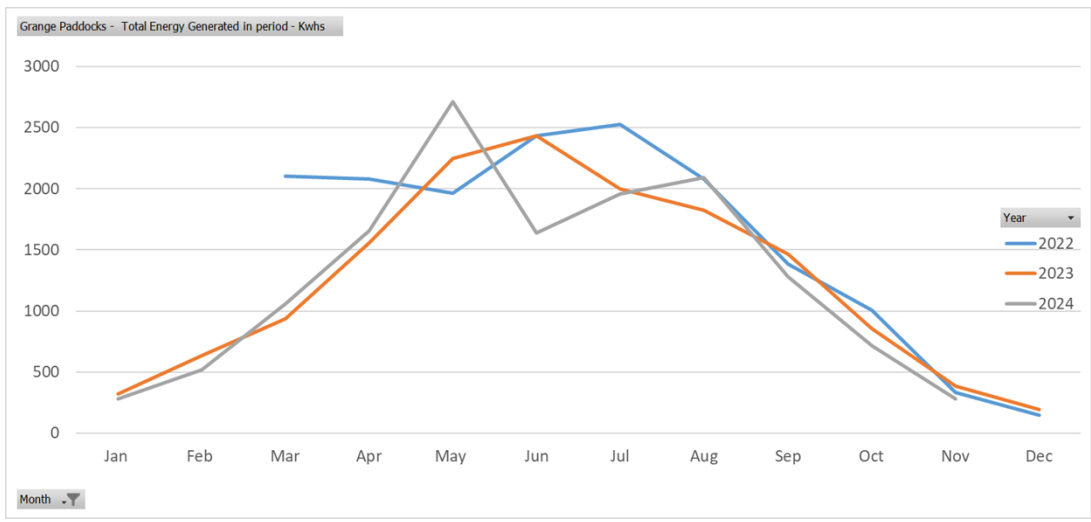
2.21 Renewable energy impact

Both Hartham and Grange Paddocks Leisure Centre benefit from renewable energy systems, including photovoltaic (PV) solar panels. Additionally, Grange Paddocks Leisure Centre is supported by a combined heat and power (CHP) unit, which uses gas to generate electricity and heat, reducing reliance on grid-supplied electricity.

During the first full 12-month cycle of 2024, PV system performance followed expected seasonal trends, with improved energy generation during the summer months in line with increased sunlight hours.

2.22 Grange Paddocks PV usage

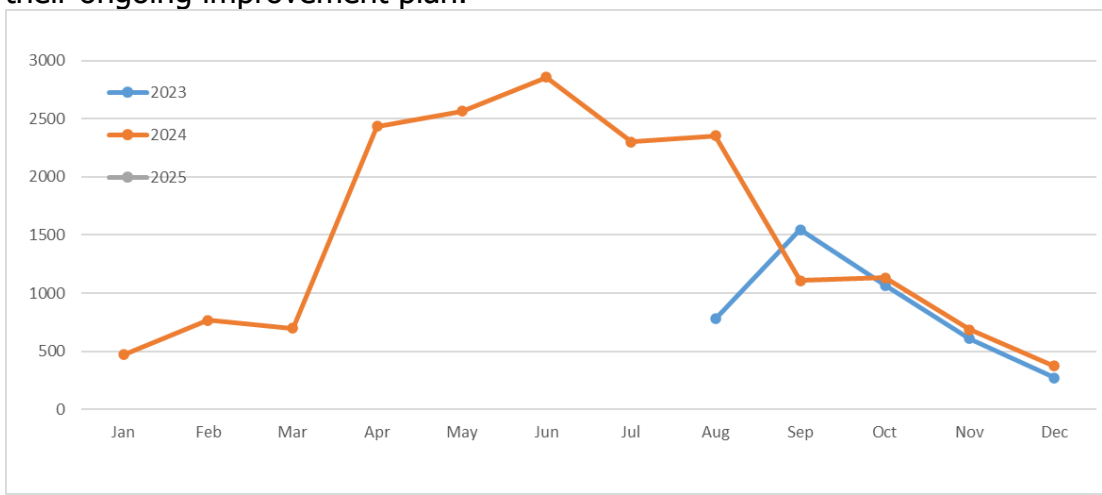
The graph below illustrates year-on-year energy generation from the PV system at Grange Paddocks. Overall, there has been no significant change in output between the 2023 and 2024 periods, indicating a stable performance of the system.



2.23 Hartham PV usage

Over the first full year of operation, the PV system at Hartham has delivered a notable impact, particularly between April and August, where energy generation levels exceeded those at Grange Paddocks Leisure Centre. This reflects strong system performance during peak sunlight months.

Unlike Grange Paddocks Leisure Centre, the current setup at Hartham does not include a user display interface. As a result, Everyone Active are currently unable to report on metrics such as CO₂ savings in the same way. Exploring options to enhance monitoring and reporting capabilities at Hartham Leisure Centre is part of their ongoing improvement plan.



2.24 Energy and environmental action plans

Everyone Active continues to carry out bi-monthly reviews of plant rooms and operational building management systems (BMS) to ensure energy settings remain optimised. These reviews focus on the core fundamentals, including temperature set points and timeclock settings, to ensure systems are operating efficiently and in line with actual usage patterns. Maintaining appropriate set points at the right times is

key to improving energy performance and reducing environmental impact across all sites.

2.25 Energy consumption

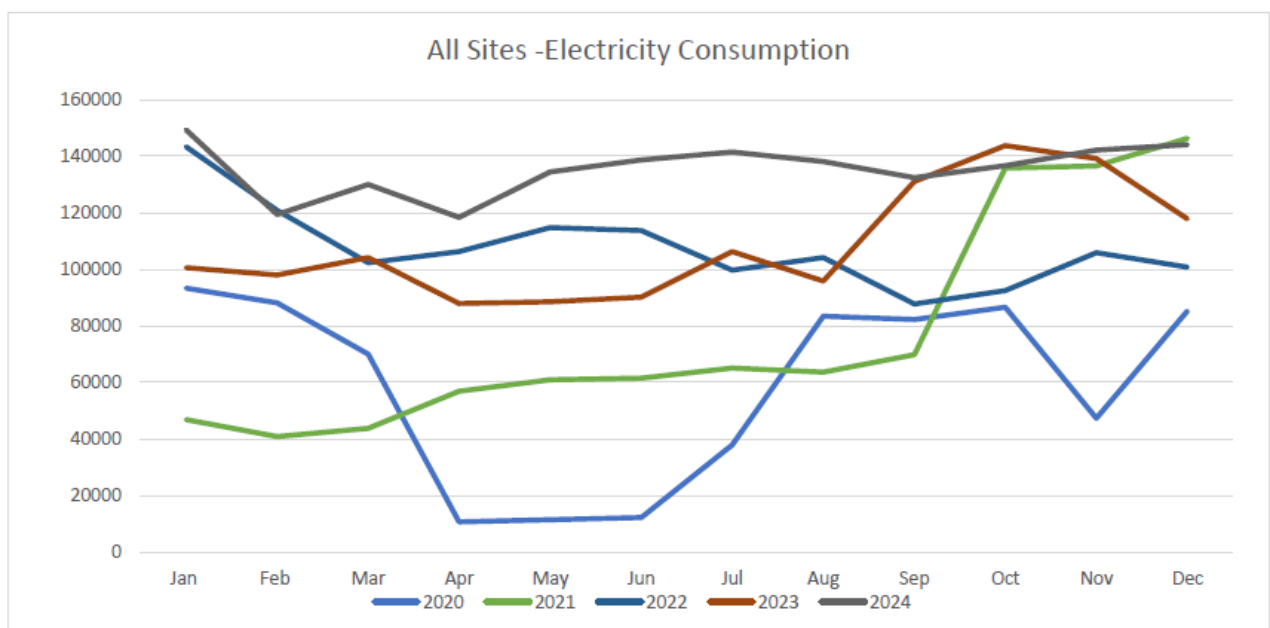
When comparing 2024 to 2023, electricity has increased by 24.71%, equivalent to an additional 322,007 kWh. This rise is largely attributed to two key factors.

Hartham Leisure Centre has undergone a complete transformation in facility size and energy profile. The new section of the building operates using an air source heat pump, which runs solely on electricity. This change has resulted in a 66% year-on-year increase in electricity consumption at Hartham Leisure Centre alone. Everyone Active are actively reviewing this to identify areas where operational efficiencies can be made.

Grange Paddocks Leisure Centre experienced a rise in electricity use during quarter 4 due to operational inconsistencies with the combined heat and power (CHP) unit.

Throughout 2024, Everyone Active have focused on managing key influencing factors within the buildings, including temperature set points and lighting controls. Similarly, the reduced operating hours of the CHP unit at Grange Paddocks Leisure Centre in quarter 4 have impacted overall performance.

To mitigate excess usage, quarterly building walks continue to review temperature settings and timeclock schedules. Small adjustments, such as updating external lighting times to align with seasonal daylight changes, are being implemented to enhance energy efficiency wherever possible.

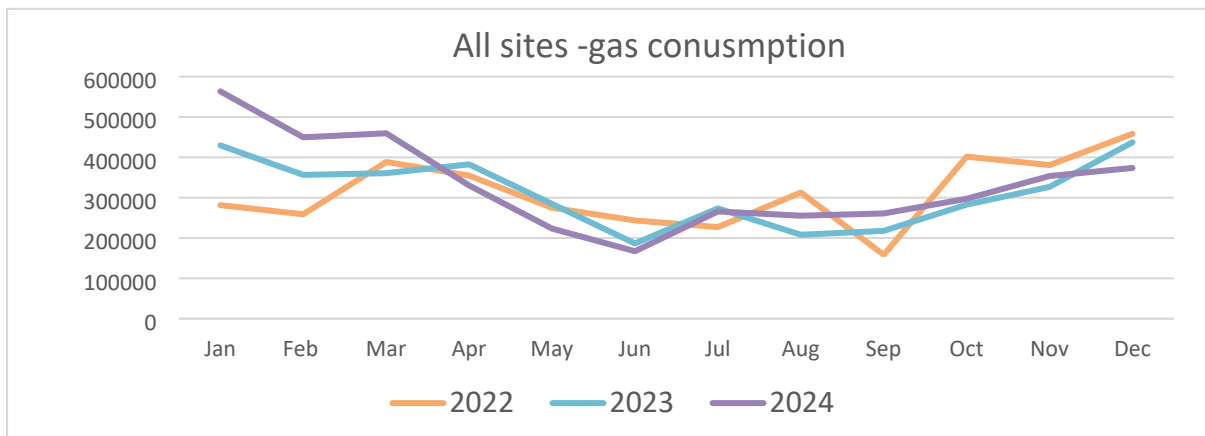


2.26 Gas consumption

As noted earlier, there has been a slight shift in the gas consumption patterns during 2024. Grange Paddocks Leisure Centre continues to operate a combined heat and power (CHP) unit, which relies on gas as a primary energy source—typically a more cost-effective option than electricity.

For the year-to-date period in 2024, overall gas consumption has increased by 6.78%. The consumption profile has varied compared to 2023, with a notable spike in usage during quarter 1, followed by a reversal of that trend between April and July.

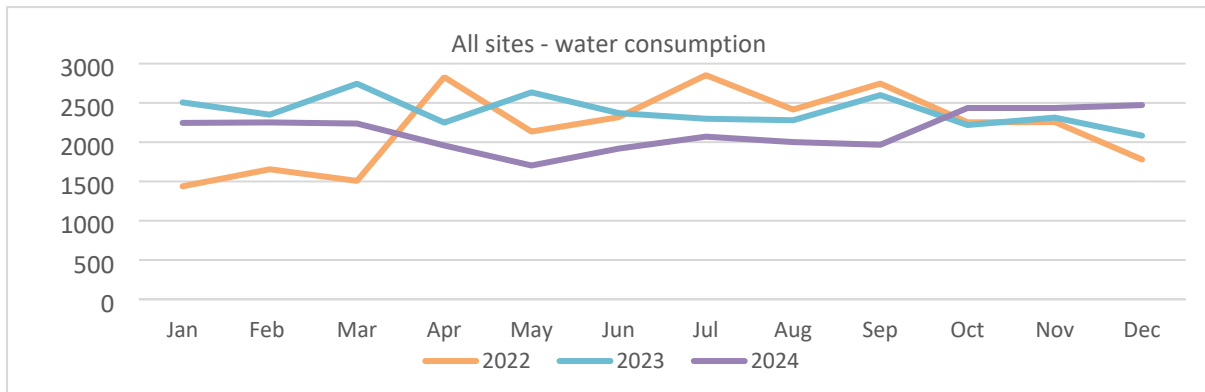
As part of the ongoing review, Everyone Active are examining boiler performance and efficiency during cooler periods to better understand and manage this fluctuation. Identifying opportunities to optimise heating systems during high-demand months remains a key focus in improving the overall energy performance.



2.27 Water consumption

Year-on-year water consumption has shown an overall improvement, with a 10.30% reduction recorded across the 2024 period. However, quarter 4 presented an exception to this trend, with each month in that period showing higher-than-expected consumption compared to the same months in 2023.

Everyone Active are currently reviewing usage patterns during this quarter to better understand the cause of the increase and to identify any operational changes or anomalies that may have contributed. Continued monitoring and targeted action will support further improvements in water efficiency moving forward.



2.28 Recycled waste

Everyone Active analyse the waste management performance from information provided by Veolia management and focus on two key areas: pure recycling and non-designated recycling - with an emphasis on pure recycling. Non-designated recycling refers to recycling that has been sorted from general waste at an external depo.

In 2024, the pure recycling rate was 29.1%, calculated based on actual waste volume rather than averaged figures.

This represents a decrease from 31.5% in 2023, which is a disappointing development. The site team is actively working to reverse this trend and improve recycling performance in the new financial year through targeted initiatives and greater staff and customer engagement. Site managers will collaborate with their teams on site to identify easy wins in a plan to achieve a 40% recycling rate, which is Everyone Active's corporate target.

Implications/consultations

Community Safety

Nothing arising from this report.

Data protection

Nothing arising from this report.

Equality

East Herts Council continue to regularly liaise with Everyone Active regarding accessible gym and physical activity classes and ensure that this is reviewed regularly. Everyone Active committed to removing barriers to allow participation for all. To support this Everyone Active have a National Inclusion & Wellbeing Manager, who supports sites with inclusivity, diversity and belonging.

Environmental sustainability

The Council's operations team continue to work with Everyone Active and other internal teams to reduce carbon emissions where possible. This is a priority workflow, which is ongoing.

Financial

Nothing arising from this report.

Health and Safety

Everyone Active have robust health and safety in place, this is reviewed monthly by Council Officers who are support by the Council's Health and Safety Officer.

Human Resources

Nothing arising from this report.

Human Rights

Nothing arising from this report.

Legal

Nothing arising from this report.

Specific Wards

Nothing arising from this report.

Background papers, appendices, and other relevant material N/A**Contact Member**

Councillor Sarah Hopewell – Executive Member for wellbeing
sarah.hopewell@eastherts.gov.uk

Contact Officer

Sara Saunders
sara.saunders@eastherts.gov.uk

Report Author

Emily Tickridge-Marshall – Leisure & Parks Development Officer
emily.tickridge@eastherts.gov.uk

East Herts Council Report

Leadership Team Meeting

Date of meeting: Tuesday 20 May 2025

Report by: Brian Moldon, Head of Finance S151

Report title: Audit and Governance Committee Work Programme

Ward(s) affected: All

Summary – To present to Audit and Governance Committee the Updated work programme for the year of finance and audit business with a summary, so that Members can see the business that will come before the Committee at each meeting.

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:

- a) Approve the work programme as set out in the report; and
- b) Specify any training requirements.

1.0 Proposal(s)

- 1.1 Audit and Governance Committee's audit functions are:
 - 1.1.1 Approving the Council's statement of accounts.
 - 1.1.2 Consider the effectiveness of the Council's risk management arrangements, the control environment and associated anti-fraud and anti-corruption arrangements.
 - 1.1.3 Seek assurances that action is being taken on risk-related issues identified by auditors and inspectors.
 - 1.1.4 Be satisfied that the Council's assurance statements, including reviewing the Annual Governance Statement against the good governance framework, properly reflect the risk environment and any actions required to improve it.
 - 1.1.5 Approve internal audit's strategy, its plan and monitor its performance.

- 1.1.6 Approve the shared anti-fraud service strategy, its plan and monitor its performance.
 - 1.1.7 Review summary internal audit reports and the main issues arising and seek assurance that action has been taken where necessary.
 - 1.1.8 Receive the annual report of the head of internal audit.
 - 1.1.9 Receive and consider the reports of external audit (including the annual audit letter) and inspection agencies and monitor management action in response to the issues raised.
 - 1.1.10 Ensure that there are effective relationships between external and internal audit, inspection agencies and other relevant bodies and that the value of the audit process is actively promoted.
 - 1.1.11 Review the financial statements, external auditor's opinion and reports to Members, and monitor management action in response to the issues raised by external audit.
 - 1.1.12 Oversight of the Council's commercial projects.
- 1.2 Audit and Governance Committee's finance functions are:
- 1.2.1 Receive budget monitoring reports and risk management reports.
 - 1.2.2 Lead the cross-Member scrutiny and consideration of the Council's draft annual budget and medium-term financial plan.
 - 1.2.3 Scrutinise the Council's Annual Investment Strategy, Annual Capital Strategy, Mid-Year Treasury Management Report and Annual Treasury Management Report and through review gain assurance that systems of governance and control for Treasury Management are effective.
 - 1.2.4 Where appropriate, assisting the Council and the Executive in the development of its budget and policy framework by in-depth analysis of financial, procurement and governance related policy issues.
 - 1.2.5 Where relevant to the audit or finance functions of the Committee, overseeing and scrutinising all Internal, Corporate and Corporate Governance functions of the

Council.

- 1.3 In order to fulfil these functions a series of reports will be brought to Members to provide:
 - 1.3.1 Assurance that the council's financial affairs are being properly managed and that the council is making the best use of resources;
 - 1.3.2 An adequate and effective system of internal audit is operating and that its approved plan is being delivered;
 - 1.3.3 The Council's governance arrangements are adequate;
 - 1.3.4 That key business risks have been identified, evaluated and are being managed;
 - 1.3.5 That key systems and controls are operating effectively giving assurance that the Statement of Accounts is materially correct and can be approved; and
 - 1.3.6 Receive and consider the external auditor's Audit Plan, Audit Results Report and Annual Audit Letter.
- 1.4 Receive copies of Executive budget monitoring reports, for information, so that the final accounts outturn position can be compared to forecasts during the year.
- 1.5 Training for Members of the Committee will be delivered for the first 30 minutes of the Committee meeting and will be related to the business before the Committee.
- 1.6 Members are recommended to review the proposed work programme and suggested training and identify any other training needs they require.

2.0 Work Programme

- 2.1 The Committee will note that outstanding statement of accounts have been shown within the updated work programme.
- 2.2 2023/24 will be utilising Backstop arrangements to progress and help re-set the normal cycle.
- 2.3 2024/25 Statement of Accounts are expected to be completed by the end of June 2025 and Audited by Azets, in line with the 2024/25 arrangements.

2.4 The work programme for the Committee is proposed to be as per Appendix A.

3.0 Reason(s)

3.1 To ensure that Audit and Finance Committee is aware of the work programme and ensure that Members have the opportunity to request any training or briefing around upcoming items.

4.0 Risks

4.1 Risk Management is reported to the Committee regularly.

5.0 Implications/Consultations

Community Safety

No

Data Protection

Data Protection reports and policies will be brought before the Committee as appropriate.

Equalities

No

Environmental Sustainability

No

Financial

No

Health and Safety

No

Human Resources

No

Human Rights

No

Legal

Legal requirements are noted in the report summaries in the table in this report.

Specific Wards

No

6.0 Background papers, appendices and other relevant material

7.1 Appendix A – Updated Work Programme

Contact Officer Brian Moldon, Head of Finance S151

Brian.Moldon@eastherts.gov.uk

Report Author

Brian Moldon, Alison Street, Head of Finance,
Financial Planning Manager

Brian.Moldon@eastherts.gov.uk

Committee	Author	Report Title	Report Summary
Audit & Governance Committee May-25	Michele Aves	Appointment of Vice- Chairman for 2025/26	Members will vote to appoint the Vice Chairman of the Committee
		Training:	Members are invited to nominate a training topic
	Alison Street	Provisional Outturn 2023/24	To present to Audit and Governance Committee the provisional General Fund Revenue and Capital Outturn. The figures remain provisional until the external auditor has completed the audit.
	Brian Moldon	Noting draft Statement of Accounts 2023/24	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.
	Alison Street	Update to the 2024/25 Accounting Policies	To update the Accounting Policies for 2024/25 and subsequent years.
	Lisa Baldock	Social Value Policy – Priority Themes, Outcomes and Measures	To present to Audit and Governance Committee an update to the Social Value Policy Themes, Outcomes and Measures. A sub report of the Procurement Strategy
	Sara Saunders	Leisure Annual Report	To present to Audit & Governance Committee an annual report on leisure so that the Committee can assure Council that the investment in new leisure centres is performing as per the business case and making a return to the council after servicing debt.
	Simon Martin	Annual Assurance Statement and Internal Audit Annual Report	To present to Audit and Governance Committee the Annual Report on Internal Audit Activity for the preceding financial year and the level of assurance on the financial systems. Regulation 6 of The Accounts and Audit Regulations 2015 require the Council, at least once a year, to conduct a review of the effectiveness of its internal audit.
	Tyron Suddes	Data Protection Update	To present to Audit and Governance Committee the progress on data protection policies and practices.
	Brian Moldon	Strategic Risk Register Monitoring Q4 2024/25 and Annual Review of Risk Management Strategy	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 4.
Brian Moldon	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.	

Committee	Author	Report Title	Report Summary
Audit & Governance Committee		Training	Members are invited to nominate a training topic
Sep-25	Alison Street	Provisional Outturn 2024/25	To present to Audit and Governance Committee the provisional General Fund Revenue and Capital Outturn. The figures remain provisional until the external auditor has completed the audit.
	Paul Grady - Azets	Receipt of the Final External Auditor's Audit Results Report 2023/24	In accordance with the Code of Audit Practice (the Code), this report provides a summary of the work the external auditor has carried out during their audit of accounts, the conclusions they have reached and the recommendations they have made to discharge their statutory audit responsibilities to those charged with governance (in this case the Audit and Governance Committee) at the time they are considering the financial statements. In preparing their report, the Code requires them to comply with the requirements of International Standards on Auditing (United Kingdom & Ireland) – ISA (UK&I) - 260 'Communication of Audit Matters to Those Charged With Governance'.
	Paul Grady - Azets	External Audit Planning Report 2024/25	To present to Audit and Governance Committee the external auditor's Audit Planning Report. The Committee receives the report on behalf of the Council.
	Brian Moldon	Note draft Statement of Accounts 2024/25	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.
	Brian Moldon	Approval of the Annual Governance Statement 2024/25	To present to Audit and Governance Committee for approval the Annual Governance Statement for incorporation in the Statement of Accounts. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review, at least once a year, of the effectiveness of its system of internal control and approve an annual governance statement to accompany the statement of accounts.
	Nicola Munro	Treasury Management 2024/25 Outturn Report	To provide Audit and Governance Committee with a copy of the Treasury Management Outturn Report so that they can scrutinise the Report
	Alison Street	Financial Management 2025/26 – Quarter 1 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 1.
	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan 2025/26
	Nick Jennings	Shared Anti-fraud Service Anti-Fraud Plan progress report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan 2025/26.
	Steve Sargent	BEAM Trading Update	To present to Audit & Governance Committee an annual report on BEAM (theatre and cinema in Hertford) so that the Committee can assure Council that the investment in new leisure centres is performing as per the business case and making a return to the council after servicing debt.
	Procurement	Annual Update	
	Brian Moldon	Strategic Risk Register Monitoring Q1 2025/26	To present to Audit and Governance Committee the Strategic Risk Register Monitoring at the end of quarter 1.
	Ben Wood	Assets of Community Value	To present to Audit & Governance Committee the Register of Assets of Community Value annual update report.
	Brian Moldon	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.

Committee	Author	Report Title	Report Summary
Audit & Governance Committ Nov-25		Training: TBD	Members are invited to nominate a training topic
	Jackie Bruce	Annual Infrastructure Funding Statement Report 2024/25	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report 2024/25
	Jackie Bruce	Annual Infrastructure Funding Statement Report Qtr 2 Update 2025/26	To present to Audit and Governance Committee an update on Section 106 contributions and the council's Annual Infrastructure Funding Statement Report Update at Q2 for 2025/26
	Alison Street	Financial Management 2025/26 – Quarter 2 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 2.
	Paul Grady	External Audit Update 2024/25	To present to Audit and Governance Committee the external auditor's Audit Update Report. The Committee receives the report on behalf of the Council.
	Nicola Munro	Treasury Management 2025/26 Mid-Year Review	To provide Audit and Governance Committee with a copy of the Treasury Management Mid-Year Review Report so that they can scrutinise the Report
	Lisa Baldock	Procurement Strategy - Update	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Procurement Strategy for scrutiny.
	Steve Sargent	BEAM Trading Update	To present to Audit & Governance Committee an annual report on BEAM (theatre and cinema in Hertford) so that the Committee can assure Council that the investment in new leisure centres is performing as per the business case and making a return to the council after servicing debt.
	Simon Martin	Shared Internal Audit Service Internal Audit Plan Progress Report	To present to Audit and Governance Committee the Shared Internal Audit Service's progress against the Internal Audit Plan.
	Nick Jennings	Shared Anti-fraud Service Anti-Fraud Plan progress report	To present to Audit and Governance Committee the Shared Anti-Fraud Service's progress against the Anti-Fraud Plan.
Brian Moldon	Audit and Governance Committee Work Programme	To present to Audit and Governance Committee an update on the work programme for the year.	

Committee	Author	Report Title	Report Summary
Audit & Governance Committ Jan-26	Alison Street	Budget Scrutiny - Budget 2026/27 and Medium Term Financial Plan 2026-30	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed General Fund Budget and Medium Term Financial Plan for scrutiny.
	Alison Street	Financial Management 2025/26 – Quarter 3 Forecast to Year End	To provide Audit and Governance Committee with a copy for information of the Executive Report with the forecast position on revenue spending and the capital programme as at the end of quarter 3.
	Paul Grady - Azets	Approval of the Statement of Accounts 2024/25	Regulation 10 (1) of the Accounts and Audit Regulations 2015 requires the Statement of Accounts to be approved by a resolution of a committee of the Council, such approval to take place before 30 September immediately following the end of a year, or as soon as practicable after the conclusion of the audit.
	Alison Street	Update to the 2025/26 Accounting Polices	To update the Accounting Policies for 2025/26 and subsequent years.
	Nicola Munro	Investment Strategy 2026/27 for scrutiny	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Investment Strategy for scrutiny.
	Nicola Munro	Capital Strategy and Minimum Revenue Provision Policy 2026/27 for scrutiny	Executive Member for Financial Sustainability to present to Audit and Governance Committee the Executive's proposed Capital Strategy and Minimum Revenue Provision Policy for scrutiny.
	Nick Jennings	Anti-Fraud Plan 2026/27	To present to Audit and Governance Committee the Shared Anti-Fraud Service Anti-Fraud Plan for the financial year 2026/27.
	Simon Martin	Internal Audit Plan 2026/27	To present to Audit and Governance Committee the Shared Internal Audit Service Audit Plan for the financial year 2026/27.

Statement of Accounts	Date for Publication of Draft SoA	Date for Audited Statement of Accounts	Dates when completed
2023/24	31/05/2024	28/02/2025	Accounts Published on 30/04/25
2024/25	30/06/2025	27/02/2026	
2025/26	30/06/2026	31/01/2027	
2026/27	30/06/2027	30/11/2027	
2027/28	30/06/2028	30/11/2028	