Statement of Accounts 2024/25

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Wealden
District Council

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Narrative Report

1. Wealden as a place



Wealden facts and figures

Wealden is the largest local government district in East Sussex covering 323 square miles and has a population of 160,100[1].

There are an estimated 75,289[2] households within the district.

Half the population live in five main towns: Crowborough, Hailsham, Heathfield, Polegate and Uckfield. The rest live in villages and hamlets in some of the most attractive countryside in the South of England.

With two-thirds of the district covered by the High Weald Area of Outstanding Natural Beauty and the South Downs National Park, as well as 41 conservation areas (33 of which are administered by the Council) and 2,256[3] listed buildings, Wealden has to place a high value on protecting the environment.

Wealden has 8,615 businesses[4], with small and micro businesses forming a fundamental part of the Wealden economy. 91.4.0% of Wealden's businesses employ fewer than 10 people[5].

The largest proportion of business enterprise in the District is construction with a total share of 18.0%[6]

[1] ONS 2021 census
[2] Valuation Office Agency, June 2025
[3] Designated Assets, Protected Areas and the Built Environment, Historic England, data accurate as of November 2024
[4] ONS 2024 UK Business Activity, size and location
[5] ONS 2024 UK Business Activity, size and location
[6] ONS 2024 UK business: activity, size and location

2. Wealden District Council Strategy 2023 - 2027

In May 2023 Wealden residents elected a changed Council. The Alliance for Wealden made a new strategy which underpins a new vison and mission:

Vision: Wealden is a place where people and nature thrive together.

Mission: Wealden District Council is to be an enabling and enterprising council working alongside our communities to create a green, fairer, and kinder district for present and future generations.

The Council Strategy sets out the three areas that will be prioritised to achieve the vision:

- The environment and climate change;
- Community resilience and wellbeing; and
- Local economy.

What will we do?

Prioritised Areas	**How?**
1. The environment and climate change	Protecting our environment and leading the district towards carbon neutrality by: • CE1. Tackling the climate emergency. • CE2. Protecting and enhancing the district's green infrastructure and biodiversity. • CE3. Active travel and sustainable transport. • CE4. Circular no waste economy. • CE5. Renewable energy.
2. Community resilience and wellbeing	Build strong, mutually supporting communities which are actively engaged in their own future, through: • CW1. Community resilience. • CW2. Modern day infrastructure and expanded to accommodate a growing population. • CW3. Affordable homes. • CW4. Listening and community engagement. • CW5. Leisure and cultural services. • CW6. Equality, diversity and inclusion.
3. Local economy	A growing economy which enables people to live well, by: • LE1. Community wealth building. • LE2. Planning. • LE3. Support local retail. • LE4. Support local land-based industries.

Prioritised Areas	How?
	• LE5. Start, scale and invest. • LE6. Rural tourism. • LE7. Sustainable construction and retrofit.

How will we measure ourselves?

Progress against the delivery of the Council Strategy and its objectives is managed and reported on a regular basis. An annual report on performance against the Strategy is reported in June each year. In keeping with our commitment to transparency and accountability, quarterly reports continue to be considered at Cabinet and Overview and Scrutiny committees. These reports include updates against the priority objectives and relevant performance indicators measuring the impact of our activities. These reports and the meetings are publicly available on our website.

3. Year at a glance

Corporate Strategy Goal	What we achieved
The environment and climate change	
Protecting our environment and leading the district towards carbon neutrality	
CE1. Tackle the Climate Emergency We will update our Climate Change Strategy and action plan to deliver change that will lead towards our goal to be a carbon neutral district and ensure that everything we do has the least possible adverse impact on carbon production.	The project for the redevelopment of Streatfeild House, which has progressed throughout the 2024/25 period, completed on the 31st of March 2025 and provides 20 new council homes that are highly energy efficient, obtaining an EPC A certification and are carbon zero ready in occupation. The homes are on average achieving a 94% CO2 emission reduction over Part L1 2021 of the Building Regulations baseline (Target Emission Rate). The homes have been designed and built by taking a fabric first approach. The homes are highly thermally efficient and have high levels of air tightness. There are 18 homes for social rent with tenants to moving in April 2025 and two homes are for sale on a shared ownership basis. The project for the redevelopment of Streatfeild House, which has progressed throughout the 2024/25 period, completed on the 31st of March 2025 and provides 20 new council homes that are highly energy efficient, obtaining an EPC A certification and are carbon zero ready in occupation. The homes are on average achieving a 94% CO2 emission reduction over Part L1 2021 of the Building Regulations baseline (Target Emission Rate). The homes have been designed and built by taking a fabric first approach. The homes are highly thermally efficient and have high levels of air tightness. There are 18 homes for social rent with tenants to moving in April 2025 and two homes are for sale on a shared ownership basis. The climate change team have continued to develop the new climate change strategy and action plan.

Corporate Strategy Goal	What we achieved
	Following the launch of the Climate Green Paper in December at the BIG climate change conversation, an online survey was promoted to local groups, organisations and residents on Let's Talk Wealden. The survey was widely promoted via our social media channels, at local meetings, in e-newsletters and emails out to local organisations. The online consultation closed in February, and the results are currently being analysed with the policy team and will be used to inform the new strategy. In addition to the online survey the team continued to meet with local groups and organisations such as the Wealden Food Partnership and East Sussex Energy Partnership and promote the green paper to local groups and organisations to encourage their input e.g. local catchment partnerships and Blue Heart. The final draft Climate Change Strategy and Action Plan will be presented to Cabinet in July. The solar PV at the crematorium has now been installed with battery storage since March 2024. Officers have worked with the solar energy company to optimise the battery storage to ensure maximum yield from the PV and reduce consumption from the grid. The cremator also underwent a complete re-line of its interior brickwork in June 2024. This allowed the Crematorium to restore the cremator to full effectiveness in terms of retaining heat, enabling us to reduce gas consumption and continue to cremate efficiently. The Sports Park project is currently progressing on site, this development includes large PV arrays, battery storage, EV charging and air source heat pumps. The project is due to be complete in summer 2027. The Brickworks at Farningham Road started on site in March and will provide 8 small employment units in Crowborough which feature solar PV, battery storage and EV chargers for each unit. The units are designed to be well insulated and to work with air source heat pumps (tenant installation). Internal work is progressing on a project to install solar PV car ports in some of our car parks. We are currently assessing the viability of selected car parks and will be submitting a report to Cabinet in due course. Development Management has decided 30 small scale proposals that were solely for or included renewable energy production in the form of solar and air source heat pumps. Across the 2024/25 reporting period, decisions were issued on 99 applications of

Corporate Strategy Goal	What we achieved
	this form, supporting renewable energy production through the planning framework.
CE2. Countryside and Biodiversity We will work with local communities and partners to protect and enhance the district's green infrastructure and biodiversity. We will safeguard local ecosystems and wildlife habitats by restoring nature reserves, wildlife corridors, and enforcing regulations against pollution and habitat destruction providing residents of all ages and abilities the opportunity to enjoy the local countryside for wellbeing and mental health.	Within the site of Streatfeild House is existing woodland that has been protected and enhanced. Nonnative species have been removed, bee friendly planting has taken place, and bird & bat boxes and hedgehog highways have been provided within the development. The Community Orchards project, supported by DEFRA's Coronation Living Heritage Fund, was extended by DEFRA in early March for a year, enabling planting to take place until March 2026. Due to the wet plating season this winter, a number of orchards will now be planted in the winter of 2025. Applicants with a current underspend, will be able to take advantage of the extension by buying more tools for community involvement, education and management of the orchard as well as additional communication materials and signage. In addition, plans are underway to determine local interest in establishing a community orchard network for the district, which the council would initially facilitate. Expressions of interest have been circulated to successful grant recipients about their interest in coming together, with the likely date of a meeting taking place in May. The purpose of the network would be to share skills, knowledge and tools, and support new and emerging community orchards into the future. In the future, plans could include joint celebratory community events across the district. Wilder Ouse, a project with Sussex Wildlife Trust, brings together landowners and community organisations across the Ouse Catchment to deliver nature-based solutions. During the last year a number of events and volunteer days have been held across the catchment and including Wealden to deliver a range of nature-based solutions. These include 22 events, planting of over 5300 trees, 79 leaky dams, 9 ponds restored or created, and 7 scrapes. These projects will help to increase natural (flood) water storage. With the assistance of the Leisure and Wellbeing team, the crematorium was able to continue its partnership with The Conservation Volunteers, offering a weekly Green Gym in the crematorium grounds. The team has: installed bird boxes and insect homes; planted flowers and vegetables; thinned out the woodland areas and removed old tree shelters from the new planted copse areas; planted daffodil bulbs; taken part in the big butterfly count; created dead hedges; trimmed back the boundary hedge around the fields and installed a willow hedge.

Corporate Strategy Goal	What we achieved
	Grounds maintenance at the crematorium has continued to focus on developing biodiversity within the grounds creating diverse habitat to enable a year-round environment for birds, insects and other wildlife. With advice from the High Weald Natural Landscape Partnership, some areas of the grounds were left uncut to allow insects to complete their lifecycles. These areas will be managed on a rotation. The Sports Park development includes improved transport infrastructure linking the development with the Cuckoo Trail. There will be EV charging points and cycle storage. The Farningham road development is located on an established business park and is within a 400m walk of Crowborough train station. The development includes EV chargers and cycle storage. Biodiversity Net Gain (BNG) has begun to grow since its inception last February (for major applications) and April (for non-major applications). By the end of year, we had received a dozen applications from applicant's wanting their biodiversity gain plans approved and some of our major planning applications have had legal agreements signed securing significant gains.
CE3. Active Travel & Sustainable Transport We will work with our county and regional partners to support development of an integrated transport network, prioritising walking, cycling, public transport and electric charging infrastructure.	The recently completed redevelopment of Streatfeild House is in a sustainable town centre location close to services and public transport. The project also includes EV charging points for all homes and a bike store for every home. Electric Vehicle Charging Points Phase 1 the rollout of 7 kw EV chargers has continued with the following sites now being live: • Croft Road, Crowborough, • Luxford Field, Uckfield, • North Road, Pevensey, • Vicarage Lane, Hailsham, • Mill Road, Heathfield, • Lower Road, Forest Row, • The Willows, Alfriston, • Horsefields, East Dean, • South Road, Hailsham.

Corporate Strategy Goal	What we achieved
	Washwell Lane in Wadhurst is due to be connected to the electricity grid and go live in May and will complete the first phase of EV charger installations in the district. Utilisation at these sites has continue to grow and in February we were seeing an average utilisation of 5% across our network, above our contractor's target of 2.9%. Some sites are seeing a utilisation of over 10% and 20% as well. Phase 2, the installation of 50 kw rapid EV chargers, at the following four car park sites has been completed: • The Dene Car Park, Alfriston, • Croft Road, Crowborough, • Mill Road, Heathfield, • Sea Road, Pevensey. These sites will go live in May following the installation of metering, the connection to the electricity grid and commissioning. This will complete the phase 2 programme.
CE4. Circular no waste economy We will develop the foundations of a sustainable circular economy – a system where materials never become waste. We will seek to minimise consumption and therefore reduce amounts sent to energy recovery. We will apply the waste hierarchy; prevent, reduce, reuse, recycle, recover and as a last resort, disposal.	Through the crematorium's membership of the ICCM Metals Recycling Scheme, we have been able to donate £24,100 to local charities to support their hard work. In the past 12 months Heathfield First Responders, East Sussex Wildlife Rescue and Beachy Head Chaplaincy Trust have received donations. Being part of the recycling scheme not only raises much-needed funds for local charities but also reduces the requirement to mine new metals used in medical implants.
CE5. Renewable energy We will increase the proportion of energy generated by carefully located and designed renewable sources in the district, exploring the possibility of community energy projects, and decarbonising existing networks.	The homes at the redevelopment of Streatfeild House have been designed and built taking a fabric first approach. They are very thermally efficient with larger cavities filled with highly efficient insulation and high levels of air tightness. The homes benefit from triple glazing, photo-voltaic panels on the roof to help generate electricity, air source heat pumps and mechanical ventilation & heat recovery units. The homes have all achieved an EPC A energy rating and will be carbon neutral in operation once the electricity grid has been decarbonised. The solar PV at the crematorium have had battery storage since March 2024, producing and storing renewable energy for the whole year at the site. Teams have worked with the solar energy company to optimise the battery storage to ensure maximum yield from the PV and reduce consumption from the grid.

Corporate Strategy Goal	What we achieved
	The installation of solar PV and swimming pool covers has been completed at Hailsham Leisure Centre. This has been funded from Sport England's Swimming Pool Support Fund (£71,237). The project through joint work by the Leisure and Wellbeing, Climate Change and Assets Teams. Both Sports Hub and Farningham Road developments feature solar PV, battery storage and EV charging points. The Sports Hub will also feature air source heat pumps to heat the café and changing areas. As above, under climate change, over 30 small scale proposals that were solely for or included renewable energy production in the form of solar and air source heat pumps. There were 99 applications of this type decided in 2024/25.
Community resilience and wellbeing	
Building strong, mutually supporting communities which are actively engaged in their own future	
CW1. Community resilience We will work alongside communities and partners to help build resilience in our communities through a network of community associations and other community-led networks, with mental and physical health and wellbeing at the heart.	With the assistance of the Leisure and Wellbeing team, the crematorium was able to continue its partnership with The Conservation Volunteers, offering a weekly Green Gym in the crematorium grounds to support physical activity and wellbeing. In Q4, the council awarded a total of £1,107,000 through the Community Grants Programme 2025-2028 to support 25 local organisations deliver community services. The Community Grant budget received additional funds (£91,500) from the general fund and a contribution of £22,500 from the Cost-of-Living reserve in order to achieve the most community benefit and outcomes. The total community grant budget for this year is £384,000. The programme will support and enable partners to deliver services to support Wealden residents and its communities. Further details are published on a dedicated webpage: https://www.wealden.gov.uk/community-and-safety/information-on-grant-funding/community-grants-awarded-in-this-financial-year Thirteen Third Sector organisations continue to receive funding from the current Wealden Community Grant programme in Q4 to deliver services on behalf of the council over the course of 2022-2025. A total of £263,800 is awarded per annum. Awards for Round 2 of the DEFRA funded REPF Wealden Community Infrastructure and Spaces Funding Programme have been awarded. A total of 12 projects have been completed and awarded funds, totalling grants of £42,878.86. This programme has enabled partners to improve the natural environment such as 'greening up' of outside spaces and active travel initiatives. This has also improved local

Corporate Strategy Goal	What we achieved
	resilience against the impacts of climate change, accessing outdoors spaces and encouraging residents to walk and cycle more, as well as funding (capital grants) for investment in capacity building and infrastructure support for local community buildings to improve energy efficiencies and accessibility. For further details on the grants awarded, please go to: https://www.wealden.gov.uk/information-for-businesses/economic-development-and-growth/rural-england-prosperity-fund/community-spaces-projects/ Between April 2024 to March 2025, the Wealden Community Lottery has raised £62,804.40 for good causes and the central fund in total. There are currently 101 good causes are registered on the platform and actively raising funds including sports clubs, charities, community groups and resident associations. More details are located at: https://www.wealdencommunitylottery.co.uk/ Wealden Dementia Action Alliance (WDAA) is continuing to support the local community by raising awareness of dementia and providing support, activities, and signposting residents through local forums. The 'Our Parks' free outdoor exercise sessions are currently available in Polegate, Uckfield, Heathfield and Crowborough. This programme will run until August 2025 as part of funding received from East Sussex Public Health. All are in partnership with the relevant Town and Parish Council. The sessions started in November/December 2023. Over 2,300 participants have attended the sessions. One You East Sussex are running further 'health check' roadshows throughout the district in (April/May/June and Sept/Oct). Feasibility work towards acquiring the Polegate Medical Centre progressed during 2024/25, which has now seen the council successful in submitting a winning bid for the site. Feasibility and progression for the medical centre is ongoing, but this will support medical wellbeing and public health for the surrounding area. Through our allocation of UK Shared Prosperity Funding. we delivered The Community Infrastructure and Spaces Grants programme, which provided grants to not for profit organisations and Town and Parish Councils of between £1,000 to £20,000. Grants were provided to help improve green spaces and community assets and infrastructure support for community groups focusing on energy efficiencies and accessibility improvements. There were 19 grants that were awarded a sum totalling £58,729.

Corporate Strategy Goal	What we achieved
	The Conservation Volunteers ran a green gym and health walks along the Cuckoo Trail in 2024/25, providing opportunities to improve fitness knowledge and general wellbeing. To help foster a connection between our communities and their local environment an Arts outreach programme has been delivered into schools and care homes, based on the Cuckoo Trail. This included the production of a Cuckoo Trail arts workbook and a series of creative workshop sessions delivered by a local artist, where natural materials from the Cuckoo trail were used by children and individuals to create their own artwork based on the trail. This outreach work will continue into next year using our 25/26 UKSPF funding allocation.
CW2. Infrastructure We will work with the relevant providers so that our infrastructure is brought up to modern day standards and expanded to accommodate a growing population. This includes working with partners to improve access to mental and physical primary and secondary healthcare.	The opening of the Wealden Community Sports Hub, scheduled for 2026, alongside meeting health and wellbeing goals, will boost the wider district's sports infrastructure. A meeting with Leisure Utd (operator), Football Foundation and the sports clubs / organisations who have expressed an interest in using the site was held on 9 April. Public consultation has recently been held to help shape the playground and skate park. The Planning Policy Team published the 2023/24 Infrastructure Funding Statement (IFS) at the end of the 2024 calendar year. As part of that decision, it was recommended that the council retain £14.51 million from Community Infrastructure Levy (CIL) receipts collected (in 2023/24) and has earmarked to fund further improvements to health and wellbeing infrastructure and highways infrastructure within the district. A report was taken to Full Council on this matter on 19 February 2025 and was approved. Further CIL money continues to be secured from new development. The amount of CIL received following developments commencing in Q4 was £4,657,626.78 and the total value of liability notices issued out was £30,443,318.90. A total of £12,326,951.59 has been received during the 2024/25 reporting period, which can be used towards future infrastructure delivery in communities. Development Management also won a significant planning appeal within the district relating to new development and foul drainage infrastructure at the site of Old Orchard House in Horam. The decision puts the council in a stronger position to ensure adequate infrastructure in new developments.
CW3. Affordable Homes We will enable provision of truly affordable homes that meet the needs of	During Q4 of 2024/25, 155 new affordable homes were provided in the district, making a total 391 new affordable homes to rent or purchase to date this

Corporate Strategy Goal	What we achieved
our community and are of the highest possible environmental standards as well as investing in energy efficiency measures in our existing council homes.	financial year. Out of these, 52 of the homes have been provided by WDC. That figure includes 18 homes for social rent delivered at the Streatfeild House project now named Coronation Place, Uckfield. Year 1 of the two-year Social Housing Decarbonisation fund wave 2.2 has been completed, using the funding received through DESNZ of £1,472,639. This has delivered retrofit measures to 135 of Wealden's own social housing, bringing those properties to an EPC rating band C. The Home Upgrade Grant (HUG2) completed its 2-year project having delivered £1,098,605 of funding to improve the energy efficiency of 69 low energy rated private homes occupied by low-income families.
CW4. Listening & Community Engagement We will strengthen local democracy and build trust in the council by developing a culture of listening and engagement to enable greater involvement of residents, communities and businesses in decisions on council services and priorities.	The Wealden Disability Involvement Group met in January, and topics discussed included devolution and local government reorganisation, the role of our Customer Contact Centre, as well as the plans for the ground floor redevelopment in our Hailsham offices and how we can mitigate the impact on people, particularly those with disabilities, when attending the offices. We also heard updates and plans for 2025 from the organisations in attendance (East Sussex Vision Support, EMED Group and Healthwatch East Sussex). The Young Person's Network (YPN), made up of young officers within the council, was established in late December. This group aims to enable young officers to connect, build their skills, and expand their professional and social networks. Two in person YPN events were held in Q4. The first was a lunchtime games events held at the offices and was attended by 10 employees. The second was a lunchtime meal in Hailsham which was attended by 10 employees. The members also engage with each other via a Viva Engage community which (as of 10/05/25) has 58 members. The Internal Equalities Group met once in Q4 and at this meeting, members contributed to the new design of some of our Personal Information and Equalities Monitoring questions so that the Inclusion and Diversity Officer, Policy team and Information Governance team can update the procedure and ensure that questions asked during consultations are relevant, necessary and use accessible and up-to-date language. The members also discussed the workspaces and booking system at the office with a colleague from the Assets team. This was a thorough discussion about the potential to improve the workspace environment, such as by re-designing the quiet spaces so they are suitable for those needing to do focused work and those with neurodivergent conditions and how managers could encourage

Corporate Strategy Goal	What we achieved
	employees to come into the office on quieter weekdays. Throughout Q4, the Inclusion and Diversity Officer met with local and national charities to see how we could better support each other's work and involve them and the people they serve in decision making at the council. These included BourneThisWay LGBT+ Parent Support, Business Disability Forum, Centre for Ageing Better, Equality and Diversity UK, Sussex Support Service CIC and Wealden Volunteering. Consultations were run February to April were run on leisure services in Wealden, which received over 900 responses from Wealden residents and organisations. This is part of the review of leisure provision in the district currently to feed into new leisure contract. A consultation has been hosted online with an in person drop in event (Feb/March) on the design of the skate park for the Wealden Community Sports Hub. Another consultation was also launched in March on whether CCTV should be compulsory in taxi's, this is still open until May for comment.
CW5. Leisure and Culture Services We will foster social connection and community cohesion for young people and people of all ages via a long-term plan for leisure and cultural services and facilities, ensuring everyone has access to good quality leisure and cultural opportunities that support physical, social and mental wellbeing.	An internal officer working group has been established for the procurement of a new Leisure Centre contract. Public consultation commenced on 28 February. Work is also progressing to appoint a leisure consultant to assist officers through the process. In October 2024, the £600,000 Sports Infrastructure Fund 2024-2027 was launched. There have been 35 expressions of interest. Two applications totalling almost £30,000 have been awarded and we will shortly be announcing the successful applications. Officers also continue to work with Hailsham Community College to improve their Hockey pitch. Works have now been completed to enhance the lighting and resurface the pitch. An official opening will be held soon. Discussions with partners on the feasibility of building a new 3g pitch at Beacon Academy are currently underway. The Sport Hub project will add to Wealden's commitment to improving leisure and cultural services by providing a state-of-the-art sporting facility to the south of the district. The facilities include 2 x full size 3G pitches, 4 x netball/tennis courts, 2 x padel tennis courts, a playground, a BMX/skate area and a walking track around the hub. As mentioned in CW4, as part of the leisure review, consultations have been used to understand and engage with residents to provide a better view of what is desired in the district.

Corporate Strategy Goal	What we achieved
	A series of Street Theatre town centre events were delivered in the main towns in Wealden including Polegate, Crowborough, Hailsham, Heathfield and Uckfield. The events aim to bring footfall into the town centre, increase dwell time and increase spend whilst offering a diverse cultural experience to our residents and visitors. Journeys Dance Festival took place in September 2024 in Uckfield, a weekend long festival including Newhaven and Bexhill. The free outdoor festival gave dance performances and workshops to all ages. These events were funded through the council's allocation of UKSPF and Arts Council England funding. Through our allocation of UK Shared Prosperity Funding, the council have invested in public realm improvements along the Cuckoo trail, these have included the installation of a green gym, improvements to picnic areas, new signage and wayfinding along the trail and landscaping works at Horam Hub discussed railway station. Work on the trail will continue next year with further improvements along the trail.
CW6. Equality, diversity and inclusion We will embed equality, diversity and inclusion as a priority across the Council and the district with targeted support for those who experience the most disadvantage in our communities.	As mentioned in CW3 the delivery of 391 new affordable homes to rent or purchase to date this financial year, including social rent, supports those struggling with housing affordability issues and supports the prevention of homelessness cases. In January, the OD Business Partner and Inclusion and Diversity Officer presented some of the data from the work Watch This Sp_ce did with employees throughout 2024 on how inclusive Wealden District Council is as an employer. Third Tier Managers discussed some key themes within the data and what their role is in ensuring employees feel included and supported at Wealden District Council. Our Gender Pay Gap report was submitted to the Government in Q4. Details of this are available on the Wealden District Council gender pay gap report for 2024-25 reporting year and a discussion of our Gender Pay Gap, as well as the Disability and Ethnicity Pay Gaps, are outlined in the review of the council's pay policy for 2025/26. Furthermore, the Inclusion and Diversity Officer worked with employees who are carers and ECG representatives to develop a dedicated 'Carers Champion' page on the HR Hub. This page is for employees with caring responsibilities to seek peer support and find out what resources are available to them. This activity is part of our application to become accredited by Care for the Carers as a Carer Friendly

Corporate Strategy Goal	What we achieved
	Employer which we hope to achieve within Q1 2025-26. In addition, a dedicated page on the HR Hub was created in Q4 to link all our internal Network Groups (such as Climate Champions and Menopause Matters Group) to help employees find communities based on their passions. In March, a Reasonable Adjustments Policy for employees was published, which has been supported by Business Disability Forum, ECG and employees who receive reasonable adjustments. The policy is evidence of our commitment to equality of opportunity and aims to empower employees to work in a way that supports them to perform at their best and, as far as reasonably possible, not be subjected to any workplace disadvantages. While it is a legal requirement to provide reasonable adjustments for employees with a disability or long-term health condition, the policy extends the right to request reasonable adjustments to employees with caring responsibilities and employees who require some additional support for their wellbeing or to manage workplace stress. The council also celebrated Neurodiversity Celebration Week from 17th to 23rd March where we signposted employees to resources to improve their knowledge of neurodivergent conditions, we promoted resources available to employees to support them in the workplace with neurodivergent conditions, we spotlighted some celebrities with neurodivergent conditions, and we promoted some local charities. Devolution and Local Government Reorganisation has been a common topic amongst employees in Q4 and in response to this, the OD Business Partner published a 'Leading Through Change' toolkit in March. The purpose of this toolkit is to signpost employees to resources so they can empower themselves through change and to provide managers with additional guidance on their role through periods of change.
Local Economy	
A growing economy which enables people to live well	
LE1. Community wealth building We will adopt the principles of community wealth building to enable growth by keeping wealth in the district; maximise the Council's local procurement and encourage breadth and strength in our economy so people can work near where they live.	The crematorium focuses on using local businesses where possible. This includes the installation of a Living Wall, which was built by a Brighton-based business. Three beautiful and unique wooden benches were commissioned from a local artist for the gardens of remembrance instead of using a nationwide bench company. Curtain repair and maintenance work in the ceremony hall is carried out by a company in Hailsham. The local golf clubs, pubs and other wake venues continue to benefit from business generated by the funerals taking place at Wealden.

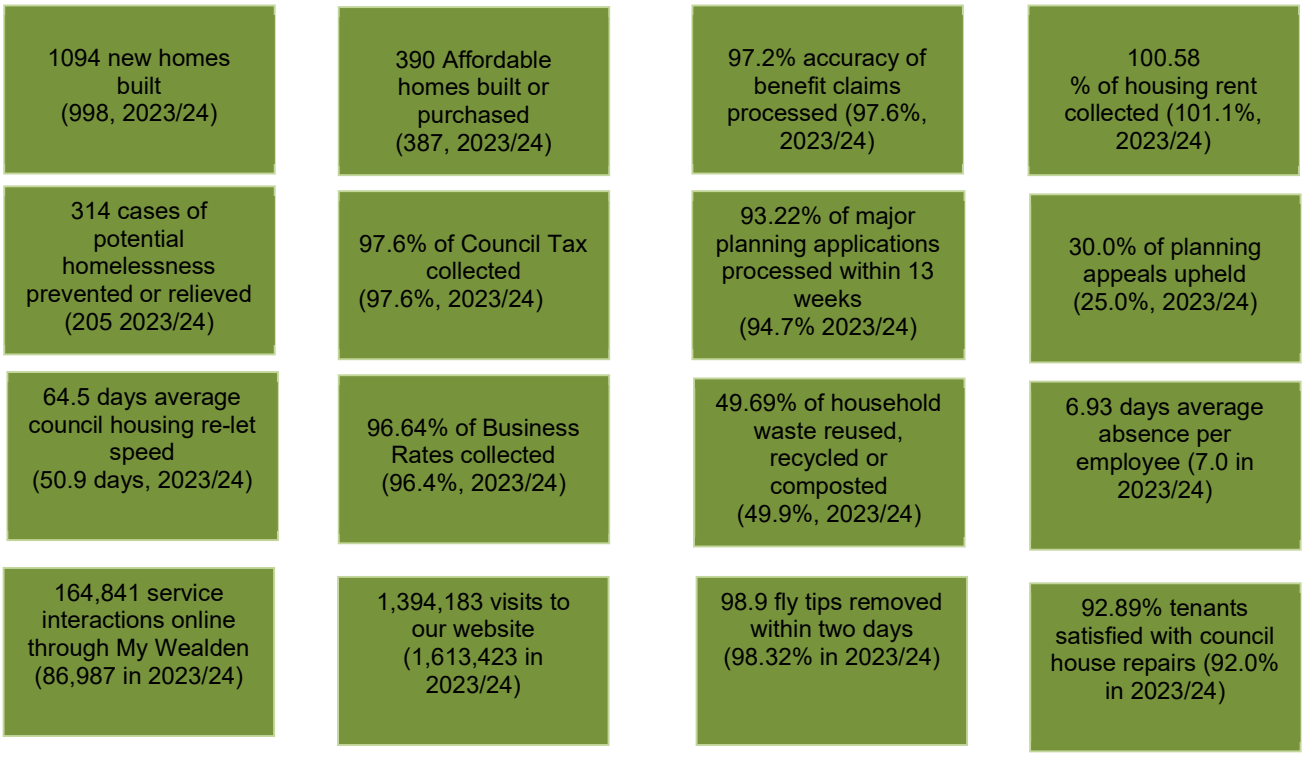
Corporate Strategy Goal	What we achieved
LE2. Planning Working within the constraints imposed by national rules, we will carry out extensive engagement and consultation on and ultimately adopt a new Wealden District Local Plan that incorporates modern policies and strategies which support the priorities set out in this strategy. We will lobby government to change the planning system, recognising the concerns of our community.	In terms of the emerging Wealden Local Plan, the publication of the proposed NPPF reforms on 12 December 2024 has meant that many local planning authorities across the region started to take stock and review their timelines for their respective Local Plans. As part of the publication of the NPPF reforms, the government also published a letter to state that all local planning authorities should continue to produce their Local Plans and also set out a timetable for their new Local Plan (known as a Local Development Scheme (LDS)) within 12 weeks of the NPPF publication. The Planning Policy Team has summarised the 12,200 comments made on the Regulation 18 draft Local Plan that was consulted upon between March and May 2024 and has worked to identify the main issues raised through the consultation. A report setting out these main issues was presented to the Local Plan Sub Committee on 5 March 2025. In addition to the aforementioned report, the Council set out it's LDS at that same Local Plan Sub Committee for the 2025-2028 period. This confirms that the Council will carry out a second Regulation 18 Local Plan consultation on its spatial strategy and site allocations specifically (amongst other related matters) in Q3 of 2025/2026. It also then anticipated in the LDS that a Regulation 19 stage will happen in Q1 of 2026/27, with the submission of the Local Plan to the Planning Inspectorate expected in Q2 of 2026/27. The adoption of new Local Plan is expected in Q1 of 2027/28. The Planning Policy Team is now working on procuring new evidence bases (or updates to existing evidence base documents) to support the emerging Local Plan moving forward. The Council did apply for and receive approximately £230,000 from the Ministry of Housing, Communities and Local Government (MHCLG) to assist with the costs incurred through changes to the NPPF. For Neighbourhood Planning, the Planning Policy Team has been meeting with a number of Parish/Town Councils who are seeking to draft/update their Neighbourhood Plans that includes Fletching, Uckfield (new), Hailsham, Hellingly and Herstmonceux (updates). At this stage, the Neighbourhood Plans have yet to reach the Regulation 14 stage, but it is expected that some will reach this stage over the forthcoming financial year. It was highlighted in the Q2 performance report that the council published a new Housing Land Supply (HLS) Position Statement in September 2024 based on the 1 April 2024 and this confirmed at that time the

Corporate Strategy Goal	What we achieved
	council had a 4.45 years supply, although there was caveat that further reform to the 'standard method' in the NPPF for calculating housing need would necessitate a review of the HLS statement. Officers have drafted a revision to the HLS statement following the publication of the NPPF in December 2024 and based on these national planning changes, the new HLS figure as of 1 April 2024 is 3.68 years. The new HLS Position Statement was published in February 2025. The council will look to update its HLS Position Statement once more in June 2025, with a new base date of 1 April 2025.
LE3. Support local retail We will help town and village shopping areas to adapt to changes in retail habits so that they continue to be places which people want to visit, and businesses can prosper and grow.	Support was provided by our Economic Development team to our towns, delivering Christmas events such as late-night shopping or Christmas lights on events. A series of Street Theatre town centre events were delivered in the main towns in Wealden including Polegate, Crowborough, Hailsham, Heathfield and Uckfield. The events aim to bring footfall into the town centre, increase dwell time and increase spend whilst offering a diverse cultural experience to our residents and visitors. Journeys Dance Festival took place in September 2024 in Uckfield, a weekend long festival including Newhaven and Bexhill. The free outdoor festival gave dance performances and workshops to all ages. These events were funded through the council's allocation of UKSPF and Arts Council England funding.
LE4. Support Local Land Based Industries We will support Wealden's longstanding land-based industries by creating programmes to connect local consumers and producers and encourage consumption of locally produced food and drink.	The Explore Wealden Wine Trail was launched in June 2024 during English Wine Week. The trail includes 12 of our vineyards who are promoted on the online trail with built in itinerary planner, along with a wine trail map which has been printed on cork and is displayed at participating vineyards. A virtual wine tasting was held on the 20th June 2024 with wine expert Oz Clarke, which showcased some of our vineyard's wines and provided an insight into the wine making process. Over 80 people attended with a mixture of both consumer and trade customers.
LE5. Start, Scale & Invest We will champion existing local businesses, supporting small businesses to start up and grow. Promote Wealden to attract investment in key infrastructure and high-quality jobs with a focus on environmental technologies (making a rapid transition to the low carbon economy of the future).	The Farningham Road development units are of a size that suits smaller businesses. The council has planned the development to meet the needs of new and growing businesses and new units in this area will help keep local businesses in the area, providing them with new state of the art units to occupy. Through the council's Shared Prosperity Funding. the council have funded the following business support programmes, Big Ambitions and Ready to Grow are both programmes delivered in partnership with ESCC

Corporate Strategy Goal	What we achieved
	and the other District and Borough Council's in East Sussex: Big Ambitions – a programme for businesses who are looking for specialist support to grow and received up to 12 hours of support. 44 businesses in Wealden were supported through this project which will run until the end of March 2025. Ready to Grow – a programme for new start-up businesses – Wealden's cohort of businesses completed their programme in January 2025 and received ongoing support until the year end Net Zero workshops and support – working with the University of Brighton's Clean Growth UK team we have delivered a series of workshops, bespoke advice and networking opportunities for SMEs in Wealden, delivering Net Zero business support. Working with Rother District Council and East Sussex County Council we delivered the Wealden and Rother Rural Business Grants Programme from 2023 – 2025. The grants programme provided capital grants to rural businesses of between £2,500 to £35,000 which were matched by the businesses. Eligible projects included farm diversification outside of agriculture, property adaptions, creation and expansion of rural leisure and tourism businesses, equipment, machinery and commercial vehicles. Grants of over £15,000 required the creation of jobs and all applications needed to demonstrate business growth and increased productivity. The programme has supported 30 businesses with grants totalling £548,932 delivering total project costs of over £1million within the district. In total, 42 full time equivalent jobs have been created and 20 jobs safeguarded. Furthermore, 19 businesses have introduced a new technology or process into their operations and a further 19 have delivered projects supporting net zero/low carbon outputs.
LE6. Rural Tourism We will support rural diversification, knowledge-based, land based, food production, craft and creative industries and help our local visitor economy to adapt to a net zero future, and to encourage eco-tourism and increased local spend.	The Rural Business Grants Programme, also seem under LE5, supported a number of rural tourism businesses to diversify and expand their offer. This included: • Purchase of shepherds huts and glamping pods to expand visitor accommodation offer • Equipment for the development and expansion of a wedding venue • Purchase of e-bikes at a vineyard to expand t their offer to visitors (both day and staying) to explore the estate and local area • Creation of holiday lodges • Installation of solar panels to a holiday cottage • Equipment for a rural outdoor activity centre used by visitors and schools Through our Net Zero business support programme, working with the University of Brighton's Clean Growth UK team we have delivered a series of workshops,

Corporate Strategy Goal	What we achieved
	bespoke advice and networking opportunities for SMEs in Wealden. A proportion of the workshops delivered were specifically for our tourism and hospitality businesses.
LE7. Sustainable Construction and Retrofit We will work with partners to invest in skills and capacity in the local economy so that existing and new public and private buildings across the district can become low carbon, well insulated and energy efficient, existing buildings are retained and establish Wealden as a leader in the green economy.	At the redevelopment of Streatfeild House, the contractor Trinity Homes has built sustainable residential properties previously but not to the level of Streatfeild House. By building these homes the contractor, and their subcontractors are developing additional skills, knowledge and experience. A housing retrofit strategy for East Sussex officers have been taking part in co-design workshops facilitated by ESCC, the National Retrofit Hub and Local Partnership's to support the development of a retrofit strategy for East Sussex. The purpose of the workshops is to ensure all relevant stakeholders are involved and their expertise and knowledge is used to create a shared understanding of retrofit that is reflected in the strategy. Two workshops have taken place so far with the final one expected by June /July time. Both the Sports Hub and Farningham Road developments feature elements of modern methods of construction, sustainable elements (PV, EV, Air source heat pumps) and high levels of insulation.

How does the Council decide where to use our resources?



About the Council

The Council is composed of 45 councillors who meet to decide the Council's overall policies and set the revenue budget and capital programme each year. The Full Council meeting is also the main setting for holding the Cabinet to account, providing an opportunity for Cabinet members to be questioned by councillors or, indeed, members of the public. This accountability is part of the Council's wider governance framework which is reported on annually in an Annual Governance Statement (this statement forms part of the Council's Statement of Accounts).

The Cabinet is made up of the leader, deputy leader and 5 other councillors each with a portfolio of responsibilities and is responsible for most day-to-day decisions. The Cabinet has to make decisions which are in line with the Council's overall policies and budget because whilst the budget and many plans and strategies will be proposed by the Cabinet, Full Council decides whether to accept or amend these proposals or indeed replace them completely.

Information from various sources is considered when making those proposals including results from consultations with service users, stakeholders and the general public, needs assessments, national priorities and initiatives and the outcomes identified in the corporate plan. These outcomes underpin the allocation of resources and the activity undertaken by the Council.

6. The Council's Finances

Core Funding

In common with the rest of local government, the Council has seen a steady reduction in its core funding in recent years. The government's aim is to phase out non-specific grant funding altogether, instead allowing local authorities to retain a higher proportion of business rates collected locally. The introduction of the new business rates scheme has been delayed, and we continue to await final details of the proposed scheme.

For 2024/25 the Council continued to be the lead authority for the East Sussex Business Rates Pool, which also consists of East Sussex County Council, East Sussex Fire Authority, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council. This pooling of the business rates income from growth across the area ensures that all the authorities in the pool benefit from economic growth across the whole area and benefit financially through retaining more business rates locally.

Addressing future challenges

At a national level, a General Election was held on 4th July 2024, resulting in a change in government, providing more uncertainty for local government in terms of future funding settlements.

The delay to the Fairer Funding Review has meant greater uncertainty about the shape of any long-term sustainable settlement for local authorities. At a local level, the potential impact the economic downturn and cost of living crisis will have on the collection of business rates and council tax respectively has yet to be fully assessed. There is a risk that the extension of Local Council Tax Reduction Schemes discounts will see reductions in the collection of Council Tax.

The Council's MTFS 2024/25 to 2028/29 indicates that in addition to reductions in government funding, the Council also expects to see increasing demand for services over the next five years. The MTFS has been set within the context that the Fair Funding Review (''FFR'') and Business Rates Retention (''BRR'') will be implemented along with anticipated changes to new homes bonus and more general economic changes brought about by pay and general inflationary pressures.

The Council continues to pursue creative new initiatives such as new income generation opportunities to offset the reductions in government funding, maintain value services and become a self-financing council. An initiative to contribute towards the self-financing objective was the Council setting up Sussex Weald Homes Limited (SWH), a 100% owned subsidiary to build properties that will be rented or sold to the Council and privately, and the acquisition of commercial properties. To balance the budget there will be a continuing need for service transformation, efficiencies and other savings initiatives for the foreseeable future.

2024/25 Council tax and revenue spending

Wealden set the Council Tax at £214.72 for a Band D property in 2024/25 (£208.49 in 2023/24).

A net revenue budget of £14.703 million was approved by Full Council in February 2024 with allocation of budgets shown in the table below

Description	Budget £'000
Members	419
Chief Executives Directorate	5,081

Community	13,296
Place	5,151
Governance & Corporate Services	1,857
Central Costs	95
Funding of capital programme from revenue	23,047
Drainage Levies	95
Minimum Revenue Provision	318
Charge to Housing Revenue Account for support services	(1,310)
Interest (net)	(4,003)
Business rates (retained locally)	(8,059)
Community Infrastructure Levy (CIL) - to fund Capital Programme	(9,703)
Government Grants	(3,331)
Contribution to/ (from) reserves	(8,250)
Net Budget Requirement	**14,703**

Our robust financial management and reporting processes include:

- Quarterly monitoring reports to senior officers and elected members, and
- Regular meeting between finance and budget holders to highlight potential spending pressures or underspends so they can be tackled at an earlier stage.

Reserves and balances

Councils and other organisations need financial reserves to respond to unforeseen circumstances, these can be used to support the budget, or to take advantage of any opportunities that arise such as providing invest to save opportunities or council funding in order to lever in external grants. Whilst many reserves are general reserves and can be used to support our overall financial position, others are known as earmarked reserves which cannot be used for general purposes.

Due to the Council's careful financial management over the previous years, general fund reserves as at 31 March 2025 are £7.300 million (£6.500 million as at 31 March 2024). Over the period of the medium-term financial strategy 2025/26 to 2029/30 reserves are planned to be maintained at approximately £5 million - £8 million.

Pension liabilities

The Council had net pension liability of £2.686 million (£2.901 million net liability in 2023/24), which means that the amount of current and ex-employee pension payments earned at the year-end does not exceed the amounts paid into pension fund by employees, the Council, and through investing these amounts.

The Council does not operate its own Pension Fund but is part of the East Sussex Local Government Pension Scheme which is administered by East Sussex County Council. Full details of the Pension Scheme and its accounts are available on-line at www.eastsussex.gov.uk.

Housing revenue account

The Council owns over 3,000 homes generating rental income of over £17.92 million in the year (£15.98 million in 2023/24). This income is held in a ring-fenced account (the Housing Revenue Account or HRA) which can only be used for social housing purposes. The Council is planning to spend over £53 million in the next five years to increase and improve its social housing stock.

Provisions and contingencies

Wealden has made an appeals provision for business rate income. At the 31st March 2025 a provision of £0.943 million provision has been made for repayment of outstanding business rates appeals (£1.012 million in at 31 March 2023). The provision for legal costs relating to planning appeals has reduced to £0.001 million at 31st March 2025 (£0.009 million at 31st March 2024).

Other commitments and contingencies outstanding at 31 March 2025 include £16.729 million in respect of contractual obligations for capital projects scheduled from next year.

Group accounts

Group accounts provide an overview of organisations subject to Council control and/ or significant influence. From 2019/20 the Council consolidated Sussex Weald Homes Limited to produce group accounts. The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder.

Capital Expenditure

The Council has a five-year capital investment programme from 2025/26 totalling £120 million (including £53 million for the HRA), which will deliver:

- New units of affordable housing;
- Maintaining social housing to a decent standard;
- Disabled adaptations required in homes;
- Infrastructure investment to ensure the continued success of Wealden District as a business, leisure and heritage destination;
- Further investment in Sussex Weald Homes Limited, information technology and refuse & recycling;
- Improved community and leisure facilities; and
- A Decarbonisation Programme.

This expenditure is financed from a combination of capital receipts, grant funding and the Council's own financial resources. The table below shows how capital expenditure was funded in 2024/25:

Capital expenditure	£m	Financed by	£m
General Fund	20.596	Capital receipts	(4.221)
Housing Revenue Account	22.565	Major repairs reserve	(4.436)
		Grants and contributions	(12.736)
		Borrowing	(15.990)
		Council resources	(5.778)
Total	**43.161**		**(43.161)**

Borrowing

The Council borrows money to fund capital expenditure to improve the services provided to its residents and visitors. Before the Council borrows it ensures that it can afford to repay back the money plus interest over the period of the loan. The Council's external borrowing at 31 March 2025 was £52.706 million (£44.363 million 31 March 2024), of which, all relates to the Housing Revenue Account.

7. Who works for the Council

Wealden employs approximately 451 staff in full-time and part-time positions. This workforce reflects the diversity of the residents of the District.

The number of people the Council employees is at an increased level to the previous financial year, and the overall numbers have shown an upward trend over the last five years. Key actions for the 2024/25 financial year are that we have:

- Recruited to a number of vacant posts in key service areas such as Housing, Planning, Development Management and Legal;
- Restructured our Economic Development, Leisure and Wellbeing team to support career development and progression; and;
- Invested in creating more apprenticeships, with one intake of apprentice cohorts during 2024/25, in line with our ambition of growing our own staff as part of our succession planning.

Since April 2017, the Council has paid an apprenticeship levy at 0.5% of the Council's total pay bill. This money is used to pay for apprenticeship training and to implement an approved apprenticeship standard for both new recruits and existing employees, with an increased uptake of existing employees choosing to undertake apprenticeship training over the past year and other professional qualification training, in order to advance their professional skills and knowledge.

This wider scope allows the Council to focus on areas of skill shortage and future skills growth areas, as well as mitigate risks in services where a number of specialists may soon be reaching retirement age. Internal apprenticeships will be a key enabler of our investment in existing staff and early talent development, alongside existing various service specific training modules including leadership and management development.

Staff turnover was 8.2% in 2024/25, compared to 9.2% in 2023/24, so has seen a further decrease since the impact of Covid has settled. The Council continues to see a steady number of staff choosing to take early retirement, which is helping to enable the slightly higher intake of early talent numbers to ensure that Wealden District Council is continuing to retain a diverse, multi-skilled and inclusive workforce that will meet the Council's future needs.

8. Strategic risks for up-coming year

The Council is committed to good corporate governance. Effective risk management is an integral part of the Council's control environment and demonstrates effective use of resources and sound governance. The Council's Risk Management Policy and Framework (the "Framework") was approved by Cabinet in October 2023. The Framework sets out the Council's commitment, objectives and approach to risk management, as well as establishing the responsibilities for risk management across the organisation. The Council's Corporate Risk Register has recently been updated (March 2025) in accordance with the Framework, and this is set out below:

Risk	Consequences	Mitigations/controls in place
Financial • Inadequate management of finances. • Reduction in Government support. • Failure to achieve savings or generate income. • Impact of insufficient tax revenue raised through Council Tax increases. • Increased costs of temporary accommodation. • Pressures on the Housing Revenue Account	• Reduction in provision of discretionary services. • Inability to deliver on the Council Strategy. • Weakened ability to service demand (e.g. homelessness). • Poor performance against targets and community expectations. • Failure to meet statutory duties with potential for legal action or Local Government Ombudsman findings of maladministration. • Staff redundancies. • Potential for Government exercising statutory powers to intervene, such as Best Value Notices. • Reputational damage. • Failure to meet Health and Safety and compliance standards, resulting in risks to our tenants; failure to deliver a repairs service; Regulatory Judgement by the Social Housing Regulator, C3 or C4 judgement. failure to maintain and improve our housing stock and meet Decent Homes standard; failure to meet retrofit aspirations to achieve SAP C by 2030 (or sooner).	• Statutory role of Section 151 Officer. • Constitution including Financial Procedure Rules. • Medium Term Financial Strategy. • Treasury Management Strategy. • Finance and risk reporting and auditing. • Operation of Audit Finance & Governance: specific responsibilities in relation to audit, finance and governance. To include reviews of finance functions, internal/external audit functions, Corporate Risk Register. • Internal and External Annual Audits. • Star Chamber process for savings/ income generation delivery. • Balances held on risk assessment basis to cushion impact over short term (max 2 years) • Modelling of impact of grant settlement scenarios and function and funding changes. • Use of external advisors • Commercial thinking training and prioritisation of income generation. • Considering emergency repairs only. Only programmed improvements will be undertaken (i.e. no in-

Risk	Consequences	Mitigations/controls in place
		year additions to the programme).
Political • National Lack of clarity in terms of national political direction causes a risk of decision inertia and delays. • Local Lack of political consensus leading to the risk of and inability to make difficult priority decisions/decision inertia. • Publication of the English Devolution White Paper (December 2024)	• Lack of clarity in policy direction impacting on ability of Council to effectively deliver services. • Greater uncertainty in member decision-making Increased costs, reputational damage, and reduction of political equity. • Disengagement of/dissatisfaction of residents, businesses and community groups. • Inability to influence partner activities which impact on quality of life for residents. • Delays in delivering objectives under the Council Strategy resulting in higher costs of delivery • Poor performance against targets and community expectations. • Economic impacts. • The Government's plans for devolution and reorganisation of local government, which would (inter alia) replace the current two-tier (county/district & borough) system in favour of larger unitary authorities	• Close working with government bodies to understand anticipate policy direction • Council Strategy and associated review of service plans and linked strategies. • Community power programme to shape council services through community voice. • Development of a Local Plan. • Closer working with Local Resilience Forum. • Engaged with Local Authority bodies representing and lobbying Government. • Ongoing horizon scanning including understanding information from Local Government Association, Chartered Institute of Public Finance and Accountancy and other local government sources • Report format includes relevant key considerations on factors such as legal, financial, resources and options assessment
Planning • Lack of Local Plan and/or lack of 5-year housing supply or poor Housing Delivery Test result. • Potential for Judicial Review challenge through the development of Local Plan. • Challenges to local decision making (legal or appeals). • Changes in Government policy or guidance with little or no notice or consultation.	• Financial, reputational, risk of Government intervention, staff resources, impact on place. • Planning becomes developer led rather than planning policy led through 5-year land supply test. • Finance implications resulting from required additional work.	• Regular member training, including mandatory elements. • Training and mentoring programme to train staff to provide robust advice. • Housing action plan in place to ensure consents are converted to delivery of homes. • Committee chair and whole committee briefings undertaken as standard.

Risk	Consequences	Mitigations/controls in place
• Uncertainty over potential changes to Community Infrastructure Levy (CIL)/Infrastructure Levy consultation vis-a-vis the forthcoming programmed review of CIL in line with development of new Local Plan. • Uncertainty around the 'higher bar' for Local Plans given NPPF changes and how difficult decisions will need to be made regarding further sites in the LP or potential decision inertia.	• Additional costs resulting from planning appeals and possible judicial reviews. • Reputational damage. • Loss of affordable housing and community infrastructure levy benefits. • Failure to meet 5-year Housing Land Supply requirements following through into Housing Delivery Test.	• All planning reports go through two stage sign-off to provide quality assurance. • Review programmes in place to learn lessons from appeals and legal challenges, for both staff and members. • Critical friend process being undertaken with PAS/the Planning Inspectorate/a Planning Barrister through development via the plan making process. • Review of, and learning from, Local Plan Inspectors Reports in relation to 'sound' and 'unsound' Local Plans.
Housing • Rise in Homelessness cases and increasing demand for emergency accommodation. • Housing Revenue Account pressures - resulting in inability to meet costs of delivering the service (see Financial) • Social Housing regulation and compliance. • Affordable housing delivery.	• Financial pressures and increased costs to the Council. • Increasing demand for and costs of temporary accommodation. • Rising numbers of rough sleepers. • Failure to meet statutory duties and potential legal challenge. • Staff retention / recruitment. • Social wellbeing issues. • Regulatory judgement or notice from the Regulator Housing Ombudsman. • HRA debt profile exceeds prudential borrowing limit. • Changes to borrowing rates. • Rent cap imposed from Central Government. • Lack of Register Provider interest in Section 106 sites.	• Medium Term Financial Strategy. • Cycle of reporting and auditing. • Star chamber process. • Review of Allocations policy to increase priority for homeless households. • Close staff supervision includes B&B case monitoring but also wellbeing support. • Ongoing staff training on legislative processes. • Preparing for inspection from the Regulator, collating evidence of compliance • Rough sleepers' initiative Housing Quality Network Toolkit. • Planning & review of HRA New Build programme and profiling manageable debt. • Key projects will be taken forward whereas others will be pushed back. • Close monitoring of debt and repayment profile.

Risk	Consequences	Mitigations/controls in place
		• Review of Business Plan objectives.
Climate Change & Environment • Non delivery of the climate change strategy and action plan (including housing decarbonisation plan). • Failure to build climate resilience and adaptation mechanisms, organisationally and within the community. • Failure to deliver nature-based recovery.	• Failure to meet net zero, with consequences for our community and wider implications. • Lost opportunity to transition our economy locally towards a green economy, with downside risks to long term prosperity. • Reputational risk. • Emergency response is covered below, however a failure to plan and work with providers to deliver greater resilience to climate change will make these emergencies more frequent (e.g. Coastal Flooding). • Risk that biodiversity locally suffers further significant decline, with widespread impacts, not least through our agricultural sector.	• Existing climate action plan in place. • Standalone Housing Decarbonisation to ensure our housing stock makes the necessary transition. • New Climate Change Strategy under development. • Annual public reporting on progress against targets. • New team and budget created to ensure resourcing is in place. • New revenue budget created in 2024/25 budget to ensure that climate response is fully Integrated into business as usual. • Review of Service Plans in response to new Council Strategy and new Climate Change Strategy and focus on the environment.
Governance • Weak corporate governance and control frameworks. • Lack of effective and constructive working relationships between members. • Failure to uphold high standards of conduct. • Failure of internal controls. • Poor relationships between members and senior officers.	• Greater challenges to effective decision making. • Undermine communications, collective leadership, trust and informed decision-making. • Governance Failures leading to financial and reputational loss. • Disruption to service delivery/ Service failure.	• Corporate Governance Group. • Statutory Role of Monitoring Officer. • Professional advice informing decision-making. • Individual duty to report by statutory officers. • Report sign-off by Corporate Management Team/Section 151 Officer/ Monitoring Officer. Report formats include relevant key

Risk	Consequences	Mitigations/controls in place
• Lack of constructive internal challenge and accountability.	• Qualified accounts / Critical audit and/or inspection report. • Legal challenges / Judicial Review of decisions. • Failure to meet statutory duties with potential for legal action or Local Government Ombudsman finding of maladministration • Possible intervention by Department for Levelling Up, Housing and Communities/ Office for Local Government resulting in loss of powers • Reputational damage. Possible • Police involvement if fraud involved.	considerations on factors such as legal, financial, resources and options assessment. • Portfolio Holder/Draft Cabinet consultation. • Constitution. • Operation of Standards Committee • Operation of Overview and Scrutiny Committee. • Operation of Audit Finance & Governance: specific responsibilities in relation to audit, finance and governance. To include reviews of finance functions, internal/external audit functions, Corporate Risk Register. • Annual Governance Statement and Local Code of Corporate Governance. • Report formats include relevant key considerations on factors such as legal, financial, resources and options assessment. • Full Council. • Operation of Audit function (Internal and External). • LGA Corporate Peer Challenge recommendation 8 implemented (Monitoring Officer and S151 officer form part of CMT).
People • Loss of key staff • Staff capacity unable to deliver projects. • Unable to recruit to key posts. • Industrial action by staff Links to Risk No. 2: The Government's plans for Local Government Reorganisation.	• Disruption to Council services. • Poor customer service. • Internal control or governance failure. • Reputation damaged in the media. • Inability to meet demand for services including statutory services.	• People Strategy action plan and associated earmarked budget from reserves. • Succession planning. • Culture development programme. • Improvements to employer brand. • Grow your own initiative. • Great place to work initiative.

Risk	Consequences	Mitigations/controls in place
	• Failures to deliver Council Strategy. • Council does not deliver performance expectations. • Partners and Public lose confidence in Council's ability to deliver • There is a need to monitor the impact of proposals associated with Local Government Reorganisation (LGR), including impact on the retention and ability to recruit to vacant posts. Additional resources will also be needed to support the LGR process and to manage effects on existing Council activities/services and excessive pressure on staff	• Leader development. • Updated pay policy and remuneration programme. • Updating the membership and terms of Employee Consultative Group (ECG) and closer working between ECG and HR. • Health and Wellbeing Resources and Guidance.
Emergency Response • Ineffective emergency response, e.g. disease, civil unrest, terrorism, weather. • Pandemic/disease (animals and human) breaks out. • Severe Weather causing major incident (includes flood, wind, snow, drought and heat). • Major incident occurs.	• Loss of staff and/or key skills due to illness and related absenteeism. • Loss of essential services / utilities / suppliers. • Demand from partner organisations to provide staff and other resources to support their response so that suitable contingency arrangements can be made to ensure, so far as possible, continuity of support. • Major media engagement. • Reputational damage – if not managed well. • Need to identify humanitarian assistance, including temporary accommodation for a large number of displaced persons at short notice.	• Primary response from East Sussex County Council with contingency plan for assistance from Wealden District Council if required. • Council Business Continuity Plans. Emergency Plan review every 6 months. • Business Continuity Plan review every 6 months. • Review of response after every incident. • Training for Directors and Local Authority Incident Liaison Officers, Duty Emergency Response Officers (DEROs) and Communications teams. • Regular emergency planning and business continuity exercises. • Close partnership working with the police and other Category 1 responders through Sussex Resilience Forum.

Risk	Consequences	Mitigations/controls in place
	• Possible legal action for damages if not well managed. • Disruption to Council services as staff diverted to response. • Financial implications arising from a response. • Service changes required if long recovery phase. • Disruption to some services through water restrictions. • Additional costs of support to vulnerable service users. • Public health issue. • Lack of essential Emergency Planning training	• Response Officers (DEROs) and Communications teams. • Climate Emergency action plan. Emergency Plan including specific response plans to flooding etc. • Service plans for support to residents in sheltered dwellings
Legal • Failure to comply with statutory or other regulatory compliance requirements. Link to Risk No. 7 (People) - Organisational capacity/ resilience	• Legal challenge against decisions of the Council. • Deterioration of financial position as a result of regulatory intervention/ penalties. • Trust and confidence in the Council is negatively impacted. • Imposed restrictions impacting on delivery and certainty. • Delays to strategic objectives and projects and resultant increased costs. • Unlawful Council policies/strategies. Link to Risk No. 7 (People) - Lack of experienced staff with specialist skills. Specialist roles remain vacant for prolonged periods of time. Increased agency costs.	• Council Constitution. • Professional legal advice informing decision-making. • Use of external lawyers/senior Counsel as required. • Council policies soundly evidence based, drawn up by professional officers. • Equalities Impact Assessments/Data Protection Impact Assessments for major policies and services. • Training for Members and staff on key legal requirements including Planning, Licensing, data protection, EDI, Fraud Awareness, Health and Safety. • Council Policies/Reports review by Legal Services. • Individual duty to report by statutory officers.

Risk	Consequences	Mitigations/controls in place
Business Continuity & Cyber and Information Security • Inability to deliver services due to non or inconsistent availability of IT systems. • Information security - breach of GDPR. • Increased threat of cyber-attacks (viruses, malware, ransomware, etc.) • Increased vulnerability through extended use of internet and cloud facilities. • Poor working practices by staff / partners could lead to security breaches. • Increased risk of opportunistic hacking, phishing, etc. during coronavirus crisis. • Data and/or information lost/accessed/provided without authorisation. A lack of robust business continuity planning	• Loss of key systems / inability to provide key services. • Loss or corruption of data. • Financial loss. • Reputational damage • Costs / time spent to recover. • Substantial fine from Information Commissioner. • Increase risk of litigation. • Major media engagement. • Impacts on partners e.g. where services are shared.	• Continual awareness raising of key risks amongst the workforce and manager oversight. • Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place • Recent significant technology refresh enhancing the Council's security posture. • Continual awareness raising of key risks amongst the workforce and manager oversight. • Electronic Communications User Policy, Virus reporting procedure and social media guidelines in place. • Recent significant technology refresh enhancing the Council's security posture. • External reviews of the Authority's security compliance are carried out to maintain accreditation and confirm best practice is applied. • Monitoring of threats and behaviours to develop resilience. • Systems are configured in line with best practice security controls proportionate to the business information being handled. Systems are risk assessed and reviewed to ensure compliance is maintained. • The council has a range of technical defences in place to secure the council's Data Centres, server and network architecture, data backups. • Mandatory Data Protection and Information Governance training. • Further training introduced relating to cyber-crime, cyber

Risk	Consequences	Mitigations/controls in place
		security and social engineering to raise staff awareness and knowledge • Staff are required to abide by IT policies that set out the required behaviour of staff in the use of the technology provided. These policies are reviewed on an annual basis for appropriateness. • Regular updates to SLT regarding the latest cyber threats and assurances regarding the technical measures in place and their effectiveness. • Designation of Senior Information Risk Owner and Data Protection Officer
Partnerships & Community Engagement • Ineffective engagement with partners and communities. • Failure of partners affects Councils' ability to deliver its services.	• Increased pressure on services. • Poor service delivery: services that don't meet the needs of residents. • Financial pressures. • Reputational damage. • Community safety and wellbeing. • Impact on Equality, Diversity and Inclusion Framework.	• Let's talk Wealden engagement hub. • New Local community power programme. • Wealden Community Equalities reference group and Wealden Disability Involvement Group. • Member engagement with outside bodies, community groups and their residents.
Supply chain failure • Services not provided. • Third party cyber-attack. • Contracts terminated.	• Disruption to all Council services. • Demand to partner organisations to provide staff and other resources to support our response. • Major media engagement. • Reputational damage. • Damage to relations with outsourcing partner and potential damages claim. • Financial loss. • Legal challenges arising from inability to fulfil contractual or statutory obligations.	• Regularly updated Business Continuity Plans. • Procurement processes - including due diligence. • Contract process - legal due diligence on contracts. • Critical supplier financial guarantees. Performance bonds on critical contracts. • Performance bonds on critical contracts

9. Partners and Community

In line with the values from the Corporate Plan to "deliver more by working with partners", the Council continues to work with those partners, as well as service users and our communities, to protect and deliver services in new ways:

- *Parish and Town Councils* - have been proactive in identifying services important to their local communities and working with the District Council and other bodies on local priorities.
- *Wealden Strategic Partnership* - is a non-statutory, multi-agency body, which matches Wealden District Council boundaries, and brings together the different parts of the public, private, community & voluntary, and special interest sectors to work to help improve the life of the residents of Wealden.
- *Safer Wealden Partnership* - brings together a number of agencies from the public, private, education and voluntary sector to improve people's lives in the area by working together to reduce the levels of crime and anti-social behaviour and to manage the fear of crime.
- *East Sussex Strategic Partnership* - brings together different parts of our local community – public services, local businesses, community groups, voluntary sector organisations and local people. The Partnership helps organisations and individuals work together in a co-ordinated way to plan local services, tackle the issues that matter to local people and improve quality of life in East Sussex.

10. Explanation of the Financial Statements

The Statement of Accounts sets out the Council's income and expenditure for the year, and its financial position as at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes. The format and content of the financial statements are prescribed by the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, which in turn is underpinned by International Financial Reporting Standards (''IFRS'').

The **Primary Financial Statements** are:

- **Comprehensive Income and Expenditure Statement** - this records all of the Council's income and expenditure for the year. The top half of the statement provides an analysis by the organisational structure under which the Council operates. The bottom half of the statement deals with corporate transactions and funding.
- **Movement in Reserves Statement** - is a summary of the changes to the Council's reserves over the course of the year. Reserves are divided into "useable", which can be invested in capital projects or revenue service improvements, and "unusable" which must be set aside for specific legal or accounting requirements.
- **Balance Sheet** - is a "snapshot" of the Council's assets, liabilities, cash balances and reserves at the year-end date.
- **Cash Flow Statement** - shows the reason for changes in the Council's cash and cash equivalent balances during the year, and whether that change is due to operating activities, new investment, or financing activities (such as repayment of borrowing and other long-term liabilities).

The **Group Accounts** include:

- The assets and liabilities of companies and similar entities, which the Council either controls or significantly influences.

The **Supplementary Financial Statements** are:

- **Housing Revenue Account** - this separately identifies the Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989. It shows the in-year economic cost of providing housing services.
- **Movement on the Housing Revenue Account Statement** - is a summary of the changes to the Council's Housing Revenue Account reserves over the course of the year.
- **Collection Fund** - summarises the collection and redistribution of Council tax and business rates income.

The Notes to these financial statements provide further detail about the Council's accounting policies and individual transactions.

A **Glossary** of key terms can be found at the end of this publication.

11. Acknowledgements

The production of the Statement of Accounts would not have been possible without the exceptionally hard work and dedication of staff across the Council. I would like to express my gratitude to all colleagues, from the Finance team and other services, who have assisted in the preparation of this document.

Laurence Woolven
Head of Financial Services

Independent Auditor's Report to the Members of Wealden District Council

Independent auditor's report to the members of Wealden District Council

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements of Wealden District Council (the 'Authority') and its subsidiary (the 'group') for the year ended 31 March 2025, which comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the Cash Flow Statement, the Housing Revenue Account Income and Expenditure Statement, the Movement of the Housing Revenue Account Statement, the Collection Fund Statement, the Group Comprehensive Income and Expenditure Statement, the Group Movement in Reserves Statement, , the Group Balance Sheet, the Group Cash Flow Statement and notes to the financial statements, including material accounting policy information. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

In our opinion, the financial statements:

give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;

have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and

have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

Basis for opinion

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

Conclusions relating to going concern

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

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

In auditing the financial statements, we have concluded that the Chief Financial Officer's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the Chief Financial Officer with respect to going concern are described in the relevant sections of this report.

Other information

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

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

We have nothing to report in this regard.

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

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

We have nothing to report in this regard.

Opinion on other matters required by the Code of Audit Practice

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of the Authority and the Chief Financial Officer

As explained more fully in the Statement of 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. Chief Financial Officer is responsible for the preparation of the Statement of Accounts, which includes the financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, for being satisfied that they give a true and fair view, and for such internal control as the Chief Finance Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Financial Officer is responsible for assessing the Authority's and the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going

concern basis of accounting unless they have been informed by the relevant national body of the intention to dissolve the Authority and the group without the transfer of its services to another public sector entity.

Auditor's responsibilities for the audit of the financial statements

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

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

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

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and Authority and determined that the most significant which are directly relevant to specific assertions in the financial statements are those related to the reporting frameworks (the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations 2015, the Accounts and Audit (Amendment) Regulations 2024, the Local Government Act 2003, Local Government Finance Act 1988 (as amended by the Local Government Finance Act 1992 and the Local Government Finance Act 2012), Local Government Act 1972 and Local Government and Housing Act 1989.
- We enquired of management and the Audit and Governance Committee, concerning the group and Authority's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- We enquired of management, internal audit and the Audit and Governance Committee, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud.
- We assessed the susceptibility of the Authority and group's financial statements to material misstatement, including how fraud might occur, evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of control and the risk of fraud in revenue recognition. We determined the principal risks were in relation to journal entries that altered the financial performance for the year and potential management bias in determining accounting estimates for revenue accruals.
- Our audit procedures involved:

  evaluation of the design effectiveness of controls that management has in place to prevent and detect fraud;

  journal entry testing, with a focus on material journals posted close to year end and manual accruals;

  challenging assumptions and judgements made by management in its significant accounting estimates in respect of revenue accruals; and

  assessing the extent of compliance with the relevant laws and regulations as part of our procedures on the related financial statement item.

- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- We communicated relevant laws and regulations and potential fraud risks to all engagement team members, including the potential for fraud in revenue and expenditure recognition through manipulation of accruals and significant accounting estimates related to accruals and property plant and equipment. We remained alert to any indications of non-compliance with laws and regulations, including fraud, throughout the audit.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the group and Authority's engagement team included consideration of the engagement team's:
  - understanding of, and practical experience with audit engagements of a similar nature and complexity through appropriate training and participation

- knowledge of the local government sector in which the group and Authority operates
- understanding of the legal and regulatory requirements specific to the Authority and group including:
  - the provisions of the applicable legislation
  - guidance issued by CIPFA/LASAAC and SOLACE
  - the applicable statutory provisions.

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

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

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

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

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

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

Responsibilities of the Authority

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

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to be satisfied that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

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

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

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

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

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

Use of our report

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

Ade Oyerinde

Ade O Oyerinde, Key Audit Partner

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

London

29 January 2026

Statement of Responsibilities

The Council's responsibilities

The Council 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 Council, that officer is the Chief Financial Officer;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

The Chief Finance Officer's responsibilities

The Chief Finance Officer is responsible for the preparation of the Council'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 Finance Officer has:

- selected suitable accounting policies and then applied them consistently.
- made judgements and estimates that were reasonable and prudent; and
- complied with the local authority Code.

The Chief Finance Officer has also:

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

Chief Finance Officer's Certificate

I certify that the accounts give a true and fair view of the financial position of Wealden District Council at 31 March 2025 and its income and expenditure for the year then ended.

Laurence Woolven
Chief Financial Officer

Date: 29th January 2026

Approval of the Statement of Accounts

The accounts were approved, by the Audit and Governance Committee of Wealden District Council at its meeting on 17th September 2025, by delegated authority. The Audit and Governance Committee held on 21st January considered the External Auditors' Draft Audit Findings Report on the 2024/25 accounts and the amendments made by the Council as per the report and these have been implemented within the final accounts.

Jessika Hulbert
Chair of Audit, Finance and Governance Committee

Date: 29 January 2026

Primary Financial Statements

Comprehensive Income & Expenditure Statement

The Comprehensive Income and Expenditure Statement ("CIES") 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 or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost. The taxation position is shown in both Note 1 Expenditure and Funding Analysis, and the Movement in Reserves Statement.

2023/24				2024/25		
Gross Expenditure £000	**Gross Income £000**	**Net Expenditure £000**		**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
368	0	368	Members	374	0	374
4,801	(487)	4,314	Chief Executive's Directorate	3,262	(1,005)	2,257
40,545	(29,662)	10,883	Directorate of Community	41,186	(27,873)	13,313
9,466	(6,753)	2,713	Directorate of Place	10,866	(6,400)	4,466
1,622	(916)	706	Directorate of Legal Governance and Strategic Projects	8,343	(1,859)	6,484
(108)	0	(108)	Central Costs	237	0	237
19,606	(17,914)	1,692	Housing Revenue Account	21,157	(20,164)	993
76,300	**(55,732)**	**20,568**	**Cost of Services**	**85,425**	**(57,301)**	**28,124**

Comprehensive Income and Expenditure Statement (continued)

2023/24 Net Expenditure £000		Notes	2024/25 Net Expenditure £000
9,953	Other operating expenditure	[12]	9,405
(3,302)	Financing and investment income and expenditure	[13]	(3,919)
(48,183)	Taxation and non-specific grant income and expenditure	[14]	(56,139)
(20,964)	**(Surplus)/Deficit on the Provision of Services**		**(22,529)**
	Items that will not be reclassified to the (Surplus)/Deficit on Provision of Services		
(7,723)	(Surplus)/Deficit on revaluation of non-current assets	[22a]	10,788
453	Remeasurement of the net defined benefit liability	[34]	110
(7,270)	**Other Comprehensive Income and Expenditure**		**10,898**
(28,234)	**Total Comprehensive Income and Expenditure**		**(11,631)**

Movement in Reserves Statement

The Movement in Reserves Statement ("MIRS") shows the movement from the start to the end of 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 'unusable reserves'. The Statement shows how the movements in year of the Council's reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Movement in Reserves during 2024/25	**General Fund Balance £000**	**Earmarked GF Reserves £000**	**General Fund Balance - Total £000**	**Housing Revenue Account**	**Earmarked HRA Reserves £000**	**HRA Total**	**Capital Receipts Reserve £000**	**Major Repairs Reserve £000**	**Capital Grants Unapplied Account £000**	**Total Usable Reserves £000**	**Unusable Reserves £000**	**Total Council Reserves £000**
Balance at 1 April 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**
Total Comprehensive Income and Expenditure	(23,597)	0	(23,597)	1,068	0	1,068	0	0	0	(22,529)	10,898	(11,631)
Adjustments between accounting basis and funding basis under regulations (Note 9)	13,543	0	13,543	1,938	0	1,938	1,611	0	(8,029)	9,063	(9,063)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,054)**	**0**	**(10,054)**	**3,006**	**0**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,835**	**(11,631)**
Transfers to / (from) Earmarked Reserves (Note 10)	9,263	(9,263)	0	(936)	936	0	0	0	0	0	0	0
(Increase) / Decrease in 2024/25	**(791)**	**(9,263)**	**(10,054)**	**2,070**	**936**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,835**	**(11,631)**
Balance at 31 March 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,935)**	**(391,900)**

Movement in Reserves Statement (continued)

Movement in Reserves during 2023/24	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total £000	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves (note 22) £000	Total Council Reserves £000
Balance at 1 April 2023	**(5,483)**	**(43,653)**	**(49,136)**	**(4,524)**	**(4,294)**	**(8,818)**	**(6,906)**	**(999)**	**(42,490)**	**(108,349)**	**(243,686)**	**(352,035)**
Total Comprehensive Income and Expenditure	(25,312)	0	(25,312)	4,348	0	4,348	0	0	0	(20,964)	(7,270)	(28,234)
Adjustments between accounting basis and funding basis under regulations (Note 9)	14,893	0	14,893	(1,079)	0	(1,079)	2,474	999	(13,473)	3,814	(3,814)	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,419)**	**0**	**(10,419)**	**3,269**	**0**	**3,269**	**2,474**	**999**	**(13,473)**	**(17,150)**	**(11,084)**	**(28,234)**
Transfers to / (from) Earmarked Reserves (Note 10)	9,402	(9,402)	0	(2,092)	2,092	0	0	0	0	0	0	0
(Increase) / Decrease in 2023/24	**(1,017)**	**(9,402)**	**(10,419)**	**1,177**	**2,092**	**3,269**	**2,474**	**999**	**(13,473)**	**(17,150)**	**(11,084)**	**(28,234)**
Balance at 31 March 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**

Balance Sheet

The Balance Sheet shows the value as at the Balance Sheet date of the assets and liabilities recognised by the Council. The net assets of the Council (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000		Notes	31 March 2025 £000
331,755	Property Plant and Equipment	[15]	335,480
718	Heritage Assets	[15]	679
578	Intangible Assets		696
10,270	Investment Property	[16]	11,293
21,835	Long-term Investments	[17]	20,793
34	Long-term Debtors - Other	[18]	45
365,190	**Long-term Assets**		**368,986**
25,278	Short-term Investments	[17]	35,050
2	Inventories		2
9,964	Short-term Debtors - Loan to Subsidiary	[18]	8,417
16,618	Short-term Debtors - Other	[18]	16,250
46,272	Cash and Cash Equivalents	[17]	54,704
98,134	**Current Assets**		**114,423**
(2,719)	Short-term Creditors - Central Government	[19]	(2,761)
(17,562)	Short-term Creditors - Other	[19]	(16,167)
(1,051)	Short-term Borrowing	[17]	(10,394)
(1,021)	Provisions	[20]	(945)
(22,353)	**Current Liabilities**		**(30,267)**
(14,487)	Long-term Creditors	[19]	(16,240)
(43,312)	Long-term Borrowing	[17]	(42,312)
(2,901)	Net Pensions Liabilities	[34]	(2,686)
(60,700)	**Long-term Liabilities**		**(61,238)**
380,271	**Net Assets**		**391,904**
(125,499)	Usable Reserves	[21]	(138,965)
(254,772)	Unusable Reserves	[22]	(252,939)
(380,271)	**Total Reserves**		**(391,904)**

Cash Flow Statement

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

2023/24 £000		Notes	2024/25 £000
20,964	Surplus/(deficit) on the provision of services		22,529
14,519	Adjustments to the surplus/(deficit) on the provision of services for non-cash movements	[23]	12,597
(19,174)	Adjustments for items included in the surplus/(deficit) on the provision of services that are investing and financing activities	[23]	(23,375)
16,309	**Net cash flows from Operating Activities**		**11,751**
(27,213)	Net cash flows from Investing Activities	[24]	(13,098)
(11,729)	Net cash flows from Financing Activities	[25]	9,779
(22,633)	**Net increase/(decrease) in cash and cash equivalents**		**8,432**
68,905	Cash and cash equivalents at the beginning of the reporting period		46,272
46,272	Cash and cash equivalents at the end of the reporting period		**54,704**

Components of Cash and Cash Equivalents

The balance of cash and cash equivalents comprises the following elements:

31 March 2024 £000		31 March 2025 £000
2,792	Bank current accounts	673
43,480	Short term deposits	54,031
46,272	**Total Cash and Cash Equivalents**	**54,704**

Notes to the Primary Financial Statements

Note 1 Expenditure and Funding Analysis

The Expenditure and Funding Analysis is a note to the financial statements that shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by the Council in comparison with those resources consumed or earned by the Council in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the Council's directorates. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement on the next page. The adjustments between funding and accounting basis shown below are analysed in Note 8.

2023/24				2024/25		
Net Expenditure Chargeable to the General Fund & HRA Balances £000	**Adjustments between Funding and Accounting Basis £000**	**Net Expenditure in the CIES £000**		**Net Expenditure Chargeable to the General Fund & HRA Balances £000**	**Adjustments between Funding and Accounting Basis £000**	**Net Expenditure in the CIES £000**
368	0	368	Members	374	0	374
4,325	(11)	4,314	Chief Executive's Directorate	2,272	(15)	2,257
10,335	548	10,883	Directorate of Community	12,356	957	13,313
2,512	201	2,713	Directorate of Place	3,335	1,131	4,466
746	(40)	706	Directorate of Legal Governance and Strategic Projects	3,300	3,184	6,484
191	(299)	(108)	Central Costs	241	(4)	237
(8,791)	10,483	1,692	Housing Revenue Account (HRA)	(9,990)	10,983	993
9,686	**10,882**	**20,568**	**Net Cost of Services**	**11,888**	**16,236**	**28,124**
(16,836)	(24,696)	(41,532)	Other Income and Expenditure	(18,937)	(31,716)	(50,653)
(7,150)	**(13,814)**	**(20,964)**	**(Surplus)/Deficit on the Provision of Services**	**(7,049)**	**(15,480)**	**(22,529)**

Note 1 Expenditure and Funding Analysis (continued)

2023/24		2024/25
£000		£000
(57,954)	Opening General Fund and HRA Balance, and Earmarked Reserves	(65,104)
(7,150)	Plus (Surplus)/Deficit on General Fund and HRA, and increase in Earmarked Reserves for the year	(7,049)
(65,104)	Closing General Fund and HRA Balance, and Earmarked Reserves at 31 March	**(72,153)**
	Analysis of General Fund and HRA Balances, and Earmarked Reserves	
(6,500)	General Fund Balance	(7,291)
(3,347)	HRA Balance	(1,277)
(55,257)	GF and HRA Earmarked Reserves Balances	(63,584)
(65,104)		**(72,152)**

**There may be minor rounding's between tables*

Note 2 Accounting Policies

i. General principles

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

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

ii. Accruals of income and expenditure

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

- Revenue from contracts with service recipients, whether for services or the provision of goods, is recognised when (or as) the goods or services are transferred to the service recipient in accordance with the performance obligations in the contract.
- Supplies are recorded as expenditure when they are consumed - where there is a gap between the date supplies are received and their consumption, they are carried as inventories on the Balance Sheet.
- Expenses in relation to services received (including services provided by employees) are recorded as expenditure when the services are received rather than when payments are made.
- Interest receivable on investments and payable on borrowing is accounted for respectively as income and expenditure on the basis of the effective interest rate for the relevant financial instrument rather than cash flows fixed or determined by the contract.
- Where revenue and expenditure have been recognised but cash has not been received or paid, a debtor or creditor for the relevant amount is recorded in the balance sheet provided the

amount exceeds £1,000. Where debts may not be settled, the balance of debtors is written down and a charge made to revenue for the income that might not be collected.

- Housing rents income is billed weekly and is receivable over 48 weeks in the year. No adjustments are made to account for income in respect of part weeks at the beginning or end of the financial year.
- Housing benefits expenditure is payable on a weekly basis throughout the year. No adjustments are made to account for payments in respect of part weeks at the beginning or end of the financial year.

iii. Council tax and non-domestic rates

The Council is a billing authority for council tax and non-domestic rates ("NDR"). Billing authorities act as agents, collecting council tax and non-domestic rates on behalf of the major preceptors (including government for NDR) and, as principals, collecting council tax and NDR for themselves. Billing authorities are required by statute to maintain a separate fund (i.e. the Collection Fund) for the collection and distribution of amounts due in respect of council tax and NDR. Under the legislative framework for the Collection Fund, billing authorities, major preceptors and central government share proportionately the risks and rewards that the amount of council tax and NDR collected could be less or more than predicted.

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

Where debtor balances are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the financing and investment income and expenditure line in the comprehensive income and expenditure statement ("CIES"). The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

Accounting for council tax:

While the Council Tax income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund or paid out to the major preceptors. The amount credited to the General Fund under statute is the Council's demand for the year plus or minus the Council's share of the surplus or deficit on the Collection Fund for the previous year.

The Council Tax income included in the CIES is the Council's share of the Collection Fund's accrued income for the year. The difference between this value and the amount required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to Council Tax shall be measured at the full amount receivable (net of any impairment losses) as the transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from Council Taxpayers belongs proportionately to the Council and the major preceptors. The difference between the amounts collected on behalf of the major preceptors and the payments made to them is reflected as a debtor or creditor balance as appropriate.

Accounting for non-domestic rates:

While the NDR income for the year credited to the Collection Fund is the accrued income for the year, regulations determine when it should be released from the Collection Fund and transferred to the Council's General Fund or paid out to the precepting authorities and the Government. The amount credited to the General Fund under statute is the Council's share of NDR for the year specified in the National Non-Domestic Rates NNDR1 return.

The NDR income included in the CIES is the Council's share of the Collection Fund's accrued income for the year and is as set out in the NNDR3 return. The difference between this value and the amount

required by regulation to be credited to the General Fund is taken to the Collection Fund Adjustment Account via the Movement in Reserves Statement. Revenue relating to NDR shall be measured at the full amount receivable (net of any impairment losses) as these transactions are non-contractual, non-exchange transactions and there can be no difference between the delivery and payment dates.

The cash collected by the Council from NDR payers belongs proportionately to the Council, the precepting authorities and Government. The difference between the amounts collected on behalf of the precepting authorities and Government and the payments made to them is reflected as a debtor or creditor balance as appropriate.

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

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

v. Prior period adjustments, changes in accounting policies and estimates and errors

Prior year 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 year and future years affected by the change and do not give rise to a prior year 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. When a change is made, it is applied retrospectively (unless otherwise stated) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always applied.

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

vi. Charges to revenue for non-current assets

Services and support services are debited with the following amounts to record the cost of holding non-current 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; and
- Amortisation of intangible assets attributable to the service.

The Council is not required to raise council tax to fund depreciation, revaluation and impairment losses or amortisation. However, it is required to make an annual contribution from revenue towards the reduction in its overall borrowing requirement equal to an amount calculated on a prudent basis determined by the Council in accordance with statutory guidance. Depreciation, revaluation and impairment losses and amortisation are therefore replaced by the contribution in the General Fund balance (Minimum Revenue Provision) by way of an adjusting transaction with the Capital Adjustment Account in the Movement in Reserves Statement for the difference between the two.

The dwellings and non-dwellings depreciation for the Housing Revenue Account is a real charge to the Housing Revenue Account Income and Expenditure Statement.

vii. Employee benefits

<u>Benefits payable during employment:</u>

Short-term employee benefits (i.e. benefits due to be settled wholly within 12 months of the year-end), such as wages and salaries, paid annual leave, paid sick leave, and expenses for current employees are paid monthly and recognised in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and flexi-leave earned by employees but not taken before the year-end which employees can carry forward into the next financial year. The accrual is

made at the wage and salary rates applicable in the following accounting year, being the period in which the employee takes the benefit. The accrual is charged to the appropriate service segment in

the CIES 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.

Termination Benefits:

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

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

Post-employment benefits:

Employees of the Council are members of the Local Government Pensions Scheme, administered by East Sussex County Council. The Local Government Pensions Scheme is accounted for as a defined benefits scheme:

- The liabilities of the East Sussex pension fund attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method i.e. an assessment of the future payments that will be made in relation to retirement benefits earned to date by employees, based on assumptions about mortality rates, employee turnover rates, etc. and projections of projected earnings for current employees.
- Liabilities are discounted to their value at current prices, using a discount rate based on the indicative rate of return on high quality corporate bond (iBoxx Sterling Corporates AA Over 15 years Index).
- The assets of the East Sussex 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.
  - Unitised securities - current bid price.
  - Property - market value.
- The change in the net pensions' liability is analysed into the following components:

  Service cost comprising:

  - Current service cost: the increase in liabilities as a result of years of service earned this year, allocated in the appropriate service segment in the CIES for which the employees worked;
  - Past service cost: the increase in liabilities as a result of a scheme amendment or curtailment whose effect relates to years of service earned in earlier years, debited to the central costs segment in the CIES; and
  - Net interest on the net defined benefit liability: i.e. net interest expense for the Council, the change during the period in the net defined benefit liability that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the CIES. This is calculated by applying the discount rate used to measure the defined benefit

obligation at the beginning of the period to the net defined benefit liability at the beginning of the period, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments.

Re-measurements comprising:

- The return on plan assets: excluding amounts included in net interest on the net defined benefit liability, charged to the Pensions Reserve as Other Comprehensive Income and Expenditure; and
- Actuarial gains and losses: changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions reserve as Other Comprehensive Income and Expenditure.
- Effect of the Asset Ceiling – the limitation on the Council's ability to realise pensions assets through reductions in future employer's contributions as a result of minimum funding requirements.

Contributions paid to the East Sussex 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 pensions fund or directly to pensioners in the year, not the amount calculated according to relevant accounting standards. In the Movement in Reserves Statement, this means that there are appropriations to and from the Pensions Reserve to remove notional debits and credits for retirement benefits and replace them with debits for the cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end. The negative balance that arises on the Pension 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.

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

viii. Events after the reporting period

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

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

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

ix. Financial instruments

Financial liabilities:

Financial liabilities are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the 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 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 the borrowings that the Council 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 cash flow 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 Council's business model is to hold investments to collect contractual cashflows. Financial assets are therefore classified as either:

- Amortised cost: financial assets whose contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding (e.g. debtors, loans to other local authorities); or
- FVPL: financial assets whose contractual cash flow characteristics do not resemble a basic lending agreement because the cash flows don't arise on specified dates or comprise solely payments of principal and interest (e.g. The Council's investments in strategic pooled funds).

Financial assets measured at amortised cost:

Financial assets at amortised cost are recognised on the Balance Sheet when the Council becomes party to the contractual provisions of the 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 CIES for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For the loans that the Council has made, this means that the amount presented in the Balance Sheet is the outstanding principal receivable (plus accrued interest) and interest credited to the CIES is the amount receivable for the year in the loan agreement.

Any gains and losses that arise on the derecognition of an asset are credited or debited to the financing and investment income and expenditure line in the CIES.

Expected credit loss model:

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

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 FVPL:

"Financial assets that are measured at FVPL are recognised on the Balance Sheet when the Council 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 in the Surplus or Deficit on the Provision of Services as they arise.

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

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

Inputs to fair value 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 Council can access at the measurement date.
- Level 2 Inputs - inputs other than quoted prices included within level 1 that are observable for the asset, either directly or indirectly.
- Level 3 Inputs - unobservable inputs for the asset.

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

x. Government grants and contributions

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

- The Council will comply with the conditions attached to the payments; and
- The grants or contributions will be received

Amounts recognised as due to the Council are not credited to the CIES until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset acquired using grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

Where capital grants are credited to the CIES, 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 Account. Where it has been applied, it is posted to the Capital Adjustment Account. Amounts in the Capital Grants Unapplied Account are transferred to the Capital Adjustment Account once they have been applied to fund capital expenditure.

<u>Community infrastructure levy:</u>

The Council has elected to charge a Community Infrastructure Levy ("CIL"). The levy is charged on new builds (chargeable developments for the authority) with appropriate planning consent. The Council charges for and collects the levy, which is a planning charge. The income from the levy will be used to fund a number of infrastructure projects (these include transport, flood defences and schools) to support the development of the area. In accordance with government regulations, a meaningful proportion of the CIL collected is passed to Town and Parish Councils where the development takes place.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the CIES in accordance with the accounting policy for government grants and contributions set out above. CIL charges will be largely used to fund capital expenditure. However, a small proportion of the charges may be used to fund revenue expenditure.

xi. Section 106 contributions

The Council receives contributions from landowners and developers under Section 106 of the Town and Country Planning Act 1990. The contributions are negotiated as part of a condition of planning consent to contribute to the costs of infrastructure and services such as community facilities, public open space, transport improvements and affordable housing. Wealden District Council receives these contributions on behalf of the County Council in most cases, and sometimes the Highways England and Parish Councils.

The terms of the agreements require the Council to hold the monies in an interest-bearing account until the relevant conditions have been met and then the contributions can be paid over to the County Council or other relevant party. If any of the contributions remain unpaid after ten years, these must

be refunded to the owner of the land. Consequently, Wealden District Council acts as a 'distribution point' for the Section 106 contributions and is the agent in this arrangement. Therefore, the transactions are not reflected in the Council's financial statements except for the creditor position in respect of the cash collected by Wealden on behalf of the other parties, which is included in the Balance Sheet, and the net cash position which is included in financing activities in the Cash Flow Statement.

xii. Interests in companies and other entities

The Council has a material interest in a subsidiary company that requires the Council to prepare group accounts. In the Council's own single-entity financial statements, the interest in the company is recorded as a financial asset at cost, less provision for losses.

xiii. Investment property

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

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

Rentals received in relation to investment properties are credited to the Financing and Investment Income and Expenditure 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.

xiv. Joint operations

Joint arrangements are those in which the Council participates with one or more other parties, bound by a contractual arrangement and over which the parties share control. In a joint operation, the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement and the parties are called the joint operators.

Should the Council have an interest in a joint operation, the Council will recognise its assets, its liabilities, its revenue and its expenses, including its share of these transactions and balances held/incurred jointly.

xv. 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.

Where a lease covers both land and buildings, the land and buildings elements are considered separately for classification.

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

Leases - the Council as lessor:

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 Surplus or Deficit on Provision of Services in the CIES. 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.

Leases - the Council as lessee:

From 1 April 2024, the Council has applied IFRS 16 Leases as adopted by the Code of Practice on Local Authority Accounting. The new accounting standard requires that the rights to use items acquired under all leases are recognised as assets on the Balance Sheet, together with a liability for the payments to be made for the acquisition. Previously this was only done for leases where the Council acquired substantially all the risks and rewards of ownership of the leased item (finance leases).

At the commencement of a lease, a liability is recognised for the obligation to make future payments (discounted to their present value using the interest rate implicit in the lease or (where this is not readily determinable) the Council's incremental borrowing rate. The right acquired under the lease to use the leased item is recognised as an asset, measured on the commencement date at cost based on the lease liability plus any payments made before that date. Initial direct costs of the Council are added to the carrying amount of the asset.

Liabilities are recalculated where rents change as a result of a change in an index or rate used to determine future payments. Adjustments to liabilities are matched with adjustments to the cost of the right-of-use asset.

Lease payments are apportioned between:

a charge for the acquisition of the right to use the property, plant or equipment which is applied to write down the lease liability, and

a finance charge which is debited to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement. Right-of-use assets recognised under leases are accounted for using the policies applied generally to Property, Plant and Equipment assets, subject to depreciation being charged over the lease term if this is shorter than the asset's estimated useful life. This will include valuation where the cost model does not provide a reliable proxy for the current value of the right-of-use asset.

See paragraph vi above relating to MRP for the revenue impact arising on leased assets.

Where leases are for items of low value, amounts paid under the lease are charged to the Comprehensive Income and Expenditure Statement as an expense of the services benefitting from use of the leased item. For this purpose, the Council has determined that items with a value of less than £10,000 when new are low value. Charges 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 rent-free period at the commencement of the lease)

xvi. Overheads and support services

The costs of overheads and support services are charged to service segments or, where applicable, to the central costs segment in the CIES in accordance with the Council's arrangements for accountability and financial performance.

The recharge of overheads and support services is based on an estimation of the percentage of time spend on supporting services.

xvii. Property, plant and equipment

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

<u>Recognition:</u>

Expenditure on the acquisition, creation or enhancement of Property, Plant and Equipment is capitalised on an accrual's basis, provided that it is probable that 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.

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

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

- Assets under construction - historical cost.
- Community Assets - historical cost.
- Dwellings - current value, determined using the basis of existing use value for social housing ("EUV-SH").
- Surplus assets - the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective.
- All other assets - current value, determined as the amount that would be paid for the asset in its existing use (existing use value - "EUV").

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

Where assets have short useful lives or low values (or both), depreciated historical cost basis is used as a proxy for current value following the materiality concept.

Assets included in the Balance Sheet at current value are revalued sufficiently regularly to ensure that their carrying amount is not materially different from their current value at the year end, but as a minimum every five years. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Gains might be credited to the Surplus or Deficit on the Provision of Services where they arise from the reversal of a loss previously charged to a service.

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the Revaluation Reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

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

Impairment:

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

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

- Where there is a balance of revaluation gains for the asset in the Revaluation Reserve, the carrying amount of the asset is written down against that balance (up to the amount of the accumulated gains).
- Where there is no balance in the revaluation reserve or an insufficient balance, the carrying amount of the asset is written down against the appropriate service segment in the CIES.

Where an impairment loss is reversed subsequently, the reversal is credited to the appropriate service segment in the CIES, up to the amount of the original loss, adjusted for depreciation that would have been charged if the loss had not been recognised.

Depreciation:

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

Depreciation is calculated on the following bases:

- Dwellings and other buildings - straight line allocation over the useful life of the property as estimated by the valuer (Useful life is between 24 and 60 years).
- Vehicles, plant, furniture and equipment – straight line allocation over the useful life of each class of assets in the Balance Sheet, as advised by a suitably qualified officer. The useful life of vehicles, plant and equipment is generally between 3 and 7 years.

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

Depreciation is not permitted to have an impact on the general fund Balance (with the exception of Council dwelling and non-dwelling depreciation). The depreciation is therefore reversed out of the general fund balance in the movement in reserves statement and posted to the capital adjustment account.

Housing Revenue Account dwelling and non-dwelling depreciation is a real charge and impacts the Housing Revenue Account balance. The impact is reflected in the Movement in Reserves Statement including entries in the Major Repairs Reserve and Capital Adjustment Account.

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

Depreciation is charged from the month of recognition until the month of disposal/ derecognition.

Disposals and non-current asset held for sale:

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

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

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

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

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

xviii. Fair value measurement of non-current assets

The Council's accounting policy for fair value measurement of financial assets is set out in note ix. The Council measures some of its non-financial assets such as surplus assets and investment properties at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

- Level 1 Inputs - 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 Inputs - unobservable inputs for the asset or liability.

All of the non-financial asset fair value measurements and disclosures in the Council's financial statements are categorised as Level 2 on the fair value hierarchy.

xix. Provisions

Provisions are made where an event has taken place that gives the Council a legal or constructive obligation that probably requires settlement by transfer of economic benefits or service potential, and a reliable estimate can be made of the amount of the obligation. For instance, the Council may be involved in a court case that could eventually result in the making of a settlement or payment of compensation.

Provisions are charged as an expense to the appropriate service segment in the CIES in the year that the Council 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.

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 (or a lower settlement than anticipated is made), the provision is reversed and credited back to the relevant service segment.

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 segment if it is virtually certain that reimbursement will be received if the Council settles the obligation.

xx. Reserves

The Council sets aside specific amounts as reserves for future policy purposes or to cover contingencies. Reserves are created by appropriating amounts out of the general fund Balance in the movement in reserves statement. When expenditure to be financed from a reserve is incurred, it is charged to the appropriate service segment in the year to score against the surplus or deficit on the provision of services in the CIES. The reserve is then appropriated back into the general fund balance in the movement in reserves statement so that there is no net charge against council tax (and rents in respect of the housing revenue account) for the expenditure.

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

xxi. Revenue Expenditure Funded from Capital Under Statute

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

xxii. VAT

VAT payable is included as an expense only to the extent that it is not recoverable from His Majesty's Revenue and Customs ("HMRC"). VAT receivable is excluded from income.

The above accounting policies do not include non-material transactions/ balances i.e. intangible assets and inventories.

xxiii. Council acting as agent

Where the Council is acting as an agent the transactions will be accounted for on the Balance Sheet, with a debtor or creditor shown at the year end and as cash inflows and outflows in the Cash Flow Statement.

In respect of these transactions, the Council is acting as an agent where it will not be in control of Government funding where it is responsible only for distributing amounts to beneficiaries in accordance with rules specified by the funder, so that the recipients and the amounts they receive would be no different if the Government had distributed the funding itself.

Note 3. Accounting Standards that have been issued but have not yet been adopted

The Code of Practice on Local Authority Accounting in the United Kingdom ("the Code") requires the disclosure of information relating to the expected impact of an accounting change that will be required by a new standard which has been issued but is yet to be adopted by the 2024/25 Code.

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

Accounting changes that are introduced by the 2025/26 Code are:

- The effects of changes in foreign exchange rates (lack of exchangeability) – (amendments to IAS 21)
- Insurance contracts – (IFRS 17)

The Council does not anticipate that the above amendments will have a material impact on the information provided in local authority financial statements.

From 1st April 2025, the Accounting Code will change the arrangements for the valuation of Property, Plant and Equipment. For 2024/25, there has been a general requirement that assets are revalued sufficiently regularly so that their carrying amount at 31st March does not differ materially from their current value at that date. This will be replaced by an option to revalue assets every five years, subject to annual reviews for impairment and the updating of carrying amounts by the application of relevant indices. No adjustments to carrying amounts will be required at 1st April 2025. As indices for 2025/26 will not be available until after 31st March 2026, it is not possible to project what the impact of indexation will be.

From 1st April 2025, the Accounting Code will remove the requirement to measure Intangible Assets at fair value where there is an active market for the particular asset. The measurement basis for all Intangible Assets will be amortised historical cost. At 31st March 2025, the Council's Balance Sheet contains such assets valued at £0.696 million (£0.578 million in 2023/24).

Note 4. Critical Judgements in Applying Accounting Policies

In applying the accounting polices set out in Note 2, the Council has had to make certain judgements about complex transactions or those involving uncertainty about future events. The critical judgements made in the Statement of Accounts are as follows:

Joint Waste and Recycling Contract:

A joint waste committee ("JWC") conducted business in relation to and provided oversight of the joint waste contract with Biffa, between Eastbourne Borough Council (''EBC''), Hastings Borough Council (''HBC''), Lewes District Council (''LDC''), Rother District Council (''RDC'') and the Council. Due to the cessation of the Kier contract in 2019-20 (replaced by Biffa), the JWC ceased. A joint waste and recycling committee ("JWRC") was constituted in 2017 to run concurrently alongside the JWC but with a specific remit of facilitating the authorities in working together to improve the quality and effectiveness of the discharge of the waste collection functions under the relevant provisions of the Environmental Protection Act 1990. The JWRC also facilitates the authorities to work in partnership with East Sussex County Council ("ESCC") as the Waste Disposal Authority to maximise integration opportunities. The members of the JWRC being the Council, RDC, HBC and East Sussex County Council.

The detailed management arrangements exercised through the former JWC and current JWRC for the joint waste and recycling contract have been assessed against IFRS11 Joint Arrangements. This assessment has concluded that the former JWC and current JWRC are not classified and accounted for as either a joint venture or joint operation. Consequently, the Council's share of the expenses of the former JWC and current JWRC have been accounted for in the relevant segment in the Comprehensive Income and Expenditure Statement.

Sussex Weald Homes Limited:

- Group accounts - The Council has interests in Sussex Weald Homes Limited that falls within the group boundary of the Council on the grounds of control in line with the Code. The Council's interest in Sussex Weald Homes Limited, a wholly owned housing company, are material to the Council's overall financial position and therefore have been consolidated within the Council's group accounts. As at 31 March 2025, the Council owns shares of £3.429 million, as at 31st March 2025, there was £8.5 million of outstanding loans to the company.
- Classification and valuation of property construction costs - The company classified the construction costs of properties as inventories. Upon consolidation into the Council's group accounts the properties that are to be sold by the company to the public remained as inventories in line with the Code definition of inventories i.e. "assets in the process of production for sale or distribution". The properties to be sold to the Council or rented out (by either the Council or the Company) meet the Code's definition of Property Plant and Equipment i.e. "held for use in the production or supply of goods and services, for rental to others, or for administrative purposes, and expected to be used during more than one period", and have therefore been reclassified as Assets Under Construction (as these properties had not been completed) which is a sub-category of Property, Plant and Equipment. Both inventories and

Assets Under Construction are held at cost therefore did not require revaluation on reclassification.

Pension Asset Ceiling

In calculating the net pensions asset, the Council has made a judgement that the statutory framework for setting employer's contributions under the Local Government Pension Scheme constitutes a minimum funding requirement. As a result, the Council's ability to realise the full economic benefits of the net pensions asset of £42.089 million calculated under the Accounting Code's provisions for post-employment benefits through reductions in future employer's contributions is limited. An asset ceiling therefore applies. The fact that the Council has a commitment under the current funding strategy for the Scheme to fund a deficit means that the asset ceiling has reduced what would otherwise be the net pensions asset of £42.089 to a liability of £2.686m.

The practical effect of this is to move the basis of measurement for the net pensions asset/liability closer to the assumptions made in the triennial valuation of the Scheme under which the employer's contributions were set by the Scheme's actuaries. It does not indicate that the Council has paid excess amounts into the Scheme that it will never be able to recover.

Note 5. Assumptions Made About the Future and Other Major Sources of Estimation Uncertainty

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

The items in the Council's Balance Sheet at 31 March 2025 for which there is significant estimation uncertainty that could result in a material adjustment within the forthcoming financial year are as follows:

Item	Uncertainties	Consequences if actual results differ from assumptions
Property, Plant & Equipment	Other Land and Buildings: Asset valuations are based on market prices (i.e. existing use values) and are periodically reviewed to ensure that the Council does not materially misstate its non-current assets. The Council's external valuers provided valuations as at 31 March 2025 for 100% of the operational portfolio based on a remote desk-top exercise (See note 15).	A reduction in the estimated valuations would result in reductions to the Revaluation Reserve and / or a loss recorded as appropriate in the Comprehensive Income and Expenditure Statement. If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Revaluation Reserve and /or Comprehensive Income and Expenditure Statement of approximately £4.285 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the

Item	Uncertainties	Consequences if actual results differ from assumptions
		Comprehensive Income and Expenditure Statement. Any such gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances.
	<u>Council Dwellings:</u> The HRA residential portfolio is valued by the Council's external valuers based on a beacon methodology according to their EUV-SH. In order to value the whole portfolio an inspection of a sample of Beacons was undertaken with a desktop review of the remaining Beacon properties. It was necessary to research a number of information sources. These include sales of directly comparable property, changes of income flow for non-residential property, information available at a local level showing house price movement plus regional and National Indices.	A reduction in the estimate value of HRA dwellings would be a reduction in the Revaluation Reserve or a loss in the Comprehensive Income and Expenditure Statement. If the value of dwellings were to reduce by 10% this would lead to a reduction in value of approximately £26.989 million. Any such charges to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances. An increase in estimated valuations would result in increases to the Revaluation Reserve, and / or reversals of previous negative revaluations to the Comprehensive Income and Expenditure Statement, and / or gains being recorded as appropriate in the Comprehensive Income and Expenditure Statement. Any such gains to the Comprehensive Income and Expenditure Statement would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on HRA Balances.
Investment Property	The Council's external valuers use valuation techniques to determine the fair value of investment property. This involves developing estimates and assumptions consistent with how market participants would price the property.	Estimated fair values may differ from the actual prices that could be achieved in an arm's length transaction at the reporting date. An increase or decrease in estimated valuations would result in gains or losses being recorded in the Comprehensive Income and Expenditure Statement. Any such gains or losses would be subsequently reversed through the Movement in Reserves Statement so there would be no impact on General Fund Balances. If the value of the Council's Investment Property were to reduce by 10%, this would result in a loss of approximately £1.129 million.

Item	Uncertainties	Consequences if actual results differ from assumptions
Pensions Asset/ Liability	At 31 March 2025 the Council had a net pension liability of £2.686 million. Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on pension fund investments. The firm of actuaries Barnett Waddingham LLP is engaged to provide the Council with expert advice about assumptions to be applied. The accounts now include an asset ceiling, which is the present value of any economic benefit available to the employer in the form of refunds or reduced future employer contributions. There are risks and uncertainties associated with whatever assumptions are adopted. The Accounting Standard requires the assumptions to be determined on a 'best estimate' basis. However, the assumptions are in effect projections of future investment returns and demographic experience many years into the future and there is inevitably a great deal of uncertainty inherent in what constitutes 'best estimate' with such projections.	The effects on the net pension asset of changes in individual assumptions can be measured. For instance: • 0.1% increase in the discount rate will reduce the net pension liability by £0.068 million; • 0.1% increase in the salaries will not change the projected service cost; • 0.1% increase in the assumed level of pension increases and deferred valuation will increase the projected service cost by £0.074 million; • Increase of one year in longevity will increase the projected service cost by £0.080 million.

Note 6. Material Items of Income and Expense

The table on the next page shows the material items (i.e. £1.5 million or greater) of income and Expenses reflected in the Council's Surplus/Deficit on Provision of Services within the Comprehensive Income and Expenditure Statement.

2023/24 £000	Description	2024/25 £000	CIES Segment
19,136	Housing Benefit Payments	18,404	Community
(19,574)	Housing Benefit Subsidy	(18,569)	
5,715	Refuse & Recycle Contract	5,980	
(2,082)	Refuse, Recycle & Garden Waste Contract	(2,260)	
*	Refcus	1,861	
(1,830)	Grant to cover reffcus	(2,244)	
*	Specific Government Grant	(1,535)	
*	Loss on Revaluation*	3,256	Governance & Corporate Services
(1,554)	Fees and Charges	**	Place
(1,534)	Major Planning Application Fees	(1,578)	
4,207	Depreciation of Non-Current Assets	4,436	Housing Revenue Account
6,317	Loss on Revaluation	6,583	
(15,980)	Rental Income from HRA Dwellings	(17,928)	
2,979	Housing Revenue Account (HRA) Repairs	3,319	
3,765	Non-Current Asset Written Off on Disposal	2,978	Corporate Items
(1,796)	Capital Receipts Received for Disposal of Assets	(2,610)	
7,895	Parish Precepts	8,943	
1,505	Interest Paid On Long Term Loans	1,530	
2,124	Interest Paid On non treasury Items	2,445	
7,903	Interest On Pensions Liability	8,542	
(7,843)	Return On Pension Fund Assets	(8,479)	
(4,950)	Interest from Investments	(5,472)	
*	Other Interest	(1,776)	
(22,262)	Council Tax	(23,880)	
(13,754)	National Non-Domestic Rates	(14,029)	
11,328	Business Rates Tariff Payment	11,678	
(5,978)	Small Business Rate Relief Grant	(6,923)	
(15,256)	Capital Grant And Contribution	(17,175)	
3,983	Transitional Protection Payment (Collection Fund)	**	
(3,983)	Specific Government Grant	**	
(2,206)	Specific Government Grant - Non attributable	(2,077)	

* These items were below the £1.5m threshold in 2023/24.

**These items were below the £1.5m threshold in 2024/25.

Note 7. Events After the Reporting Period

The Statement of Accounts was authorised for issue on 29th January 2026. Events taking place after this date are not reflected in the financial statements or notes. Where events taking place before this date provide information about conditions existing at 31 March 2025, the figures in the financial statements and notes have been adjusted in all material respects to reflect the impact of this information.

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(24)	32	7	**15**
Directorate of Community	(1,076)	119	0	**(957)**
Directorate of Place	(1,232)	89	12	**(1,131)**
Directorate of Governance and Corporate Services	(3,263)	69	10	**(3,184)**
Central Costs	(29)	34	(1)	**4**
Housing Revenue Account (HRA)	(11,025)	45	(3)	**(10,983)**
Net Cost of Services	**(16,649)**	**388**	**25**	**(16,236)**
Other income and expenditure from the Expenditure and Funding Analysis	33,257	(63)	(1,478)	**31,716**
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**16,608**	**325**	**(1,453)**	**15,480**

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

Adjustments between funding and accounting basis 2023/24

Adjustments from General Fund and HRA to arrive at the Comprehensive Income and Expenditure Statement Amounts	Adjustments for Capital Purposes £000	Net Change for Pensions Adjustments £000	Other Adjustments £000	Total Adjustments £000
Chief Executive's Directorate	(11)	31	(9)	**11**
Directorate of Community & Customer Services	(642)	63	31	**(548)**
Directorate of Planning, Policy & Environmental Services	(310)	47	62	**(201)**
Directorate of Legal Governance and Strategic Projects	(4)	15	29	**40**
Central Costs	(16)	315	0	**299**
Housing Revenue Account (HRA)	(10,524)	21	20	**(10,483)**
Net Cost of Services	**(11,507)**	**492**	**133**	**(10,882)**
Other income and expenditure from the Expenditure and Funding Analysis	24,387	(60)	369	**24,696**
Difference between General Fund and HRA Surplus and the CIES (Surplus)/Deficit on the Provision of Services	**12,880**	**432**	**502**	**13,814**

Note 8. Supplementary Information to Note 1. Expenditure and Funding Analysis (continued)

Adjustments for Capital Purposes:

This column adds 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 assets.
- Financing and investment income and expenditure – the statutory charges for capital financing i.e. Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. The Taxation and Non-Specific Grant Income and Expenditure line is credited with capital grants receivable in the year without conditions or for which conditions were satisfied in the year.

Net Change for Pensions Adjustments:

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

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

Other Differences:

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

- Services – the charge here represents the amount by which officer remuneration charged to the CIES on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements.
- Taxation and non-specific grant income and expenditure – the charge here 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.

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations

This note details the adjustments that are made to the total comprehensive income and expenditure recognised by the Council in the year in accordance with proper accounting practice to arrive at the resources that are specified by statutory provisions as being available to the Council to meet future capital and revenue expenditure. Note 21 sets out a description of the reserves that the adjustments are made against.

2024/25 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	286	39			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	(388)				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	29	(1)			
Adjustment for IFRS16 nil consideration lesee	3,145				
Financial Instruments (Fair Value and Impairment Adjustments)	(1,089)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(4,206)	(10,214)			
Total Adjustments to Revenue Resources	**(2,223)**	**(10,176)**	**0**	**0**	**0**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2024/25 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	0	2,610	(2,610)		
Posting of HRA resources from revenue to the Major Repairs Reserve		4,436		(4,436)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	12,795	0			(12,795)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	353				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		1,908			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	2,618	3,160			
Total Adjustments between Revenue and Capital Resources	**15,766**	**12,114**	**(2,610)**	**(4,436)**	**(12,795)**

2024/25 Adjustments (continued)	Usable Reserves				
	General Fund	Housing Revenue	Usable Capital	Major Repairs	Capital Grants
	£000	£000	£000	£000	£000
Use of the Capital Receipts Reserve to finance capital expenditure			14,221		
Proceeds from the Repayment of Capital Loan			(10,000)		
Use of the Major Repairs Reserve to finance capital expenditure				4,436	
Application of capital grants to finance capital expenditure					4,766
Total Adjustments to Capital Resources	**0**	**0**	**4,221**	**4,436**	**4,766**
Total Adjustments in 2024/25	**13,543**	**1,938**	**1,611**	**0**	**(8,029)**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2023/24 Adjustments	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments to the Revenue Resources					
Amounts by which income and expenditure included in the Comprehensive Income and Expenditure Statement are different from revenue for the year calculated in accordance with statutory requirements:					
Pensions costs (transferred to the Pensions Reserve)	417	16			
Council Tax and Non Domestic Rates (transferred to or from the Collection Fund Adjustment Account)	859				
Holiday pay (transferred from the Accumulated Absences Adjustment Account)	112	21			
Financial Instruments (Fair Value and Impairment Adjustments)	(491)				
Reversal of entries included in the (Surplus)/Deficit on Provision of Services in relation to capital expenditure (transferred to Capital Adjustment Account)	(1,656)	(11,942)			
Total Adjustments to Revenue Resources	**(759)**	**(11,905)**	**0**	**0**	**0**

Note 9. Adjustments Between Accounting Basis and Funding Basis Under Regulations (continued)

2023/24 Adjustments (continued)	Usable Reserves				
	General Fund £000	Housing Revenue Account £000	Usable Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000
Adjustments between Revenue and Capital Resources					
Transfer of non current asset sale proceeds from revenue to the Capital Receipts Reserve	22	1,774	(1,796)		
Posting of HRA resources from revenue to the Major Repairs Reserve		4,207		(4,207)	
Capital grants yet to be applied to expenditure (Transfer to the Capital Grants Unapplied account)	14,008	0			(14,008)
Statutory provision for the repayment of debt (Transferred to the Capital Adjustment Account)	294				
Voluntary provision for the repayment of debt (Transferred to the Capital Adjustment Account)		1,752			
Capital expenditure financed from revenue balances (Transferred to the Capital Adjustment Account)	1,328	3,093			
Total Adjustments between Revenue and Capital Resources	**15,652**	**10,826**	**(1,796)**	**(4,207)**	**(14,008)**
Adjustments to Capital Resources					
Use of the Capital Receipts Reserve to finance capital expenditure			16,870		
Proceeds from the Repayment of Capital Loan			(12,600)		
Use of the Major Repairs Reserve to finance capital expenditure				5,206	
Application of capital grants to finance capital expenditure					535
Total Adjustments to Capital Resources	**0**	**0**	**4,270**	**5,206**	**535**
Total Adjustments in 2023/24	**14,893**	**(1,079)**	**2,474**	**999**	**(13,473)**

Note 10. Transfers (To) / From Earmarked Reserves

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

Earmarked Reserves	Balance at 1 April 2023	Reallocation*	Transfers Out	Transfers In	Balance at 31 March 2024	Transfers Out	Transfers In	Balance at 31 March 2025
	£000	£000	£000	£000	£000	£000	£000	£000
General Fund:								
Capital Investment Fund	(20,751)	(2,074)	795	(4,609)	(26,639)	2,018	(7,251)	**(31,872)**
Service Programme Fund (GF)	(2,586)	500	122	(1,743)	(3,707)	103	(2,496)	**(6,100)**
Investment in People	(697)	(79)	15	0	(761)	158	(500)	**(1,103)**
Climate Emergency Fund	(1,348)	0	277	(418)	(1,489)	259	(500)	**(1,730)**
Continuous Improvement Fund	(982)	494	73	(150)	(565)	187	(411)	**(789)**
Collection Fund Equalisation Reserve	(3,102)	300	1,066	(3,121)	(4,857)	1,000	(1,600)	**(5,457)**
Income and Cost Risk Fund	(3,810)	1,000	133	(430)	(3,107)	119	0	**(2,988)**
Repairs and Maintenance Fund	(244)	0	11	0	(233)	4	0	**(229)**
Homelessness Mitigation Fund	0	0	0	(150)	(150)	0	0	**(150)**
Insurance Fund	(237)	0	0	0	(237)	0	0	**(237)**
Emergencies Fund	(447)	0	20	0	(427)	0	0	**(427)**
Election Fund	(269)	(80)	283	(94)	(160)	0	(88)	**(248)**
Appeals and Legal Cost Fund	(300)	(200)	0	0	(500)	0	0	**(500)**
Maintenance of Open Spaces	(189)	139	50	0	0	0	0	**0**
Croft Road Car Park Fund	(548)	0	262	(47)	(333)	57	(48)	**(324)**
SAMMS Fund	(2,285)	0	40	(715)	(2,960)	53	(221)	**(3,128)**
SANGS Fund	(5,798)	0	172	(1,247)	(6,873)	144	(250)	**(6,979)**
Air Quality Monitoring	(58)	0	0	0	(58)	0	0	**(58)**
HRA:								
Service Programme Fund (HRA)	(26)	0	0	0	(26)	0	(25)	**(51)**
Priorities and Initiatives Fund	(3,951)	0	2,131	0	(1,820)	1,000	0	**(820)**
Maintenance Fund (HRA)	(317)	0	(39)	0	(356)	0	(39)	**(395)**
Total	**(47,945)**	**0**	**5,411**	**(12,724)**	**(55,258)**	**5,102**	**(13,429)**	**(63,585)**

Note 10. Transfers (To) / From Earmarked Reserves (continued)
The earmarked reserves are held for the following purposes:

General Fund:

Capital Investment Fund - Funds for future capital investment.

***Service Programme** Fund* (GF) - Funds for use in future years on a range of specific service programmes of activity.

Investment in People - Fund for the development and training of Council staff.

Climate Emergency Initiatives Fund - This has been set up to fund the Council's Climate Emergency Initiatives priorities.

Continuous Improvement Fund - Funds for 'Invest to Improve' and 'Invest to Save' initiatives.

Collection Fund Equalisation Reserve -This is to assist Collection Fund fluctuations in future years and to hold the balance of additional s31 grants received and to balance the impact of the surplus/deficit.

Income and Cost Risk Fund - Funds held to manage the risk of specific service income and funding streams falling below expected levels.

Repairs and Maintenance Fund - Funds to cover costs of any significant unexpected building repairs required.

Homeless Mitigation Fund - This is a fund to protect the Council to in the event an adjoining authority is unable to meet its financial obligations for homelessness and that causes a knock-on challenge for Wealden.

Insurance Fund - Funds to meet the costs relating to liability in respect of Municipal Mutual Insurance Scheme of Arrangement and to provide self-insurance for small claims.

Emergencies Fund - Funds to cover costs of emergencies arising in the district.

Election Fund - Funds are reserved here to cover the costs of District Council Elections.

Appeals and Legal Cost Fund - Funds to cover the legal costs for planning appeals.

Maintenance of Open Spaces - Funds to meet the costs of maintaining open spaces in the General Fund.

Croft Road Car Park Fund - Funds set aside to meet maintenance costs on Croft Road Car Park, Crowborough. This reserve is funded from annual maintenance cost contributions received from Waitrose.

Strategic Access Management & Monitoring Strategy (SAMMS) Fund - This reserve holds income received from developers to pay for future costs of SAMMS for the Ashdown Forest Special Protection Area in perpetuity. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest. There is an agreement with Lewes, Tandridge, Mid Sussex, Seven Oaks and Tunbridge Wells councils to administer and hold their SAMMS income.

Suitable Alternative Natural Green Spaces (SANGS) Fund - This reserve holds income from the Council and other authorities, received from developers, in order to pay for Suitable Alternative Natural Green Spaces. This is required by the Habitat Regulations to mitigate the effects of development on the ecology of the Ashdown Forest Special Protection Area. The Council holds income in reserves to meet future management costs.

Air Quality Monitoring Fund - Air Quality Monitoring Fund to meet future expenditure requirements.

HRA:

Service Programme Fund - Funds for use in future years on a range of specific service programmes of activity within the Housing Revenue Account.

Priorities and Initiatives Fund - Funds set aside for meeting the costs of Decarbonisation works to HRA Properties

Maintenance Fund - A ring-fenced account to hold contributions from leaseholders towards future costs for communal repairs of specific retirement living courts.

Note 11a. Segmental Income

Fees and charges income received on a segmental basis, as reflected in the CIES is analysed below.

2023/24 £000	Income Analysis	2024/25 £000	£000
	Fees, charges and other service income		
0	Members		0
(392)	Chief Executive's Directorate		(617)
	Directorate of Community		
(2,282)	Refuse & Recycling		(2,480)
(3,413)	Other Service Income		(1,970)
(5,695)			**(4,450)**
	Directorate of Place		
(1,896)	Development Management		(1,984)
(1,126)	Building Control		(999)
(296)	Licensing		(319)
(238)	Local Land Charges		(262)
(2,648)	Other Service Income		(813)
(6,204)			**(4,377)**
(916)	Legal Governance & Strategic Properties		**(1,812)**
(17,913)	Housing Revenue Account[1]		(20,148)
29	Corporate		
(31,091)	**Total income analysed on a segmental basis**		**(31,404)**

[1] Housing Revenue Account Service Income is analysed on the HRA Income and Expenditure Statement

Income has been recognised upon the satisfaction of a performance obligation in line the requirements of IFRS 15 Revenue from Contracts with Customers.

Note 11b. Expenditure and Income Analysed by Nature

Expenditure and income reflected in the CIES is analysed by nature below.

2023/24 £000	Expenditure Analysis	2024/25 £000
	Expenditure	
18,776	Employee benefits expenses	20,905
49,319	Other services expenses	50,100
11,768	Depreciation, amortisation, revaluation/ impairment losses / (reversals)	15,338
3,840	Interest payments	4,044
528	Financial Instrument Adjustments	1,038
7,984	Precepts and levies	9,037
1,969	(Gain) / Loss on the disposal of assets	368
94,184	**Total expenditure**	**100,830**
	Income	
(31,091)	Fees, charges and other service income	(31,404)
(7,288)	Interest and investment income	(8,509)
(29,819)	Income from council tax and non-domestic rates	(32,293)
(46,950)	Grants and contributions	(51,152)
(115,148)	**Total income**	**(123,358)**
(20,964)	**(Surplus) / Deficit on the Provision of Services**	**(22,528)**

Note 12. Other Operating Expenditure

Other operating expenditure includes the following items:

2023/24 £000	Other Operating Expenditure	2024/25 £000
7,894	Parish & Town Council Precepts	8,943
90	Levies	94
1,969	(Gain) / Loss on disposal of non current assets	368
9,953	**Total**	**9,405**

Note 13. Financing and Investment Income and Expenditure

Financing and investment income and expenditure includes the following items:

2023/24 £000	Financing and Investment Income and Expenditure	2024/25 £000
3,808	Interest payable and similar charges	3,985
60	Net interest on the net defined benefit liability	63
(7,155)	Interest receivable and similar income	(8,052)
(119)	Income and expenditure in relation to investment properties	(31)
(424)	Changes in fair value of investment properties	(922)
528	Financial Instruments adjustments	1,038
(3,302)	**Total**	**(3,919)**

Note 14. Taxation and Non-Specific Grant Income and Expenditure

Taxation and non-specific grant income and expenditure includes the following items:

2023/24 £000	Taxation and Non-Specific Grant Income and Expenditure	2024/25 £000
(22,189)	Council Tax Income	(23,880)
(13,754)	Non Domestic Rates Income (Gross)	(14,029)
(259)	Non Domestic Rates Income - Renewable Energy Disregards	(261)
(5,978)	Non Domestic Rates - Section 31 Grants Receivable from Government	(6,923)
11,328	Non Domestic Rates - Tariff Payable	11,678
2,059	Non Domestic Rates - Levy Payable	2,242
(1,025)	Business Rates Pool Benefit	(1,120)
(3,109)	Non-ringfenced Government Grants	(3,510)
(15,256)	Capital Grants and Contributions	(20,335)
(48,183)	**Total**	**(56,138)**

Note 15. Property, Plant and Equipment & Heritage Assets

The table below provides a reconciliation from the carrying amount of property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements.

Property, Plant and Equipment 2024/25	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2024	270,145	46,760	1,947	5,966	6,762	2,521	0	**334,101**
Rights of Use Asset recognised under IFRS16 1 April 2024							3,281	**3,281**
Additions	9,905	1,720	674		696	17,214	79	**30,288**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(15,163)	88			138		89	**(14,848)**
Revaluation increases / (decreases) recognised in the Surplus / Deficit on the Provision of Services	(7,470)	(3,883)			(78)			**(11,431)**
Derecognition - Disposals*	(3,036)				(1,110)			**(4,146)**
Assets re-classified to / from Investment Properties		(18)						**(18)**
Assets re-classified from Assets Under Construction	13,618					(13,618)		**0**
Assets re-classified from Surplus Assets	1,896				(1,896)			**0**
At 31 March 2025	**269,895**	**44,667**	**2,621**	**5,966**	**4,512**	**6,117**	**3,449**	**337,227**
Accumulated Depreciation & Impairment								
At 1 April 2024	0	0	(1,236)	0	(1,110)	0	0	**(2,346)**
Depreciation charge	(4,383)	(674)	(322)				(189)	**(5,568)**
Depreciation written out to the Revaluation Reserve on revaluation	3,483	606						**4,089**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	842	68						**910**
De-recognition - Disposals	58				1,110			**1,168**
Assets re-classified to / from Investment Properties								**0**
At 31 March 2025	**0**	**0**	**(1,558)**	**0**	**0**	**0**	**(189)**	**(1,747)**
Net Book Value at 31 March 2025	**269,895**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**335,480**
Net Book Value at 31 March 2024	**270,145**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**0**	**331,755**

**£325,000 of other land and buildings disposals relates to an asset disposed of in 2018/19.*

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2023/24	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation							
At 1 April 2023	254,337	53,187	1,659	5,966	5,917	4,410	**325,476**
Additions	14,062	1,016	288			7,836	**23,202**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,308	846			620		**3,774**
Revaluation increases / (decreases) recognised in the Surplus/Deficit on the Provision of Services	(6,902)	(657)			(17)		**(7,576)**
Derecognition - Disposals	(3,385)	(453)					**(3,838)**
Assets re-classified to / from Investment Properties		(7,179)			242		**(6,937)**
Assets re-classified from Assets Under Construction	9,725					(9,725)	**0**
At 31 March 2024	**270,145**	**46,760**	**1,947**	**5,966**	**6,762**	**2,521**	**334,101**
Accumulated Depreciation & Impairment							
At 1 April 2023	0	(51)	(958)	0	(1,110)	0	**(2,119)**
Depreciation charge	(4,180)	(722)	(278)				**(5,180)**
Depreciation written out to the Revaluation Reserve on revaluation	3,529	580					**4,109**
Depreciation written out to the Surplus/Deficit on the Provision of Services on revaluation	575	108					**683**
De-recognition - Disposals	76	6					**82**
Assets re-classified to / from Investment Properties		79					**79**
At 31 March 2024	**0**	**0**	**(1,236)**	**0**	**(1,110)**	**0**	**(2,346)**
Net Book Value at 31 March 2024	**270,145**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**331,755**
Net Book Value at 31 March 2023	**254,337**	**53,136**	**701**	**5,966**	**4,807**	**4,410**	**323,357**

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Heritage assets are measured at valuation (or cost) which may be made by any method that is appropriate and relevant. The Council has three heritage assets: Old Pavilion Cinema, Argos Hill Windmill, and Jack Cade Memorial. The Council's external valuers; Bruton Knowles (1862) LLP has determined that as at 31 March 2025 there was adequate information to enable the cinema to be revalued (prior to 31 March 2020, all the heritage assets were carried at cost). The valuation was carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. The Council's valuer has deemed the cinema should be valued using the depreciated replacement method to assess its current value in existing use as at 31 March 2025, which has led to a valuation loss of £0.027 million as shown in the table below.

2023/24 £000	Movement in Heritage Assets	2024/25 £000
894	Balance at 1 April 2024	718
(15)	Depreciation	(13)
(161)	Net gains / (losses) from fair value adjustments	(27)
718	**Balance at 31 March 2025**	**679**

Non-operational Property, Plant and Equipment - Surplus Assets:

Fair Value Hierarchy & Valuation Techniques:

All of the Council's surplus assets are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the surplus assets is based on the market approach using current market conditions consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use:

The fair value of the surplus assets has been estimated based on their highest and best use. The current use of these assets differs from their highest and best use in some cases. This is due to the fact that the assets are being held vacant and non-operational pending decisions regarding their future development or disposal by the Council.

Depreciation:

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

Council Dwellings (structure)	56 to 60 years
Council Dwellings (replaceable components)	15 to 40 years
Other & Land Buildings	24 to 60 years
Vehicles, Plant, Furniture & Equipment	5 to 10 years

Assets Under Construction:

The balance of £6.118 million in Assets Under Construction at 31 March 2025 includes capital expenditure of £6.118 million on Mayfield Medical and Community Centre, Farningham Road development, the Employment Park (Knights Farm) and the Sports Park (Knights Farm) in the course of development at the reporting date.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Capital Commitments:

At 31 March 2025, the Council has entered into contracts for the construction and enhancement of Property Plant and Equipment in 2024/25 and future years. The significant commitments are as follows:

Capital Commitments	31 March 2024 £000	31 March 2025 £000
HRA New Builds: Streatfield House	5,533	44
HRA New Builds: Sunflower Lane, Polegate	810	0
GF: Knights Farm - Community Sports Hub	-	13,653
GF: Farningham Road - Business Park	-	3,032

Reclassifications:

In 2024/25, the following assets have been reclassified out of Assets under Construction to Council Dwellings:

- The completion of 20 new build council dwellings in Uckfield (Streatfield development).
- The completion of 5 new build council Dwellings in Polegate (Sunflower Lane development).
- The completion of 25 new build council Dwellings in Crowborough (Walshes Farm).

In 2024/25, the following assets have been reclassified:

- Rocks Park Road Scout Land was reclassified from Property, Plant and Equipment to Investment Properties as it was merged with a neighbouring investment property site.
- Streatfeild House Land was reclassified from Surplus Assets to Council Dwellings following completion of building work on the site.

In 2023/24, the following assets were reclassified out of Assets under Construction to Council Dwellings:

- The completed development of 6 new build council dwellings in Wadhurst (Old Station Road development).
- The completion of 19 new build council Dwellings in Horam (The Hedgerows development).
- The completion of 15 new build council Dwellings in Horam (Cart Barn).

Revaluations:

Assets Under Construction and Vehicles, Plant, Furniture and Equipment values are based on their historical cost. The table below shows the effective date of valuation for assets within each category of Property Plant and Equipment.

Land and buildings assets were all valued as at 31 March 2025.

The significant assumptions used in estimating the current values are as follows:

- Good title can be shown, and the property is not subject to unusual or onerous restrictions, encumbrances or outgoings;
- That an inspection of those parts not inspected would not reveal defects that would affect the valuation;
- That there are no deleterious or hazardous materials or existing or potential environmental factors that would affect the valuation; and

- That the property and its value are unaffected by any statutory notice or proposal or by any matters that would be revealed by a local search and replies to the usual enquiries and that neither the construction of the property nor its condition, use or intended use was, is or will be unlawful or in breach of any covenant.

Note 15. Property, Plant and Equipment & Heritage Assets (continued)

Revaluations	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Carried at historical cost			1,063	5,966		6,118	175	**13,322**
Valued at current value as at:								
31 March 2025	269,895	44,666			4,512		3,085	**322,158**
Total Net Book Value	**269,895**	**44,666**	**1,063**	**5,966**	**4,512**	**6,118**	**3,260**	**335,480**

Note 16. Investment Property

Movement in Fair Value of Investment Property:

The movement in the fair value of investment properties is shown in the table below:

2023/24 £000	Movement in Fair Value of Investment Property	2024/25 £000
2,997	Balance at 1 April	10,270
0	Additions	83
6,858	Reclassifications from Property, Plant & Equipment	18
(10)	Disposals	0
425	Net gains / (losses) from fair value adjustments	922
10,270	**Balance at 31 March**	**11,293**

The fair value of the Council's investment property is measured annually at each reporting date. The valuations are carried out by an independent valuer. For 2023/24, this was Wilks Head & Eve LLP, for 2024/25 the Council had a new valuer, Bruton Knowles (1862) LLP. The valuations are carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. There is regular liaison between the valuer and the Council's finance officers regarding all valuation matters.

Fair Value Hierarchy & Valuation Techniques:

All of the Council's investment properties shown above are measured at fair value on a recurring basis using other significant observable inputs, Level 2 on the fair value hierarchy.

The fair value measurement of the investment properties is based on the market approach using current market conditions consisting of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date. There has been no change in valuation technique and no transfers between levels of the fair value hierarchy in the year.

Highest and Best Use of Investment Properties:

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

Note 17. Financial Instruments

Financial instruments are recognised on the balance sheet when the Council becomes party to the contractual provisions of a financial instrument. They are classified based on the business model for holding the instruments and their expected cashflow characteristics.

Financial Liabilities:

Financial liabilities are initially measured at fair value and then at amortised cost. For the Council's borrowing this means that the amount presented in the balance sheet is the outstanding principal repayable (plus accrued interest). Annual charges to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement ("CIES") are based on the carrying amount of the liability, multiplied by the rate of interest for the instrument.

Financial Assets:

To meet the financial instruments accounting standard requirements (IFRS 9), financial assets are now classified into one of three categories:

1. *Financial assets held at amortised cost* - represented by loans or loan type arrangements where repayments or interest and principal take place on set dates and at specified amounts. The amount presented in the Balance Sheet represents the outstanding principal due plus accrued interest. Interest credited to the CIES is the amount receivable as per the loan agreement.
2. *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 are accounted for through a reserve account with the balance debited or credited to the CIES when the asset is disposed of.
3. *Fair Value Through Profit or Loss* - These assets are measured and carried at fair value. All gains and losses due to changes in fair value (both realised and unrealised) are recognised in the CIES as they occur.

Allowances for impairment losses have been calculated for amortised cost assets applying the expected credit losses model. Changes in loss allowances (including balances outstanding at the date of derecognition of an asset) are taken to the Financing and Investment Income and Expenditure line in the CIES.

Note 17. Financial Instruments (continued)

Categories of Financial Instruments:

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

Categories of Financial Assets	Long Term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Financial Assets				
Investments				
At amortised cost:				
Principal			25,000	34,000
Accrued interest			165	834
At fair value through profit and loss:				
Fair value [1]	21,835	20,793	113	216
Total Investments	**21,835**	**20,793**	**25,278**	**35,050**
Cash and Cash Equivalents				
At amortised cost:				
Principal			38,792	22,673
Accrued interest			480	531
At fair value through profit and loss:				
Fair value			7,000	31,500
Total Cash and Cash Equivalents	**0**	**0**	**46,272**	**54,704**
Debtors				
At amortised cost:				
Trade receivables			**7,731**	**9,226**
Loss allowance			**(760)**	**(709)**
Loan to subsidiary			10,000	8,500
Loss allowance			(36)	(83)
Accrued interest				
At fair value through profit and loss:				
Decent Homes loans	34	45		
Included in Debtors [2]	**34**	**45**	**16,935**	**16,934**
Total Financial Assets	**21,869**	**20,838**	**88,485**	**106,688**

1 **Fair Value includes Unquoted Equity Investments**

The Council has a shareholding in Sussex Weald Homes Limited (representing 100% of the company's capital). The shares have a nominal value of £3.429 million. Fair value has been arrived at by including retained earnings to date, the fair value as at 31 March 2025 was £2.809 million (£3.396 million as at 31 March 2024). The company was formed in December 2016 and had no established trading history. There are also no established companies with similar aims in the Council's area whose shares are traded, and which might provide comparable market data. The Council has no current intention to dispose of the shareholding.

Note 17. Financial Instruments (continued)

[2] *Debtors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Included in Financial Assets	34	45	16,935	16,934
Debtors that do not meet the definition of a financial asset:				
Statutory Debtors			9,042	7,058
Prepayments			605	675
Total Debtors	**34**	**45**	**26,582**	**24,667**

Categories of Financial Liabilities	Long Term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Financial Liabilities				
Borrowings				
Loans at Amortised Cost:				
Principal sum borrowed	(43,312)	(42,312)	(1,000)	(10,300)
Accrued interest			(51)	(94)
Total Borrowings	**(43,312)**	**(42,312)**	**(1,051)**	**(10,394)**
Creditors				
Liabilities at amortised cost	(14,487)	(16,240)	(10,419)	(11,308)
Included in Creditors[3]	**(14,487)**	**(16,240)**	**(10,419)**	**(11,308)**
Total Financial Liabilities	**(57,799)**	**(58,552)**	**(11,470)**	**(21,702)**

[3] *Creditors Reconciliation to Balance Sheet*	Long Term		Current	
	31 March 2024 £000	31 March 2025 £000	31 March 2024 £000	31 March 2025 £000
Included in Financial Liabilities	(14,487)	(16,240)	(10,419)	(11,308)
Creditors that do not meet the definition of a financial liability:				
Statutory Creditors			(7,232)	(5,157)
Income in Advance			(2,630)	(2,463)
Total Creditors	**(14,487)**	**(16,240)**	**(20,281)**	**(18,928)**

Note 17. Financial Instruments (continued)

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

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

	2023/24				2024/25			
Financial instrument items of income, expenditure and gains/ losses recognised in the CIES	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**	**Financial Liabilities: Amortised Cost £000**	**Financial Assets: Amortised Cost £000**	**Financial Assets: Fair value through profit and loss £000**	**Total £000**
Interest Expense	3,780			3,780	3,978			3,978
Losses on Derecognition				0				0
(Gains)/Losses from change in fair value			601	601			587	587
Impairment losses		188		188		(51)		(51)
Fees Paid		29		29		4		4
Interest Payable and Similar Charges	**3,780**	**217**	**601**	**4,598**	**3,978**	**(47)**	**587**	**4,518**
Interest Income		(4,950)		(4,950)		(5,472)		(5,472)
Dividend Income			(2,206)	(2,206)			(2,580)	(2,580)
(Gains) / loss from changes in fair value		(461)	200	(261)		47	454	501
Interest and Investment Income	**0**	**(5,411)**	**(2,006)**	**(7,417)**	**0**	**(5,425)**	**(2,126)**	**(7,551)**
Recognised in the (surplus)/deficit on provision of services	**3,780**	**(5,194)**	**(1,405)**	**(2,819)**	**3,978**	**(5,472)**	**(1,539)**	**(3,033)**
Net (Gain) / Loss for the Year	**3,780**	**(5,194)**	**(1,405)**	**(2,819)**	**3,978**	**(5,472)**	**(1,539)**	**(3,033)**

Note 17. Financial Instruments (continued)

Financial Instruments Fair Values:

In previous year's financial assets classified as available-for-sale were carried in the balance sheet at fair value. These assets comprised Money Market Funds and a Property Fund. The fair value was taken from the market price.

With the adoption of accounting standard IFRS 9 Financial Instruments from 2018/19, the 'available - for - sale' category is no longer available. The standard requires that investments in equity be classified as fair value through profit and loss unless there is an irrevocable election to designate an asset as fair value through other comprehensive income.

Financial assets classified as loans and receivables and all financial liabilities are carried in the balance sheet at amortised cost. Their fair values have been estimated by calculating the net present value of the remaining contractual cash flows at 31st March, using the following methods and assumptions:

- Loans borrowed by the Council have been valued by discounting the contractual cash flows over the whole life of the instrument at the appropriate market rate for local authority loans.
- The fair values of other long-term loans and investments have been discounted at the market rates for similar instruments with similar remaining terms to maturity on 31st March 2025.
- No early repayment or impairment is recognised for any financial instrument.
- The fair value of short-term instruments, including trade payables and receivables, is assumed to approximate to the carrying amount given the low and stable interest rate environment.

Fair values are shown in the following table. The analysis shows at which level in the fair value hierarchy that the instruments have been measured. The fair value hierarchy includes three levels as follows:

Level 1 Inputs: 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 that are observable for the asset or liability, either directly or indirectly. E.g. interest rates or yields for similar instruments.

Level 3 Inputs: Unobservable inputs for the asset or liability. E.g. non-market data such as cash flow forecasts or estimated creditworthiness.

There have been no transfers between levels of the hierarchy or changes in valuation technique during the year.

Note 17. Financial Instruments (continued)

The table shows that the fair value of financial liabilities held at amortised cost is higher than the carrying amount. This is because the Council's portfolio of loans includes a number of loans where the interest rate payable is higher than the prevailing rates for similar loans at the Balance Sheet date. This shows a notional future loss (based on economic conditions at 31 March 2024) arising from a commitment to pay interest to lenders above current market rates.

Fair value of Financial Liabilities	Fair Value Level	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000
Financial Liabilities held at amortised cost:					
PWLB Borrowing	2	(44,363)	(38,696)	(52,706)	(45,505)
Total		**(44,363)**	**(38,696)**	**(52,706)**	**(45,505)**
Liabilities for which fair value is not disclosed[1]:		(24,906)		(27,548)	
Total Financial Liabilities		**(69,269)**		**(80,254)**	
Recorded on Balance Sheet as:					
Short Term Creditors		(10,419)		(11,308)	
Short Term Borrowing		(1,051)		(10,394)	
Long Term Creditors		(14,487)		(16,240)	
Long Term Borrowing		(43,312)		(42,312)	
Total Financial Liabilities		**(69,269)**		**(80,254)**	

1 The fair value of short-term financial liabilities including trade payables is assumed to be approximate to carrying amount.

Fair value of Financial Assets	Fair Value Level	31 March 2024 Carrying Amount £000	31 March 2024 Fair Value £000	31 March 2025 Carrying Amount £000	31 March 2025 Fair Value £000
Financial assets held at fair value:					
Money Market Funds	1	7,000	7,000	31,500	31,500
Diversified Income Bonds	1	18,438	18,438	17,984	17,984
Shares in subsidiary	3	3,397	3,397	2,809	2,809
Decent Homes loan	2	34	34	45	45
Financial assets held at amortised cost:				0	0
Loans to Local Authorities	2	61,758	61,639	57,579	52,171
Loans to Subsidiary	3	9,964	9,946	8,417	8,417
Total		**100,591**	**100,454**	**118,334**	**112,926**

Note 17. Financial Instruments (continued)

Assets for which fair value is not disclosed[1]	31 March 2024 Carrying Amount £000	31 March 2025 Carrying Amount £000
Bank Current Account	2,792	675
Trade Receivables	6,971	8,517
Long Term Debtors (excl. loan to subsidiary)	0	0
Accrued interest	0	0
Total Financial Assets	**110,354**	**127,526**
Recorded on Balance Sheet as:		
Long Term Debtors	34	45
Long Term Investments	21,835	20,793
Short Term Debtors	16,935	16,934
Short Term Investments	25,278	35,050
Cash and Cash Equivalents	46,272	54,704
Total Financial Assets	**110,354**	**127,526**

1 The fair value of short-term financial assets including current bank account balances and trade receivables is assumed to be approximate to carrying amount.

Note 18. Debtors

The following two tables provide a breakdown of short-term and long-term debtors.

(a) Short-Term Debtors

31 March 2024				31 March 2025		
Gross Debt £000	Impair -ment £000	Net of Impair -ment £000	Short Term Debtors	Gross Debt £000	Impair -ment £000	Net of Impair -ment £000
2,159		2,159	Central Government Bodies	1,320		1,320
4,607		4,607	Local Authorities	3,738		3,738
3		3	NHS Bodies	0		0
10,000	(36)	9,964	Loan to subsidiary	8,500	(83)	8,417
12,849	(3,000)	9,849	Other Entities & Individuals	13,983	(2,791)	11,192
29,618	**(3,036)**	**26,582**	**Total**	**27,541**	**(2,874)**	**24,667**

Note 18. Debtors (continued)

(b) Long Term Debtors

31 March 2024 £000	Long Term Debtors	31 March 2025 £000
34	Decent Home Loans	45
34	**Total**	**45**

Note 19. Creditors

The following two tables provide a breakdown of short-term and long-term creditors.

(a) Short Term Creditors

2023/24 £000	Short Term Creditors	2024/25 £000
2,719	Central Government Bodies	2,761
4,525	Local Authorities	1,809
8,268	Other Entities & Individuals	10,555
4,769	Balance of Section 106 Monies	3,803
20,281	**Total**	**18,928**

(b) Long Term Creditors

2023/24 £000	Long Term Creditors	2024/25 £000
11,721	Balance of Section 106 Monies	13,200
2,766	Other Long Term Creditors	3,040
14,487	**Total**	**16,240**

At 31 March 2025, the total creditor balance in respect of Section 106 contributions was £17.000 million. These contributions are required to be held by the Council until the conditions in the agreement have been met or for ten years, after which the amount must be refunded to the owner of the land. In determining whether the creditor should be classified as long term or short term, information is obtained from the planning service to identify those schemes where there is evidence available that conditions in the Section 106 agreement are likely to be met within 12 months of the balance sheet date, or where the ten year limit will expire within 12 months of the balance sheet date, and these balances are consequently classified as short term creditors. All other balances held are classified as long term creditors.

Note 20. Provisions

The following table provide a breakdown of the provisions.

2023/24					2024/25		
Business Rates Appeals	Outstanding Legal cases	HRA Council Dwellings Rent Liability	Total		Business Rates Appeals	Outstanding Legal cases	Total
£000	£000	£000	£000		£000	£000	£000
(914)	(18)	(50)	(982)	Balance at 1st April	(1,012)	(9)	(1,021)
(305)	8	0	(297)	Additional provisions made in year	(411)	(2)	(413)
207	1	0	208	Amounts used in year	480	9	489
0	0	50	50	Unused amounts reversed in 2023/24	0	0	0
(1,012)	**(9)**	**0**	**(1,021)**	**Balance at 31 March**	**(943)**	**(2)**	**(945)**

Business Rates Appeals

Since the introduction of the Business Rates Retention Scheme effective from 1 April 2013, local authorities are liable for successful appeals against business rates charged to businesses in 2024/25 and earlier financial years in their proportionate share. Therefore, a provision of £1.012m was recognised at 31 March 2024 for the Council's attributable share of the best estimate of the amount that may be required to be repaid to businesses that had been overcharged up to 31 March 2024. The estimate was calculated using information on outstanding appeals at 31 March 2024 and success rates for settled appeals provided by the Valuation Office Agency.

The latest information from the Valuation Office Agency has been used to estimate the provision required at 31 March 2025. The provision for the 2017 list is derived from appeals lodged to date, yet to be determined by the Valuation Office Agency (VOA) under the Check, Challenge and Appeals process. The deadline for lodging an appeal against the 2017 valuation list was 31 March 2024. In addition, the Valuation Office Agency (VOA) has updated the rateable values of all business, and other non-domestic, property in England and Wales.

These updated rateable values took effect from 1 April 2023. A provision for this list has been calculated on the same basis as the 2017 list and also includes an analysis of 'likely threats' provided by a specialist agency. This has resulted in an overall reduction in the Council's share of the provision by £0.069m to £0.943m as at 31st March 2025.

Outstanding Planning Enforcement Appeals

In 2024/25 there was one case where costs awarded against the Council had not been settled by 31/03/25. The outstanding planning appeal costs from 2023/24 no longer required provisions at the end of 2024/25, so overall, a provision of £0.002m was required.

Housing Revenue Account - Dwellings Rent

A provision of £0.266 million was made for an estimated rent liability from the prior five-year period ending 2020/21. All corrections were concluded in 2022/23, so a provision was no longer needed, and the unused amount was reversed in 2023/24.

Note 21. Useable Reserves

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement with further analysis provided in Note 9 Adjustments Between Accounting Basis and Funding Basis Under Regulations and Note 10 Transfers To / From Earmarked Reserves.

A description of the nature and purpose of the Council's usable reserves is set out below.

General Fund:

The General Fund is the statutory fund into which all the receipts of the Council are required to be paid and out of which all the liabilities of the Council are to be met, except to the extent that statutory rules might provide otherwise. These rules can also specify the financial year in which liabilities and payments should impact on the General Fund Balance, which is not necessarily in accordance with proper accounting practice. The General Fund therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment at the end of the financial year. However, the balance is not available to be applied to funding HRA services.

Earmarked Reserves:

These are reserves into which amounts are set aside from the General Fund and HRA balances in order to provide financing for future expenditure plans and from which amounts are posted back to meet General Fund and HRA expenditure. The details of each earmarked reserve are provided in Note 10 Transfers To / From Earmarked Reserves.

Housing Revenue Account:

The Housing Revenue Account (HRA) Balance reflects the statutory obligation to maintain a revenue account for local authority council housing provision in accordance with Part VI of the Local Government and Housing Act 1989. It contains the balance of income and expenditure as defined by the 1989 Act that is available to fund future expenditure in connection with the Council's landlord function.

Usable Capital Receipts Reserve:

The Usable Capital Receipts Reserve holds the proceeds from the disposal of land or other assets, which are restricted by statute from being used other than to fund new capital expenditure or to be set aside to finance historical capital expenditure. The balance on the reserve shows the resources that have yet to be applied for these purposes at year end.

Major Repairs Reserve:

The Council is required to maintain the Major Repairs Reserve, which controls an element of the capital resources limited to being used on capital expenditure on HRA assets or the financing of historical capital expenditure by the HRA. In previous years, the amount transferred to this reserve was based on a historical Major Repairs Allowance. With effect from 2017/18, the amount transferred into the reserve is based on the total of depreciation for the year charged to the HRA. The balance on the reserve shows the resources that have yet to be applied at the year end.

Capital Grants Unapplied Account:

The Capital Grants Unapplied Account holds the grants and contributions received towards capital projects for which the Council has met the conditions that would otherwise require repayment of the monies, but which have yet to be applied to meet expenditure. The balance is restricted by grant terms as to the capital expenditure against which it can be applied and/or the financial year in which this can take place.

Note 22. Unusable Reserves

The following table provide a summary of the Council's unusable reserves.

2023/24 £000	Unusable Reserves	Note 22	2024/25 £000
(64,932)	Revaluation Reserve	(a)	(51,235)
(193,892)	Capital Adjustment Account	(b)	(206,355)
2,901	Pensions Reserve	(c)	2,686
(598)	Collection Fund Adjustment Account	(d)	(209)
187	Accumulated Absences Account	(e)	158
1,562	Pooled Investment Fund Fair Value Adjustment Reserve	(f)	2,016
(254,772)	**Total Unusable Reserves**		**(252,939)**

(a) Revaluation Reserve:

The Revaluation Reserve contains the gains made by the Council arising from increases in the value of Property, Plant and Equipment and Heritage 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 £000	Revaluation Reserve	2024/25 £000
(59,144)	Balance at 1 April	(64,932)
(10,855)	Upward revaluation of assets	(6,465)
3,132	Downward revaluation of assets and impairment losses not charged to the Surplus on Provision of Services	17,253
(7,723)	**(Surplus) or Deficit on revaluation of non current assets not posted to the (Surplus)/Deficit on the Provision of Services**	**10,788**
907	Difference between fair value depreciation and historical cost depreciation	995
1,028	Accumulated gains on assets sold or scrapped	1,914
1,935	**Net amount transferred to the Capital Adjustment Account**	**2,909**
(64,932)	**Balance at 31 March**	**(51,235)**

Note 22. Unusable Reserves (continued)

(b) Capital Adjustment Account:

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for accounting for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The Account is debited with the cost of acquisition, construction or subsequent costs as depreciation, impairment losses and amortisation and are charged to the Comprehensive Income & Expenditure Statement with reconciling postings from the Revaluation Reserve to convert current value in existing use figures to a historical cost basis. The Account is credited with amounts set aside by the Council as finance for the costs of acquisition, construction or enhancement.

The Account contains accumulated gains and losses on Investment Properties. It also contains revaluation gains on Property, Plant & Equipment accumulated before 1 April 2007, the date that the Revaluation Reserve was created to hold such gains. Note 9 provides details of the source of all the transactions posted to the Account, apart from those involving the Revaluation Reserve.

2023/24 £000	Capital Adjustment Account	2024/25 £000	£000
(189,369)	Balance at 1 April		(193,892)
	Reversal of items relating to capital expenditure debited or credited to the Comprehensive Income & Expenditure Statement:		
5,196	Charges for depreciation and impairment of non-current assets	5,581	
6,894	Revaluation (gains) / losses on Property, Plant & Equipment	10,520	
(425)	Revaluation (gains) / losses on Investment Properties	(922)	
104	Amortisation of intangible assets	158	
1,435	Revenue expenditure funded from capital under statute	4,073	
3,765	Amounts of non-current assets written off on disposal as part of the gain / loss on disposal posted to the CIES	2,978	
16,969			22,388
291	Impairment/fair value movement on subsidiary company		635
12,600	Repayment of loan to subsidiary Company		10,000
(1,028)	Adjusting amounts written out of the Revaluation Reserve		(1,914)
28,832	**Net written out amount of the cost of non-current assets consumed in the year**		**31,109**
	Capital financing applied in the year:		
(16,870)	Use of the Capital Receipts Reserve to finance new capital expenditure	(14,221)	
(5,206)	Use of the Major Repairs Reserve to finance new capital expenditure	(4,436)	
(3,370)	Capital grants and contributions credited to the CIES that have been applied to capital financing	(7,970)	
(535)	Application of grants to capital financing from the Capital Grants Unapplied Account	(4,766)	
(294)	Statutory provision for the financing of capital investment charged against the General Fund balance	(353)	
(1,752)	Voluntary provision for the financing of capital investment charged against the HRA balance	(1,908)	
(4,421)	Capital expenditure charged against the General Fund and HRA balances	(5,779)	
(32,448)			**(39,433)**
	IFRS 16 Nil consideration of leases		(3,145)
(907)	Movements in the market value of Investment Properties credited to the CIES		(994)
(193,892)	**Balance at 31 March**		**(206,355)**

Note 22. Unusable Reserves (continued)

(c) Pensions Reserve:

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post-employment benefits and the funding of benefits in accordance with statutory provisions. The Council accounts for post-employment benefits in the Comprehensive Income & 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 the pension fund or eventually pays any pensions for which it is directly responsible. The debit balance on the Pensions Reserve therefore shows a 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	Pensions Reserve	2024/25 £000
2,881	Balance at 1 April	2,901
453	Remeasurements of the net defined benefit liability	110
2,822	Reversal of items relating to retirement benefits debited or credited to the (Surplus)/Deficit on the Provision of Services in the Comprehensive Income & Expenditure Statement	2,935
(3,255)	Employer's pensions contributions and direct payments to pensioners payable in the year	(3,260)
2,901	**Balance at 31 March**	**2,686**

(d) Collection Fund Adjustment Account:

The Collection Fund Adjustment Account manages the differences arising from the recognition of council tax income and non-domestic rates income in the Comprehensive Income & Expenditure Statement as it falls due from the council taxpayers and business rate payers compared with the statutory arrangements for paying across amounts to the General Fund from the Collection Fund.

2023/24 £000	Collection Fund Adjustment Account	2024/25 £000
261	Balance at 1 April	(598)
73	Amount by which the council tax income credited to the Comprehensive Income & Expenditure Statement is different from council tax income calculated for the year in accordance with statutory requirements	(163)
(932)	Amount by which the non-domestic rates income credited to the Comprehensive Income & Expenditure Statement is different from non-domestic rates income calculated for the year in accordance with statutory requirements	552
(598)	**Balance at 31 March**	**(209)**

Note 22. Unusable Reserves (continued)

(e) Accumulated Absences Account:

The Accumulated Absences Account absorbs the differences that would otherwise arise on the General Fund Balance and Housing Revenue Account 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 and Housing Revenue Account Balance is neutralised by transfers to or from the Account.

2023/24 £000	Accumulated Absences Account	2024/25 £000
319	Balance at 1 April	187
(319)	Settlement or cancellation of accrual made at the end of the preceding year	(187)
187	Amounts accrued at the end of the current year	158
(132)	Amount by which officer remuneration charged to the Comprehensive Income & Expenditure Statement on an accruals basis is different from remuneration chargeable in the year in accordance with statutory requirements	(29)
187	**Balance at 31 March**	**158**

(f) Pooled Investment Fund Fair Value Adjustment Reserve:

In compliance with IFRS 9 the cumulative variance between the nominal value and the fair value of pooled investments held at the end of each year is taken to the reserve account.

2023/24 £000	Pooled Investment Fund Fair Value Adjustment Reserve	2024/25 £000
1,362	Balance at 1 April	1,562
200	(Increase) / decrease in value in current year	454
1,562	**Balance at 31 March**	**2,016**

Note 23. Cash Flow Statement: Operating Activities

The cash flows for operating activities include the following items:

2023/24 £000	Cash Flow Statement: Operating Activities	2024/25 £000
7,232	Interest received	7,593
(3,469)	Interest paid	(3,578)

Note 23. Cash Flow Statement: Operating Activities (continued)

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2023/24 £000	Adjustments for Non-Cash Movements	2024/25 £000
5,299	Depreciation and amortisation	5,740
6,893	Impairments and revaluations	8,676
(142)	Increase in impairment for bad debts	(162)
524	Decrease in creditors	(1,143)
40	Increase/ (decrease) in provisions	(77)
(1,382)	Increase in debtors	(1,538)
(433)	Movement in pension liability	(325)
3,765	Carrying amount of non-current assets sold or de-recognised	2,978
(425)	(Increase) in fair value of investment property	922
380	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	(2,474)
14,519	**Total adjustment for non-cash movements**	**12,597**

The (Surplus)/Deficit on Provision of Services has been adjusted for the following items that are investing and financing activities:

2023/24 £000	Adjustments for Investing and Financing Activities	2024/25 £000
(1,796)	Proceeds from the sale of property, plant & equipment net of disposal costs	(2,610)
(17,378)	Capital grants credited to the Comprehensive Income and Expenditure Statement	(20,765)
(19,174)	**Total adjustment for items that are investing and financing activities**	**(23,375)**

Note 24. Cash Flow Statement: Investing Activities

The cash flows for investing activities include the following items:

2023/24 £000	Cash Flow Statement: Investing Activities	2024/25 £000
(23,815)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(29,127)
(20,000)	Proceeds/ (Purchase) of short term investments	(9,000)
1,796	Proceeds from the sale of property, plant & equipment	2,610
17,806	Capital grants received	20,919
2,000	Loan (Advance)/ Repayment to Sussex Weald Homes Limited	1,500
(5,000)	(Purchase)/ Proceeds from long term investments	0
(27,213)	**Net cash flows from investing activities**	**(13,098)**

Note 25. Cash Flow Statement: Financing Activities

The cash flows for financing activities include the following items:

2023/24 £000	Cash Flow Statement: Financing Activities	2024/25 £000
(4,499)	Increase / (decrease) in Covid creditors (agency arrangements)	125
1,094	Net cash (payments)/receipts in respect of Section 106 Agreements	684
1,676	(Payments) / Receipts in respect of Preceptors' and Government's shares of net cash collected for Council Tax and Non Domestic Rates	670
(10,000)	Net (Repayments)/ Additional short and long term borrowing	8,300
(11,729)	**Net cash flows from financing activities**	**9,779**

Note 26. Officer Remuneration, Exit Packages and Termination Benefits

Officer Remuneration

The remuneration paid to the Council's senior employees is shown below.

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Chief Executive	2024/25	167,485	0	180	0	**167,665**	35,460	**203,125**
	2023/24	*151,862*	*0*	*180*	*0*	*152,042*	*38,016*	*190,058*
Director of Community	2024/25	113,448	0	180	0	**113,628**	23,710	**137,338**
	2023/24	*103,799*	*0*	*180*	*0*	*103,979*	*21,612*	*125,591*
Director of Governance & Corporate Services [1]	2024/25	119,061	0	180	0	**119,241**	24,931	**144,172**
	2023/24	*109,191*	*0*	*180*	*0*	*109,371*	*22,784*	*132,155*
Director of Place	2024/25	119,061	0	180	0	**119,241**	24,931	**144,172**
	2023/24	*109,545*	*250*	*180*	*0*	*109,975*	*22,839*	*132,814*
Chief Financial Officer [2]	2024/25	95,453	0	180	0	**95,633**	19,901	**115,534**
	2023/24	*89,373*	*0*	*180*	*0*	*89,553*	*18,663*	*108,216*
Head of People & Organisational Development	2024/25	87,487	0	180	0	**87,667**	18,230	**105,897**
	2023/24	*81,594*	*250*	*180*	*0*	*82,024*	*17,068*	*99,092*

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)

Officer Remuneration		Salary (Including fees and allowances) £	Bonuses £	Expenses £	Compensation from loss of Office £	Total Remuneration excluding Pension Contributions £	Pension Contributions £	Total Remuneration including Pension Contributions £
Head of Planning & Environmental Services	2024/25	87,452	0	180	0	**87,632**	18,246	**105,878**
	2023/24	*82,214*	*500*	*180*	*0*	*82,894*	*17,138*	*100,032*
Head of Housing	2024/25	87,757	0	180	0	**87,937**	18,269	**106,206**
	2023/24	*81,968*	*250*	*180*	*0*	*82,398*	*17,107*	*99,505*
Head of Digital & Benefits [3]	2024/25	87,740	0	180	0	**87,920**	18,308	**106,228**
	2023/24	*82,148*	*0*	*180*	*0*	*82,328*	*17,092*	*99,420*
Chief Legal and Governance Officer [4]	2024/25	93,603	0	180	0	**93,783**	19,583	**113,366**
	2023/24	*86,968*	*0*	*180*	*0*	*87,148*	*18,140*	*105,288*
Head of Planning Policy, Economy & Climate Change	2024/25	87,928	0	180	0	**88,108**	18,269	**106,377**
	2023/24	*82,322*	*0*	*180*	*0*	*82,502*	*17,053*	*99,555*
Head of Waste & Customer Services [5]	2024/25	87,560	0	180	0	**87,740**	18,269	**106,009**
	2023/24	*81,968*		*180*	*0*	*82,148*	*17,053*	*99,201*

Note 26. Officer Remuneration, Exit Packages and Termination Benefits (continued)

Footnotes to tables on previous three pages:

1 The Head of Governance & Projects job title was changed to Head of Governance & Corporate Services in August 2024. No other changes to the role took place.

2 The Head of Financial Services (Section 151 Officer) job title was changed to Chief Financial Officer in August 2024. No other changes to the role took place.

3 The Head of Customer, Digital & Benefits job role was changed to Head of Digital & Benefits in August 2024. No other changes to the role took place.

4 The Head of Legal & Governance Services job title changed to Chief Legal and Governance Officer in August 2024. No other changes to the role took place.

5 The Head of Waste, Assets & Crematorium job role was changed to Head of Waste and Customer Services in August 2024. No other changes to the role took place.

Remuneration Banding:

The Council's other employees receiving more than £50,000 remuneration for the year (excluding employer's pension contributions) were paid the following amounts:

Remuneration Band	2023/24 No. of Employees	2024/25 No. of Employees
£50,000 - £54,999	11	21
£55,000 - £59,999	11	11
£60,000 - £64,999	10	10
£65,000 - £69,999	2	8
£70,000 - £74,999	0	0
£74,999 - £79,999	1	0
£80,000 - £84,999	1	2

Exit Packages:

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

Exit package cost band	Number of compulsory redundancies		Total number of exit packages by cost band		Total cost of exit packages in each band	
	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25
£0 - £20,000	0	0	2	0	27	0
£20,000 - £40,000	0	0	0	0	0	0
£40,000 - £60,000	0	0	0	1	0	41
£60,000 - £80,000	0	0	0	0	0	0
Total cost included in bandings and in the CIES					**27**	**41**

Termination Benefits:

The Council terminated the contract of 1 employee in 2024/25 incurring a cost of £41,000 as set out in the table above. The Council terminated the contract of 2 employees in 2023/24 at a cost of £27,000.

Note 27. Members Allowances

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

2023/24 £000	Members Allowances	2024/25 £000
296	Allowances	306
7	Expenses	5
303	**Total**	**311**

Note 28 External Audit Costs

The Council has incurred the following costs (exclusive of VAT) in relation to the audit of the Statement of Accounts and the certification of grant claims.

2023/24 £000		External Audit Costs	2024/25 £000
164		Fees payable to the appointed auditor, with regard to external audit services carried out for the year	171
36		Fees payable for the certification of grant claim and returns for the year	0
16	*	Additional fee for the 2023/24 certification of grant fees	0
8	**	PSAA Fee Variation	0
24		Fee variations in respect of prior years	0
249		**Total**	**171**

*An additional fee relating to the certification of 2023/24 grant claims was paid in the 2024/25 financial year. This fee was not accrued and therefore not included within the 2023/24 Statement of Accounts as it was unknown at that reporting date.

**Variations to the Public Sector Audit Appointments (PSAA) fee are typically confirmed upon completion of the audit work for the reporting year. Accordingly, the 2023/24 accounts have been restated to reflect the updated fee position.

Note 29 Grant Income

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

2023/24 £000	Grant Income	2024/25 £000
	Credited to Taxation and Non-specific Grant Income & Expenditure	
2,206	Rural Services Delivery/Minimum Funding Guarantee/Services Grant	2,077
753	New Homes Bonus Grant	1,278
150	Revenue Support Grant	160
5,978	Non Domestic Rates - Section 31 Grants Receivable from Government	6,923
13,365	General Fund Capital Grants and Contributions	16,545
1,891	Housing Revenue Account Capital Grants and Contributions	3,790
24,343	**Total**	**30,773**

The above amounts are included in Note 14. Taxation and Non-Specific Grant Income and Expenditure.

2023/24 £000	Grant Income	2024/25 £000
	Credited to Services	
19,745	Housing Benefit Subsidy	18,739
236	Housing Benefit & Localised Council Tax Support Administration Grants	237
235	Non Domestic Rates Cost of Collection Allowance	235
1,349	Disabled Facilities Grant	1,540
2,836	Other Government Grants	4,827
63	Other Non-government Grants and Contributions	101
199	New Burdens Grant (service element)	440
24,663	**Total**	**26,119**

The Council credited the following grants and contributions to the Balance Sheet:

2023/24 £000	Grant Income	2024/25 £000
	Grants where the Council is acting as an Agent	
320	Household Support Grant	300
320	**Total**	**300**

Note 30 Related Parties

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

Central Government:

Central Government has effective control over the general operations of the Council – it is responsible for providing the statutory framework within which the Council operates, provides a substantial proportion of its funding in the form of grants and prescribes the terms of many of the transactions that the Council has with other parties (e.g. council tax bills, housing benefits). Grants received from Government departments are set out in Note 29 Grant Income.

Members:

Members of the Council have direct control over the Council's financial and operating policies.

Members are obliged by the Council's Constitution to record in a Members' Register of Interests any personal interest, financial and/or otherwise, in any business of the Council. The Members' Register of Interests, which is maintained by the Monitoring Officer, is open to public inspection at the Council's offices and is available on the Council's website.

The total of members' allowances paid in the year is shown in Note 27. Three members of the Council are also members of East Sussex County Council. The total of members' allowances paid in the year is shown in Note 27.

Cabinet approved the awarding of Community Grants totalling £187,800 (2023/24: £233,900) to organisations in which non-Cabinet members are Trustees, board members or otherwise involved. Additionally, Cabinet approved the awarding of community grants totalling £18,000 (2023/24: £18,000) to organisations in which Cabinet members are trustees or otherwise involved. Details of these transactions are shown in the table below. In all instances, the grants were made with proper consideration of declarations of interest. The relevant members were not involved in any discussion or decision relating to the award of the grants.

Additionally, a small number of payments to organisations in which members are involved were also made during the 2024/25 year. These are shown below. In all cases, the Council's financial procedure rules have been fully complied with, and the relevant members were not involved in these transactions.

Organisation	2024/25 Amount £	Nature of Transaction
3VA	18,500.00	Community Grant
Conservators Of Ashdown Forest	10,000.00	Community Grant
Edeal	8,000.00	Community Grant
Wealden Citizens Advice	165,000.00	Community Grant
East Sussex Vision Support	4,300.00	Community Grant
Venn Group Limited	161,299.00	Special Levy
Pevensey & Cuckmere Water Level Management Board	129,557.72	Special Levy
Conservators Of Ashdown Forest	95,960.62	Special Levy
Action In Rural Sussex	22,000.00	Special Levy
Sussex Wildlife Trust	21,280.09	Special Levy
Upper Medway Internal Drainage Board	20,657.46	Special Levy
South Downs National Park Authority	13,920.90	Special Levy
High Weald Joint Advisory Committee	9,991.00	Special Levy
3va	7,000.00	Special Levy
Pevensey Bay & Dist. Information & Caring Cen	7,500.00	Special Levy
South East Employers	7,421.00	Special Levy
Local Government Association	6,520.00	Special Levy

Note 30 Related Parties (continued)

Officers:

Officers are obliged under the code of conduct in the Council's Constitution to declare any personal interest, financial and/or otherwise, in any business of the Council. They are also required to record any gifts and/or hospitality received in a format prescribed and held by the Monitoring Officer. In addition, senior officers complete an annual declaration of related party transactions to confirm whether they had any qualifying interests in the year.

The Head of People & OD is a Non-Executive Director of a supplier which entered a transaction to the value of £41,707.94 (2023/24: £38,805.20) with the Council during 2024/25.

Entities Controlled or Significantly Influenced by the Council:

The related party transactions involving entities controlled or significantly influenced by the Council in 2024/25 are shown below.

Sussex Weald Homes Limited

The Council controls Sussex Weald Homes Limited, Company number 10528563 incorporated on 15 December 2016, which is a private company limited by shares. The Council owns 100% of the issued share capital and holds the right to appoint and remove Directors. The Company's accounting period is 1 April to 31 March. As at 31 March 2025, the Directors of the company were Cllr A J Wilson, Cllr G Shaw, Cllr C J H Clark and the Director of Community. The Legal Services Manager as Company Secretary under a service level agreement. During 2024/25, the board appointed two Non-Executive Directors; Mr G Clark and Ms N R Orringe.

The Council maintains proper governance and separation of duties by the Director of Governance and Corporate Services (Monitoring Officer) acting as shareholder and the Chief Finance Officer acting as funder to ensure that all share purchases and loan agreements meet proper commercial viability tests and that state aid is not given inappropriately. The company receives accounting services from Plummer Parsons LLP and legal advice from DMH Stallard LLP to ensure there are no conflicts of interest.

The Council has control of the company by virtue of being 100% shareholder and occupying all director positions. Therefore, the Council has consolidated the company's financial performance and financial position to produce group accounts. Further details of the group accounts are on pages 138-150.

Note 31 East Sussex Business Rates Pool

The Local Government Finance Act 2012 introduced the business rates retention system ("BRRS") from 1 April 2013. The arrangements enable local authorities to retain a proportion of the business rates generated in their area. Billing authorities collect rates on behalf of Central Government (50%), Major Preceptors; East Sussex County Council ("ESCC") (9%) and the East Sussex Fire Authority ("ESFA") (1%), and themselves (40%).

The BRRS introduced a system of Tariffs and Top-ups, as well as Levy and Safety Net payments. 'Tariff' authorities are subject to a levy on any real terms growth in business rates at a maximum rate of 50%. In non-pooled areas the levy is payable to the Government and is used to fund safety net payments to authorities which have seen significant reductions in business rates income.

In 2024/25 (as in 2023/24), the Council, along with ESCC, ESFA, Eastbourne Borough Council, Hastings Borough Council, Lewes District Council and Rother District Council operated a pooling arrangement: the East Sussex Business Rates Pool ("ESBRP").

The ESBRP achieved a net Pool gain of £5.397 million in 2024/25 which was distributed to the members of the Pool in proportionate shares. The Council's share of this gain was £1.116 million.

The pooling arrangements will continue for 2025/26, but it is anticipated that this will be the final year of the pool due to the reset of the business rates baseline in 2026/27.

The ESBRP results for 2024/25 are summarised in the following table (subject to Final NNDR figures)

East Sussex Business Rates Pool 2024/25 Results	Percentage Share	Levy Payable to the Pool:	Administration Fees Deducted to Pay Pool Lead	Pool Gain distribution - Receivable by Pool Members	Net Amount (Receivable) / Payable by each Pool Member
	%	£'000	£'000	£'000	£'000
East Sussex County Council	40.0%	0		(2,157)	(2,157)
East Sussex Fire Authority	10.0%	0		(539)	(539)
Eastbourne Borough Council	7.9%	851		425	1,276
Hastings Borough Council	3.7%	399		200	599
Lewes District Council	10.0%	1,078		539	1,617
Rother District Council	7.7%	827		412	1,239
Wealden District Council	20.1%	2,242	(5)	1,120	3,357
East Sussex Business Rates Pool	**100.0%**	**5,397**	**(5)**	**0**	**5,392**

Note 32 Capital Expenditure and Capital Financing

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

2023/24 £000	Capital Financing Requirement	2024/25 £000
94,497	Opening Capital Financing Requirement	97,890
	Capital Investment:	
23,202	Property, Plant & Equipment	30,288
10,600	Investment in Sussex Weald Homes Limited	8,500
8	Decent Homes Loan	11
596	Intangible Assets	276
0	Investment Properties	83
1,435	Revenue Expenditure Funded from Capital Under Statute	4,074
	Sources of finance:	
(4,270)	Capital Receipts	(4,221)
(3,905)	Government grants & contributions	(12,736)
(5,206)	Major Repairs Allowance	(4,436)
	Sums set aside from revenue:	
(4,421)	Capital expenditure charged to revenue	(5,778)
(294)	Minimum Revenue Provision (General Fund)	(353)
(1,752)	Voluntary Revenue Provision (HRA)	(1,908)
(12,600)	Use of Capital Receipts to repay Borrowing	(10,000)
97,890	**Closing Capital Financing Requirement**	**101,690**

Note 32 Capital Expenditure and Capital Financing (continued)

2023/24 £000	Explanation of movements in the year	2024/25 £000
3,393	Increase / (Decrease) in underlying need to borrow (unsupported by government financial assistance)	3,800
3,393	**Increase / (Decrease) in Capital Financing Requirement**	**3,800**

The 2024/25 net increase of £3.800 million in the underlying need to borrow includes a net decrease of £1.821 million for the General Fund and a net increase of £5.621 million increase in the HRA borrowing requirement related to the HRA capital programme and business plan.

Note 33 Leases and lease type-arrangements

Authority as Lessor

The Council leases out property under operating leases for the following purposes:

- Provide suitable affordable accommodation for local businesses.
- Provide garden plots.
- Provide accommodation to other local service providers.

In December 2017, the Council purchased Vicarage Field Shopping Centre in Hailsham. The retail units within the shopping centre are currently being leased out under operating leases and the lease rents receivable for these units are included in the figures below.

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

31 March 2024 £000	Operating Leases - Lessor	31 March 2025 £000
664	Not later than one year	548
1,097	Later than one year and not later than five years	963
1,328	Later than five years	1,195
3,089	**Total**	**2,706**

The minimum lease payments receivable do not include rents that are contingent on events taking place after the lease was entered into, such as adjustments following rent reviews. In 2024/25 £0.092 million contingent rents were receivable by the authority (2023/24 £0.025 million).

Authority as Lessee

The Council has adopted IFRS 16 from 1 April 2024 as per the Code of Practice for Local Authority Accounting in United Kingdom. The main impact of the new requirement is that for arrangements previously accounted for as operating leases, this has been replaced with a right-of-use asset and a lease liability brought into the balance sheet at 1 April 2024. This has been detailed under Note 2 Accounting policies

The council's lease contracts comprise leases of land and buildings, vehicles plant and equipment. These include:

- The long-term lease on Uckfield Leisure Centre on a 19 years lease from July 2023
- Long term leases ranging from 30 to 82 years on 4 car parks with nil or low value lease rents
- The council leases 8 vehicles on short-term leases and some office printers

Rights of Use (ROU) Assets

The following table shows the rights of use asset held under lease by the council

Right of Use Assets	**Land and Buildings £000**	**Vehicle Plant & Equipment £000**	**Total £000**
Balance as at 1 April 2024	3,209	72	3,281
Additions	0	79	79
Depreciation and amortisation	(150)	(39)	(189)
Revaluation	89	0	89
Balance as at 31 March 2025	**3,148**	**112**	**3,260**

Transactions under ROU leases

The council incurred the following expenses and cashflows in relation to leases:

Lease Interest and Expenses	**2024/25 £000**
Interest Expense on lease liabilities	7
Expenses related to short-term leases (charged as MRP/VRP)	43
Expenses related to exempt low value leases	4
Minimum Lease payments	159
	213

Maturity analysis of lease liabilities – Lessee

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

	£000
Less than one year	65
one to five years	113
More than five years	188
Total undiscounted liabilities	**366**

Note 34 Defined Benefit Pension Scheme

As part of the terms and conditions of employment of its employees, the Council offers retirement benefits. Although these benefits will not actually be payable until employees retire, the Council has a commitment to make the payments (for those benefits) and to disclose them at the time that employees earn their future entitlement.

The Council participates in the Local Government Pension Scheme (''LGPS'') for its employees, administered by East Sussex County Council (''ESCC''), which is a defined benefit scheme. It is also a funded scheme, meaning that the Council and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets. Contribution rates for 2024/25 were determined at the formal triennial actuarial valuation of the Fund on 31 March 2022.

The East Sussex Pension Fund is operated under the regulatory framework for the Local Government Pension Scheme. East Sussex County Council is the designated statutory body responsible for administering the East Sussex Pension Fund on behalf of the constituent Scheduled and Admitted Bodies. The Pensions Committee has delegated authority for all pension related investment and administration decisions on behalf of the Administering Authority; ESCC.

The principal risks to the Council of the scheme are the longevity assumptions, statutory changes to the scheme, structural changes to the scheme (i.e. large-scale withdrawals from the scheme), changes to inflation, bond yields, and the performance of the equity investments held by the scheme. These are mitigated to a certain extent by the statutory requirements to charge to the General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Formal actuarial valuations are carried out every three years, where each employer’s assets and liabilities are calculated on a detailed basis, using individual member data, for cash contribution setting purposes. The 31 March 2022 formal valuations for English and Welsh LGPS Funds were concluded by 31 March 2023.

Discretionary Post-retirement Benefits

Discretionary post-retirement benefits on early retirement are an unfunded defined benefit arrangement, under which liabilities are recognised when awards are made. There are no plan assets built up to meet these pension liabilities.

Transactions Relating to Post-employment Benefits

We recognise the cost of retirement benefits in the reported cost of services when they are earned by employees, rather than when the benefits are eventually paid as pensions. However, the charge we are required to make against Council Tax is based on the cash payable in the year, so the real cost of post-employment / retirement benefits is reversed out of the General Fund and Housing Revenue Account 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 Statement during the year:

Comprehensive Income and Expenditure Statement	**2023/24 £000**	**2024/25 £000**
Cost of Services		
Service Cost comprising:		
Current service cost	2,621	2,722
Past service cost including curtailments		
Administration Expenses	141	150
Financing and Investment Income & Expenditure		
Net interest expense	60	63
Total post-employment benefits charged to the (Surplus)/Deficit on the Provision of Services	**2,822**	**2,935**
Other Post-employment Benefits Charged to Other Comprehensive Income & Expenditure		
Remeasurement of the Net Defined Benefit Liability comprising:		
Return on plan assets (excluding the amount included in the net interest expense)	(5,254)	5,401
Actuarial gains arising on changes based on demographic assumptions	0	0
Actuarial (gains) and losses arising on changes in demographic assumptions	0	(374)
Actuarial (gains) and losses arising on changes in financial assumptions *	(3,193)	(18,086)
Actuarial (gains) and losses arising on changes based on other experience	397	(354)
Changes in effect of asset ceiling **	8,503	13,523
Total post-employment benefits recognised in Other Comprehensive Income and Expenditure	**453**	**110**

Note 34 Defined Benefit Pension Scheme (continued)

*In 2024/25 remeasurements of the changes in financial assumptions had a positive impact on the fund, although this was largely offset by the remeasurement of the return on assets and the increase in the asset ceiling.
** The impact of the asset ceiling relates to the present value of any economic benefits available to the Council in the form of refunds or reduce future employer contributions. The amount is measured according to the requirements of accounting standard IFRIC 14.

Overall, the net liability arising from the defined obligation reduced by £0.215 million in 2024/25

Movement in Reserves Statement	**2023/24 £000**	**2024/25 £000**
Reversal of net charges made to the (Surplus)/Deficit on Provision of Services for post-employment benefits in accordance with the Code	(2,822)	(2,935)
Actual amount charged against the General Fund Balance for pensions in the year: Employer's contributions payable to the scheme	3,255	3,260
Total movement	**433**	**325**

Pensions Assets and Liabilities Recognised in the Balance Sheet

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

Balance Sheet	**2023/24 £000**	**2024/25 £000**
Present value of funded liabilities	(147,353)	(132,384)
Present value of unfunded liabilities	(1,410)	(1,217)
Fair value of plan assets	174,494	174,473
Changes in effect of asset ceiling	(28,632)	(43,558)
Net (liability)/asset arising from the defined benefit obligation	**(2,901)**	**(2,686)**

Reconciliation of the Movements in the Fair Value of Plan Assets	**2023/24 £000**	**2024/25 £000**
Opening fair value of plan assets at 1 April	165,194	174,494
Interest income	7,843	8,479
Administration Expenses	(141)	(150)
Remeasurement (gains) and losses:		
Return on plan assets (excluding the amount included in the net interest expense)	5,254	(5,401)
Contributions from employer	3,071	3,080
Contributions from employer in respect of unfunded benefits	184	180
Contributions from employees into the scheme	937	1,031
Benefits paid	(7,664)	(7,060)
Unfunded Benefits paid	(184)	(180)
Other (gains) and losses	0	0
Closing fair value of plan assets at 31 March	**174,494**	**174,473**

Note 34 Defined Benefit Pension Scheme (continued)

Reconciliation of the Movements in the Impact of the Asset Ceiling	2023/24 £000	2024/25 £000
Opening Impact of the Asset Ceiling at 1 April	(19,207)	(28,632)
Interest on Impact of Asset Ceiling	(922)	(1,403)
Changes in effect of asset ceiling	(8,503)	(13,523)
Closing Impact of the Asset Ceiling at 31 March	**(28,632)**	**(43,558)**

The asset ceiling is the present value of any economic benefit available to the Employer in the form of refunds or reduced future employer contributions. The calculation of the asset ceiling is in line with the requirements of IFRIC14.

Reconciliation of the Present Value of the Scheme Liabilities	2023/24 £000	2024/25 £000
Opening balance at 1 April	148,868	148,763
Current service cost	2,621	2,722
Past service cost	0	0
Interest cost	6,981	7,139
Remeasurement (gains) and losses:		
Actuarial gains arising on changes in demographic assumptions	0	(374)
Actuarial (gains) and losses arising on changes in financial assumptions	(3,193)	(18,086)
Actuarial gains arising on changes based on other experience	397	(354)
Contributions from employees into the scheme	937	(7,060)
Benefits paid	(7,664)	1,031
Unfunded Benefits Paid	(184)	(180)
Closing balance at 31 March	**148,763**	**133,601**
Comprising:		
Present value of funded liabilities	(147,353)	(132,384)
Present value of unfunded liabilities	(1,410)	(1,217)
	(148,763)	**(133,601)**

The fair value of the plan assets held at 31 March 2025 comprised the following classes of assets. The values in the table below are at bid value as required under IAS19.

Asset Category	Total as at 31 March 2024 £000	Percentage of Total Assets %	Total as at 31 March 2025 £000	Percentage of Total Assets %
Equity Securities				
Equities	119,788	69%	113,572	65%
Bonds	25,968	15%	30,659	18%
Property	26,276	15%	25,788	15%
Cash	2,464	1%	4,454	3%
Total	**174,496**	**100%**	**174,473**	**100%**

Note 34 Defined Benefit Pension Scheme (continued)

Basis for Estimating Assets & Liabilities

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

The Local Government Pension Scheme defined benefit liability has been estimated by Barnett Waddingham LLP, an independent firm of actuaries, based on the roll forward from the accounting valuation as at 31 March 2025, using financial assumptions that comply with IAS19.

To calculate the asset share, the assets disclosed at 31 March 2025 have been rolled forward allowing for investment returns (estimated where necessary), contributions paid into, and estimated benefits paid from, the Fund by and in respect of the Employer and its employees.

Assumptions

The significant assumptions used by the actuary are shown below.

Financial Assumptions	**31 March 2024**	**31 March 2025**
	% p.a.	**% p.a.**
Pension Increase Rate	2.9%	2.9%
Salary Increase Rate	2.9%	2.9%
Discount Rate	4.9%	5.8%

Mortality Assumptions	**31 March 2024**	**31 March 2025**
	Years	**Years**
Longevity at 65 for current pensioners:		
Males	20.9	20.9
Females	23.8	23.9
Longevity at 65 for future pensioners:		
Males	21.9	21.9
Females	25.4	25.4

Sensitivity Analysis

The estimation of the defined benefit obligation is sensitive to the actuarial assumptions set out above. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are shown below. These have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period and assumes for each change that the assumption analysed changes while all the other assumptions remain constant. The estimations in the sensitivity analysis have followed the accounting policies for the scheme, i.e. on an actuarial basis using the projected unit credit method.

Change in Assumptions at 31 March 2025	**£000's**	**£000's**	**£000's**
Adjustment to Discount Rate	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	131,834	133,601	135,408
Projected service cost	1,923	1,991	2,062
Adjustment to long term salary increase	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	133,719	133,601	133,484
Projected service cost	1,991	1,991	1,991
Adjustment to pension increases and deferred revaluation	**+0.1%**	**0.0%**	**-0.1%**
Present value of total obligation	135,339	133,601	131,900
Projected service cost	2,065	1,991	1,920
Adjustment to life expectancy assumptions	**+ 1 year**	**None**	**- 1 year**
Present value of total obligation	138,952	133,601	128,477
Projected service cost	2,071	1,991	1,914

Impact on the Council's Cash Flows

The objectives of the scheme are to keep employers' contributions at as constant a rate as possible using a stability overlay mechanism which dampens down short-term market volatility subject to certain limits. The Pension Fund has agreed a strategy with the scheme's actuary to achieve a funding level of 100% over the next 20 years. Funding levels are monitored on an annual basis. The 31 March 2022 formal valuations for English and Welsh LGPS were concluded by 31 March 2023.

The scheme takes account of the national changes that were introduced to the scheme under the Public Services Pensions Act 2013. The Act provided for scheme regulations to be made within a common framework, to establish new career average revalued earnings schemes to pay pensions and other benefits to certain public servants. Members started earning benefits under the new scheme from April 2014.

The Council expects to pay employer's contributions for the period to 31 March 2026 of approximately £3.114 million.

The table below summaries the membership data as at 31 March 2022 (this is the latest information provided by the actuary) for members receiving funded and unfunded benefits.

Member Data Summary	**Salary/Pensions £000**
Active members	11,259
Deferred members	1,401
Pensioner members	5,313
Unfunded Pensioners	173

Note 35 Nature and Extent of Risks Arising from Financial Instruments

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

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

The Council's overall risk management procedures focus on the unpredictability of financial markets and seek to minimise the potential adverse effects on the resources available to fund services. Risk management is carried out by the Finance team, under policies approved by the Council in the Annual Treasury Management Strategy Statement, Minimum Revenue Provision Policy Statement and Annual Investment Strategy. These include prudential indicators which determine:

- The Council's overall borrowing.
- Maximum exposure to fixed and variable rates.
- Maximum and minimum exposure of the maturity structure of the Council's debts.
- Maximum and minimum exposure of investments maturing beyond a year.

Credit Risk

The Council manages credit risk by ensuring that investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, and other local authorities. Recognising that credit ratings are imperfect predictors of default; the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

The credit limits applied in respect of the financial assets held by the Council at 31 March 2025 are detailed below:

- No more than £5 million invested in secure investments with banks and building societies.
- No more than £3 million in unsecured investments in banks and building societies.
- No more than £7 million loaned to any one local authority.
- No more than £7 million invested in any one Money Market Fund.
- No more than £10 million invested in any Strategic Pooled Fund.
- Any balances over those set out above (should the Council’s bank account exceed its recommended limit of £25 million) would either be transferred to the Lloyds call account or invested with the Debt Management Account Deposit Facility, managed by the UK Debt Management Office, an executive agency of HM Treasury.

A copy of the Council’s Treasury Management Strategy is available on the Council's website.

The Council's maximum exposure to credit risk during 2024/25 in relation to its investments in banks, deposit funds and loans to other local authorities of £140.1 million cannot be assessed generally as the risk of any institution failing to make interest payments or repay principal sums 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 non-recoverability applies to all of the Council's deposits but there was no evidence at 31 March 2025 that this was likely to crystallise.

The following table shows the credit risk applicable to all the Council's investments, and cash & equivalents.

Credit Rating	Long Term 31 March 2024 £000	Long Term 31 March 2025 £000	Short Term 31 March 2024 £000	Short Term 31 March 2025 £000
AAA				
AA+				
AA				
AA-				
A+			2,792	7,173
A				
A-				
BBB+				
Unrated local authorities			61,646	57,366
Unrated building societies				
Total	**0**	**0**	**64,438**	**64,539**
Credit risk not applicable	21,835	20,793	7,113	25,216
Total investments , cash & equivalents	**21,835**	**20,793**	**71,551**	**89,755**

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets, based on experience of default and the ability to collect over the last five financial years.

Exposure Risk	Amount at 31 March 2025 £000	Historical experience of default %	Estimated maximum exposure to default and uncollect-ability at 31 March 2025 £000	Estimated maximum exposure at 31 March 2024 £000
	A	**B**	**(A x B)**	
Customers	24,606	3.3%	812	559

The Council does not generally allow extended credit for its customers so some of the £24.6 million balance is past its due date for payment. The past due but not impaired amount can be analysed by age as follows.

Credit Risk	31 March 2024 £000	31 March 2025 £000
Less than three months	14,924	21128
Three to six months	23	2513
Six months to one year	52	17
More than one year	1,938	948
	16,937	**24,606**

Liquidity Risk

The Council has a robust cash flow management system that seeks to ensure that cash is available as needed. If unexpected movements happen, the Council has access to borrowings from the Public

Works Loan Board for long term funding. There is no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. Instead, the risk is that the Council will be bound to replenish a significant proportion of its fixed rate borrowings at a time of unfavourable interest rates. In order to address this risk, the Council sets limits on the proportion of its borrowing during specified periods. The maturity analysis of all the Council's financial liabilities and assets are as follows:

Time to maturity (years)	31 March 2024			31 March 2025		
	Liabilities	Assets	Net	Liabilities	Assets	Net
	£000	£000	£000	£000	£000	£000
Not over 1	(11,470)	88,485	77,015	(21,702)	106,688	84,986
Over 1 but not over 2	(1,000)		(1,000)	(2,282)		(2,282)
Over 2 but not over 5	(7,346)		(7,346)	(7,346)		(7,346)
Over 5 but not over 10	(11,410)		(11,410)	(11,410)		(11,410)
Over 10 but not over 20	(18,256)		(18,256)	(15,974)		(15,974)
Over 20 but not over 40	(5,300)		(5,300)	(5,300)		(5,300)
Over 40	0		0			0
Uncertain date	(14,487)	21,869	7,382	(16,240)	20,838	4,598
Total	**(69,269)**	**110,354**	**41,085**	**(80,254)**	**127,526**	**47,272**

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

The total balance of £17.000 million held in respect of Section 106 monies at 31 March 2025 will be due for payment to the County Council as and when conditions attached to each scheme have been fulfilled. The amount has been classified as either a short term or a long-term creditor based on the expectations; we have of payment timescales using the best information available at the reporting date. There is no significant exposure to liquidity risk in respect of this creditor because the monies are held in interest-earning accounts and are available to be paid, with notice of up to three months, as and when requested.

Market Risk

Interest Rate Risk

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

- Borrowings at variable rates - the interest expense charged to the (Surplus)/Deficit on Provision of Services would rise.
- Borrowings at fixed rates - the fair value of the liabilities would fall.
- Investments at variable rates - the interest income credited to the (Surplus)/Deficit on Provision of Services would rise.
- Investments at fixed rates - the fair value of the assets would fall.

All the Council's borrowings are at fixed rates so there is no impact on the interest expense charged to the (Surplus)/Deficit on the Provision of Services. Borrowings are not carried at fair value so nominal gains and losses would not impact on the (Surplus)/Deficit on the Provision of Services or Other Comprehensive Income and Expenditure. However, changes in interest receivable on variable rate investments will be posted to the (Surplus)/Deficit on the Provision of Services and affect the General Fund balance.

Consequently, the Council's exposure to interest rate risk is limited to the impact from any fall in interest rates on the interest receivable from variable rate investments. As the Council’s main bank account had a zero-interest rate for most of the year the Council’s risk exposure was limited to its investments in Money Market Funds and Diversified Income Funds although as these are pooled funds the risk is spread over a range of investments.

The effect of a 1% rise in interest rates as at 31st March 2025 and a 5% fall in property & equity prices as at 31st March 2025 would be:

Sensitivity to Interest Rate Changes	31 March 2024 £000	31 March 2025 £000
Increase in interest receivable on variable rate investments	(541)	(533)
Decrease in fair value of investments held at FVPL	662	688
Impact on the (Surplus)/Deficit on the Provision of Services	**121**	**155**
Decrease in fair value of available for sale investments	0	
Impact on Comprehensive Income and Expenditure	**121**	**155**
Decrease in fair value of loans and investments at amortised cost	138	206
Decrease in fair value of fixed rate borrowing	(3,087)	(7,107)
5% fall in property prices	(43)	(55)
5% fall in equity prices	(457)	(323)

Price Risk

The Council's investments in Pooled Funds - the CCLA Diversified Income Fund, Ninety One Diversified Income Fund, Aegon Diversified Income Fund & Wellington Multi High Income Fund includes bonds, equity and property investments, and is therefore subject to the risk of falling commercial property and share prices. This risk is limited by the diversified nature of the Fund portfolio which is structured to control relative risk, and the Council's maximum exposure of £40 million.

The Council has no financial assets or liabilities denominated in foreign currency. Therefore, there is no exposure to Foreign Exchange Risk.

Note 36 Agency Expenditure and Income

Under various statutory powers the Council may have arrangements with other local authorities and government departments to do work on their behalf.

During the 2024/25 the Council has acted as lead authority for two arrangements: The Joint Waste Partnership and the Strategic Access Management and Monitoring ("SAMMs") Agreement.

The Joint Waste Partnership is not a legal entity in its own right and involves Wealden District Council, Rother District Council and Hastings Borough Council. The three councils have a joint contract with Biffa for the provision of waste collection, recycling and street & beach cleaning. The contract has been in place since 29 June 2019.

On 1st April 2021, Wealden District Council became the lead authority for the Joint Waste Contract (previously Rother District Council) with the relevant staff transferring under TUPE.

The other lead authority arrangement is the SAMMs Agreement. The agreement is between local partner authorities ("LPAs"); Wealden, Mid-Sussex, Lewes, Tandridge, Sevenoaks and Tunbridge Wells and the Conservators of the Ashdown Forest. The agreement is to implement and deliver the SAMMs programme at the Ashdown Forest Special Protection Area ("SPA") which will be financed by means of a tariff levied in respect of residential developments in each of the LPA's areas that could have an impact on the Ashdown Forest SPA.

The tables below summarise the transactions for 2024/25; the amounts shown as recharged to Partner Councils treated as Agency expenditure and therefore not included within this Council's Comprehensive Income and Expenditure Statement.

	2023/24		2024/25	
	Joint Waste	**SAMMS Agreement**	**Joint Waste**	**SAMMS Agreement**
	£000	**£000**	**£000**	**£000**
Expenditure	15,859	40	16,523	49
Income	0	(40)	0	(49)
Net Cost	**15,859**	**0**	**16,523**	**0**
Recharged to Wealden District Council	(7,562)	0	(7,896)	0
Recharged to partner councils	(8,297)	0	(8,627)	0
Total Recharges	**(15,859)**	**0**	**(16,523)**	**0**
Net Cost	**0**	**0**	**0**	**0**

Note 37 Contingent Liabilities

Pension scheme legal case

In 2023/24 the Council included a Contingent Liability for the following:
A High Court legal ruling in June 2023 (Virgin Media Limited v NTL Pension Trustees II Limited) decided that certain pension scheme rule amendments were invalid if they were not accompanied by the correct actuarial confirmation. If the ruling stands (it is currently being appealed) it will form part of case law and can therefore be expected to apply across other schemes.

The update to this case for 2024/25 is that the appeal was unsuccessful. East Sussex Pension Fund have confirmed in their accounts that HM Treasury have started reviewing the records of all public sector pension schemes and is assessing the implications of this case. It is not possible at present to estimate the potential impact, if any, on the Local Government Pension Scheme or the Fund and consequently on the figures within the Councils accounts.

Housing Revenue Account Income & Expenditure Statement

The HRA Income and Expenditure Statement shows the economic cost in the year of providing housing services in accordance with international financial reporting standards, rather than the amount to be funded from rents and government grants. The Council charges rents to cover expenditure in accordance with regulations; this may be different from the accounting cost

2023/24 £000	Housing Revenue Account Income and Expenditure Statement	2024/25 £000	£000
	Expenditure		
4,470	Repairs and maintenance	4,899	
4,127	Supervision and management	4,854	
157	Rents, rates, taxes and other charges	204	
4,207	Depreciation and amortisation of non-current assets	4,443	
54	Debt management costs	58	
274	Movement in the debt impairment allowance	116	
6,317	Gain on revaluation of non-current assets	6,583	
19,606	**Total Expenditure**		**21,157**
	Income		
(15,980)	Dwelling rents	(17,928)	
(163)	Non-dwelling rents	(182)	
(1,467)	Charges for services and facilities	(1,549)	
(304)	Contributions towards expenditure	(505)	
(17,914)	**Total Income**		**(20,164)**
1,692	**Net expenditure/(income) for HRA services as included in the whole Council Comprehensive Income and Expenditure Statement**		**993**
229	HRA Services' share of Corporate and Democratic Core costs		239
1,921	**Net expenditure/(income) for HRA Services**		**1,232**
	HRA share of the operating income and expenditure in the whole Council Comprehensive Income and Expenditure Statement:		
1,534	(Gain)/Loss on disposal of HRA non-current assets		368
3,096	Interest payable and similar charges		3,310
16	Financial Instruments adjustments		132
(336)	Interest and investment income		(192)
8	Net interest on the net defined benefit liability		8
(1,891)	Capital grants and contributions receivable		(3,790)
4,348	**(Surplus)/deficit for the year on HRA Services**		**1,068**

Movement of the Housing Revenue Account Statement

The increase or decrease in the year, on the basis of which rents are raised, is shown in the Movement on the Housing Revenue Account Statement.

2023/24 £000	Movement on the Housing Revenue Account Statement	2024/25 £000	£000
(4,524)	Balance on the HRA at the end of the previous reporting period		**(3,347)**
4,348	(Surplus)/deficit for the year on the HRA Income and Expenditure Statement	1,068	
	Adjustments between accounting basis and funding basis under statute:		
(10,190)	Transfers to / from the Capital Adjustment Account[1]	(8,306)	
3,093	Capital expenditure charged to revenue	3,160	
1,774	Transfer to the Usable Capital Receipts Reserve	2,610	
4,207	Transfer to the Major Repairs Reserve	4,436	
0	Transfer to the Capital Grants Unapplied Account	0	
16	HRA share of contributions to the Pensions Reserve	39	
21	HRA share of transfers to the Accumulated Absences Account	(1)	
3,269	**Net (increase)/decrease before transfers to or from earmarked reserves**	**3,006**	
(2,092)	Transfers to / (from) earmarked reserves	(937)	
1,177	**(Increase)/ decrease in the year on the HRA**		**2,069**
(3,347)	**Balance on the HRA at the end of the current reporting period**		**(1,278)**

[1] Transfers to / from Capital Adjustment Account comprise:

(4,207)	Reversal of depreciation and amortisation	(4,443)
(6,317)	Reversal of revaluation gains credited to the (Surplus)/Deficit on the provision of services	(6,583)
1,891	Capital grants & contributions applied	3,790
1,752	Voluntary provision for financing of capital investment	1,908
(3,309)	Amounts of non-current assets written off on disposal or sale as part of the gain/loss on disposal to the CIES	(2,978)
(10,190)	**Total**	**(8,306)**

Notes to the Housing Revenue Account

Note 1 Housing Stock

The numbers and types of dwellings in the Council's housing stock at 31 March are as follows:

31 March 2024 Stock Numbers	Housing Stock	31 March 2025 Stock Numbers	
	Houses and Bungalows:		
124	One bedroom	124	
589	Two bedrooms	603	
810	Three bedrooms	815	
37	Four or more bedrooms	39	
1,560			1,581
	Flats:		
1,101	One bedroom	1,125	
349	Two bedrooms	347	
2	Three bedrooms	2	
1,452			1,474
3,012	**Total Housing Stock**		**3,055**

The Council had, at the same date, shared ownership arrangements covering 91 properties (31 March 2024: 91) in total; 66 of these properties within retirement living courts.

Note 2 Rent Arrears and Impairment Allowance for Uncollectable Debts

Rent Arrears

Rent arrears at 31 March were as follows:

31 March 2024 £000	Rent Arrears and Impairment Allowance for Uncollectable Debts	31 March 2025 £000
595	Current tenants	655
121	Former tenants	266
716	**Total arrears**	**921**

Rent arrears as a percentage of total rent receivable for the year were 5.14% (2023/24 4.48%). The total amount of arrears written off during the year was £0.076 million (2023/24: £0.262 million). £0.002 million of this amount was in respect of former tenant arrears (2023/24: £0.005).

Impairment Allowance for Uncollectable Debts

The amount to be set aside from revenue to provide for non-payment of rent is determined by reference to the nature and level of the arrears outstanding at the end of the financial year. The balance sheet impairment allowance in respect of uncollectable rent debts as at 31 March 2025 is £0.486 million; an increase of £0.132 million on the 31 March 2024 position.

Note 3 Asset Valuation

The balance sheet values of the assets within the Council's HRA are as follows:

31 March 2024 £000	Asset Valuation	31 March 2025 £000
230,046	Council Dwellings (Social Rents)	225,662
40,099	Council Dwellings (Affordable Rents)	44,232
3,538	Other Land & Buildings	2,884
1,063	Assets Under Construction	0
1,896	Surplus Assets	0
118	Intangible Assets	190
276,760	**Total**	**272,968**

Council Dwellings Valuation Basis

Council dwellings are revalued annually, for resource accounting purposes, according to their existing use for social housing. Under this method, the open market value of the stock is reduced by a regional adjustment factor determined in accordance with Government guidance to reflect the status of the properties as social housing. The details of the factor used, and the corresponding open market (vacant possession) values of council dwellings are set out below.

Council Dwellings Let at Social Rents:

The regional adjustment factor used for dwellings let at social rents is 67% (2023/24, 67%), thereby reducing the balance sheet value of these dwellings to 33% (2023/24, 33%) of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2025 was £683.824 million, as valued by the valuers Bruton Knowles (1862) LLP, compared with the value of £225.662 million for its existing use as social housing which is reflected in the balance sheet.

The difference of £458.162 million represents the cost to the Government of providing council housing at less than open market rents.

Council Dwellings Let at Affordable Rents:

A total of 338 dwellings included in the stock held at 31 March 2025 (31 March 2024: 310) are let on an 'affordable rent' basis which is closer to market rent values than social rents. Consequently, a different regional adjustment factor is required in determining the existing use valuation as social housing for these dwellings. The adjustment factor used has been determined by a professional valuer in accordance with Government guidance.

The regional adjustment factor used for dwellings let at affordable rents is 50% (2023/24 - 50%), thereby reducing the balance sheet value of these dwellings to 50% of their open market value.

The open market (vacant possession) value of these dwellings at the valuation date of 31 March 2025 was £88.465 million, as valued by the valuers Bruton Knowles (1862) LLP, compared with the value of £44.232million for its existing use as social housing which is reflected in the balance sheet. The difference of £44.232 million represents the cost to the Government of providing council housing at less than open market rents.

HRA Surplus Assets

In 2021/22 Streatfeild House, Uckfield transferred from Council Dwellings to Surplus Assets whilst awaiting development, with land valued using fair value measurement. The development commenced in 2022/23 and completed in 2024/25.

Note 4 Depreciation and Amortisation

Depreciation of the housing stock has been calculated using the existing use for social housing valuation of individual building components and the useful economic lives determined for each.

Depreciation and amortisation charges to the HRA have been made as follows:

2023/24 £000	Depreciation and Amortisation	2024/25 £000
4,180	Council Dwellings	4,383
25	Other Land & Buildings	28
2	Intangible Assets	25
0	Vehicles , Plant & Equipment	7
4,207	**Total**	**4,443**

Note 5 Capital Expenditure and Financing

The total capital expenditure during the year on land, houses and other property within the HRA is analysed below according to the source of funding:

2023/24 £000	Capital Expenditure and Financing	2024/25 £000
3,093	Revenue contribution	3,160
7,438	Loan	7,490
5,206	Major Repairs Reserve	4,436
2,345	Grants and contributions	3,920
3,047	Capital receipts	3,560
21,129	**Total HRA capital expenditure**	**22,566**

Note 6 Major Repairs Reserve

The Major Repairs Reserve is an earmarked fund to which the Council transfers an amount annually to support capital spending on council dwellings. The analysis of the movement on the Major Repairs Reserve for the year is shown below:

2023/24 £000	Major Repairs Reserve	2024/25 £000
(999)	Balance on the reserve at 1 April	0
(4,207)	Amount transferred to the reserve during the year	(4,436)
5,206	Financing of capital expenditure in the year	4,436
0	**Balance on the reserve at 31 March**	**0**

Note 7 Capital Receipts Reserve

Receipts from the sale of HRA assets are summarised below:

2023/24 £000	Capital Receipts	2024/25 £000
671	Sale of council houses (Right to Buy scheme)	(1,729)
343	Sale of shared ownership properties (Retirement Living Court dwellings)	(116)
760	Sale of shared ownership properties (New Build Homes)	(765)
1,774	**Total gross capital receipts**	**(2,610)**
0	Less amount paid to national pool	0
1,774	**Total net capital receipts**	**(2,610)**

Collection Fund Statement

2023/24				2024/25		
Council Tax		Non-domestic Rates	Collection Fund Statement	Council Tax		Non-domestic Rates
£000		£000		£000		£000
			Income			
(161,639)			Council Tax receivable	(172,641)		
		(31,356)	Non domestic rates receivable			(34,240)
(182)			Council Tax Discounts Funded by General Fund	(20)		
		(3,983)	Business Rates Transitional Protection			(1,282)
			Contribution Towards Previous Year's Estimated Collection Fund Deficit			
		(1,333)	Central Government Share NDR			0
		(240)	East Sussex County Council			0
		0	Police & Crime Commissioner for Sussex			0
		(27)	East Sussex Fire Authority			0
		(1,066)	Wealden District Council			0
		(2,666)				0
			Expenditure			
			Precepts, Demands & Shares			
		17,356	Central Government Share NDR			17,821
114,828		3,124	East Sussex County Council	121,768		3,208
16,264		-	Police & Crime Commissioner for Sussex	17,318		-
7,076		347	East Sussex Fire Authority	7,360		356
22,029		13,885	Wealden District Council	23,645		14,256
	160,197	34,712			170,091	35,641
			Contribution Towards Previous Year's Estimated Collection Fund Surplus			
			Central Government			407
1,195			East Sussex County Council	373		73
166			Police & Crime Commissioner for Sussex	53		0
74			East Sussex Fire Authority	23		8
233			Wealden District Council	72		326
	1,668				521	814
			Provision for bad debt			
	466	214	Change in bad debt provision		881	124
			Provision for Appeals (Business Rates only)			
		(517)	Settlement against Provisions			(1,200)
		762	Change in Provision			1,028
		235	Allowance for Cost of Collection			235
		260	Renewable energy disregards			262
			Movement on the Collection Fund			
	(1,413)	1,237	(Surplus)/Deficit brought forward at 1 April		(903)	(1,102)
	(903)	**(1,102)**	**(Surplus) / Deficit carried forward at 31 March**		**(2,071)**	**280**
	510	(2,339)	Movement on Collection Fund Balance		(1,168)	1,382

Notes to the Collection Fund

Note 1 Collection Fund

The Collection Fund is an agent's statement that reflects the statutory obligation for billing authorities to maintain a separate Collection Fund. The statement shows the transactions of the billing authority in relation to the collection from taxpayers and distribution to local authorities and the Government of council tax and non-domestic rates.

Any Collection Fund surplus or deficit declared by the billing authority in relation to council tax is apportioned to the relevant precepting bodies in the subsequent financial year.

Since April 2013, the business rates retention scheme has been in operation. This allows local authorities and fire and rescue authorities to retain a proportion of any increases in non-domestic rates revenue to invest in local services. This also increases the financial risk borne by local authorities in respect of non-collection of non-domestic rates. Any Collection Fund surplus or deficit in relation to non-domestic rates is apportioned to Central Government and to the local precepting bodies in the subsequent financial year.

Note 2 Council Tax Base

The council tax base for 2024/25 was calculated in accordance with the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012. There are eight valuation bands in which dwellings are placed for council tax purposes, from band A at the lower end to band H for the highest value properties. Council tax is calculated in terms of band D, which is the median band. As different amounts of tax are payable in respect of each valuation band, the number of dwellings in the various bands must be converted to a “band D equivalent” to allow council tax to be calculated as a "Band D" amount. The calculation of the 2024/25 council tax base is set out below.

Valuation Band	Number of Chargeable Dwellings	Proportion of Band D Council Tax	Equivalent Band D Dwellings
A - Disabled reduction	5.23	$^{5}/_{9}$	2.9
A	2,524.25	$^{6}/_{9}$	1,682.8
B	5,720.32	$^{7}/_{9}$	4,449.1
C	14,224.57	$^{8}/_{9}$	12,644.1
D	13,626.89	$^{9}/_{9}$	13,626.9
E	10,716.91	$^{11}/_{9}$	13,098.4
F	7,460.78	$^{13}/_{9}$	10,776.7
G	6,886.06	$^{15}/_{9}$	11,476.8
H	879	$^{18}/_{9}$	1,758.0
Total (adjusted for decimal roundings)			69,516.8
Collection Rate			98.5%
Tax Base for 2024/25			**68,474.0**

The Council levied an average charge of £2,449.31* per Band D property for Council Tax purposes in 2024/25. Actual Band D charges set ranged between £2,353.43 and £2,641.87 dependent upon the amount of precept set in each parish.

* It should be noted that this amount is the average Band D property and differs from the actual Band D charge of £2,484.03

Note 3 Non-domestic Rates

Rateable Value

Every non-domestic property in England, unless it is exempt, has a rateable value. This figure broadly represents the yearly rent a property could have been let for on the open market on a particular date.

The Valuation Office Agency revalues properties every five years. For the 2024/25 financial year the rateable values were based on the valuations as of 1 April 2021. The rateable value for the Council's area at 31 March 2025 was £112,486,579; at 31 March 2024 it was £110,883,345. The next business rates revaluation will take effect on 1 April 2026 and will be based on the rental values as of 1 April 2024.

Multiplier

Each year the Government sets two multipliers or 'poundages'. Details of the two multipliers for 2024/25 are as follows:

- The small business multiplier - applies to those who qualify for small business relief, was set at 49.9 pence in the pound.
- The standard multiplier - applies to everyone else, was set at 54.6 pence in the pound.

Group Accounts

Introduction

The purpose of the Group Accounts is to provide a picture of Wealden District Council and the group of companies and other entities, which are either controlled or are significantly influenced by the Council. The Group Accounts show the full extent of the Authority's wider assets and liabilities. While the Group Accounts are not primary statements, they provide transparency and enable comparison with other entities that have different corporate entities.

The Group Accounts include the following:

- Group Comprehensive Income and Expenditure Statement - summarises the resources that have been generated and consumed in providing services and managing the Group during the year. It includes all day-to-day expenses and related income on an accrual's basis.
- Group Movement in Reserves - shows the movement in the year on the Council's single entity usable and unusable reserves together with the Council's share of the Group reserves.
- Group Balance Sheet - reports the Council Group financial position at the year-end.
- Group Cash Flow Statement - shows the changes in cash and cash equivalents of the Group during the year. The statement shows how the Group generates and uses cash and cash equivalents by classifying cash flows as operating, financing and investing activities.
- Notes to the Group Accounts where the balances are materially different to those in the single entity accounts.

Results of the Subsidiary

The following notes provide additional details about the Authority's involvement in the entity consolidated to form the group accounts.

Sussex Weald Homes Limited

The company is a housing development vehicle for the Council and is structured as a private company limited by shares. The Council holds 3,429,220 Ordinary shares of £1 in the company. The Council has dominant control of the company by virtue of being 100% shareholder, and Councillors & Officers occupy all director positions thereby having guaranteed majority voting rights on the Board. The company builds property to sell or rent to the Council (i.e. affordable homes) and to the public.

For 2024/25, the company's results showed a loss of £0.754 million (£0.435 million loss in 2023/24), and net assets of £2.809 million (£3.563 million at 31 March 2024). During 2024/25 the company paid back a £10million loan and took out further loans of £2.5 million, due to be paid back in August 2025, and £6 million, due to be repaid in February 2026.

A copy of the company's accounts can be obtained from the Directors, Council Offices, Vicarage Lane, Hailsham, East Sussex, BN27 2AX. The accounts are compiled by Plummer Parsons Chartered Accountants.

Group Comprehensive Income & Expenditure Statement

The Group Comprehensive Income and Expenditure Statement ("CIES") shows the accounting cost in the year of providing services in the Group, in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation or rents. Authorities raise taxation and rents to cover expenditure in accordance with statutory requirements; this may be different from the accounting cost.

2023/24				2024/25		
Gross Expenditure £000	**Gross Income £000**	**Net Expenditure £000**		**Gross Expenditure £000**	**Gross Income £000**	**Net Expenditure £000**
368	0	368	Members	374	0	374
4,801	(487)	4,314	Chief Executive's Directorate	3,262	(1,005)	2,257
44,110	(33,107)	11,003	Directorate of Community	47,611	(34,297)	13,314
9,466	(6,753)	2,713	Directorate of Place	10,866	(6,400)	4,466
1,622	(916)	706	Directorate of Legal Governance and Strategic Projects	8,343	(1,859)	6,484
(108)	0	(108)	Central Costs	237	0	237
19,606	(17,914)	1,692	Housing Revenue Account	21,157	(20,164)	993
79,865	**(59,177)**	**20,688**	**Cost of Services**	**91,850**	**(63,725)**	**28,125**

Group Comprehensive Income and Expenditure Statement (continued)

2023/24 Net Expenditure £000		2024/25 Net Expenditure £000
9,953	Other operating expenditure	9,405
(3,022)	Financing and investment income and expenditure	(3,801)
(48,183)	Taxation and non-specific grant income and expenditure	(56,139)
(20,564)	**(Surplus)/Deficit on the Provision of Services**	**(22,410)**
(145)	Tax charge of subsidiaries	0
(20,709)	**Group (Surplus) / Deficit**	**(22,410)**
	Items that will not be reclassified to the Surplus on Provision of Services	
(7,723)	(Surplus) / Deficit on revaluation of non-current assets	10,782
452	Remeasurement of the net defined benefit liability	110
(7,271)	**Other Comprehensive Income and Expenditure**	**10,892**
(27,980)	**Total Comprehensive Income and Expenditure**	**(11,518)**

Group Movement in Reserves Statement

The Group Movement in Reserves Statement ("Group MIRS") shows the movement from the start of the year to the end on the different reserves held by the Council's Group, analysed into 'usable reserves' (i.e. those that can be applied to fund expenditure or reduce local taxation) and other 'unusable reserves'. The Statement shows how the movements in year of the Council's Group reserves are broken down between gains and losses incurred in accordance with generally accepted accounting practices and the statutory adjustments required to return to the amounts chargeable to council tax (or rents) for the year. The Net Increase/Decrease before transfers to Earmarked Reserves line shows the statutory General Fund Balance and Housing Revenue Account Balance movements in the year following those adjustments, prior to any discretionary transfers to earmarked reserves undertaken by the Council.

Group Movement in Reserves during 2024/25	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary £000	Total Group Reserves £000
Balance at 1 April 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**	**277**	**(379,992)**
Total Comprehensive Income and Expenditure	(23,434)	0	(23,434)	1,068	0	1,068	0	0	0	(22,366)	10,892	(11,474)	(43)	(11,517)
Adjustments between group accounts and authority accounts	(163)	0	(163)	0	0	0	0	0	0	(163)	0	(163)	163	0
Adjustments between accounting basis and funding basis under regulations	13,543	0	13,543	1,938	0	1,938	1,611	0	(8,029)	9,063	(9,063)	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,054)**	**0**	**(10,054)**	**3,006**	**0**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,829**	**(11,637)**	**120**	**(11,517)**
Transfers to / (from) Earmarked Reserves	9,263	(9,263)	0	(936)	936	0	0	0	0	0	0	0	0	0
(Increase) / Decrease in 2024/25	**(791)**	**(9,263)**	**(10,054)**	**2,070**	**936**	**3,006**	**1,611**	**0**	**(8,029)**	**(13,466)**	**1,829**	**(11,637)**	**120**	**(11,517)**
Balance at 31 March 2025	**(7,291)**	**(62,318)**	**(69,609)**	**(1,277)**	**(1,266)**	**(2,543)**	**(2,821)**	**0**	**(63,992)**	**(138,965)**	**(252,941)**	**(391,906)**	**397**	**(391,509)**

Group Movement in Reserves Statement (continued)

Group Movement in Reserves during 2023/24	General Fund Balance £000	Earmarked GF Reserves £000	General Fund Balance - Total £000	Housing Revenue Account £000	Earmarked HRA Reserves £000	HRA Total	Capital Receipts Reserve £000	Major Repairs Reserve £000	Capital Grants Unapplied Account £000	Total Usable Reserves £000	Unusable Reserves £000	Total Council Reserves £000	Council's share of the Reserves of the Subsidiary* £000	Total Group Reserves £000
Balance at 1 April 2023	**(4,905)**	**(43,651)**	**(48,556)**	**(4,524)**	**(4,294)**	**(8,818)**	**(6,906)**	**(999)**	**(42,490)**	**(107,769)**	**(243,686)**	**(351,455)**	**(557)**	**(352,012)**
In-year adjustment for prior period errors*	**(578)**	**(2)**	**(580)**	**0**	**0**	**0**	**0**	**0**	**0**	**(580)**	**0**	**(580)**	**580**	**0**
Total Comprehensive Income and Expenditure	(24,976)	0	(24,976)	4,348	0	4,348	0	0	0	(20,628)	(7,270)	(27,898)	(82)	(27,980)
Adjustments between group accounts and authority accounts	(336)	0	(336)	0	0	0	0	0	0	(336)	0	(336)	336	0
Adjustments between accounting basis and funding basis under regulations	14,893	0	14,893	(1,079)	0	(1,079)	2,474	999	(13,473)	3,814	(3,814)	0	0	0
Net (increase) / decrease before transfers to Earmarked Reserves	**(10,419)**	**0**	**(10,419)**	**3,269**	**0**	**3,269**	**2,474**	**999**	**(13,473)**	**(17,150)**	**(11,084)**	**(28,234)**	**254**	**(27,980)**
Transfers to / (from) Earmarked Reserves	9,402	(9,402)	(0)	(2,092)	2,092	0	0	0	0	(0)	0	(0)	0	(0)
(Increase) / Decrease in 2023/24	**(1,017)**	**(9,402)**	**(10,419)**	**1,177**	**2,092**	**3,269**	**2,474**	**999**	**(13,473)**	**(17,150)**	**(11,084)**	**(28,234)**	**254**	**(27,980)**
Balance at 31 March 2024	**(6,500)**	**(53,055)**	**(59,555)**	**(3,347)**	**(2,202)**	**(5,549)**	**(4,432)**	**0**	**(55,963)**	**(125,499)**	**(254,770)**	**(380,269)**	**277**	**(379,992)**

*Adjustment relating to prior period errors relating to statutory adjustments and group consolidation amounts for prior years, not classed as material.

Group Balance Sheet

The Group Balance Sheet shows the value as at the balance sheet date of the assets and liabilities recognised by the Council's Group. The net assets of the Council's Group (assets less liabilities) are matched by the reserves held. Reserves are reported in two categories. The first category of reserves are those reserves that the Council's Group may use to provide services, subject to the need to maintain a prudent level of reserves and any statutory limitations on their use (for example the Capital Receipts Reserve may only be used to fund capital expenditure or repay debt). The second category is those reserves that cannot be used to provide services. This category includes reserves used to hold unrealised gains and losses (e.g. Revaluation Reserve) where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences shown in the Movement in Reserves Statement line 'Adjustments between accounting basis and funding basis under regulations'.

31 March 2024 £000		Notes	31 March 2025 £000
331,274	Property Plant and Equipment	[2]	334,999
718	Heritage Assets		679
579	Intangible Assets		696
10,270	Investment Property		11,293
18,439	Long-term Investments		17,984
70	Long-term Debtors		45
361,349	**Long-term Assets**		**365,696**
25,278	Short-term Investments		34,779
12,076	Inventories	[3]	10,675
16,738	Short-term Debtors		16,447
217	Short-term Tax Asset		217
47,694	Cash and Cash Equivalents		55,426
102,003	**Current Assets**		**117,544**
(2,719)	Short-term Creditors - Central Government		(2,761)
(17,864)	Short-term Creditors - Other		(16,387)
(4)	Short-term Tax Liability		(8)
(1,051)	Short-term Borrowing		(10,394)
(1,021)	Provisions		(945)
(22,660)	**Current Liabilities**		**(30,495)**
(14,487)	Long-term Creditors		(16,240)
(43,312)	Long-term Borrowing		(42,312)
(2,901)	Net Pensions Liabilities		(2,686)
(60,700)	**Long-term Liabilities**		**(61,238)**
379,992	**Net Assets**		**391,506**
(125,499)	Usable Reserves		(138,965)
(254,772)	Unusable Reserves		(252,940)
279	Council's share of the Reserves of the Subsidiary		399
(379,992)	**Total Reserves**		**(391,506)**

Group Cash Flow Statement

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

2023/24 £000		Notes	2024/25 £000
20,709	Net surplus/(deficit) on the provision of services		22,410
16,871	Adjustments to the net surplus on provision of services for non-cash movements	[4]	13,517
(19,174)	Adjustments for items included in the net surplus on provision of services that are investing and financing activities		(23,375)
18,406	**Net cash flows from Operating Activities**		**12,552**
(28,087)	Net cash flows from Investing Activities	[5]	(13,099)
(13,729)	Net cash flows from Financing Activities		8,277
(23,410)	**Net increase / (decrease) in cash and cash equivalents**		**7,730**
71,106	Cash and cash equivalents at the beginning of the reporting period		47,696
47,696	Cash and cash equivalents at the end of the reporting period		**55,426**

Notes to the Group Accounts

Note 1 Group Accounting Policies

The Group Accounts have been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, supported by International Financial Reporting Standards (''IFRS'').

The Council has consolidated its interests in all the entities over which it exercises control or significant influence. Sussex Weald Homes Limited have been consolidated because it is material to the Council's balance sheet.

The results of Sussex Weald Homes Limited has been consolidated on a line-by-line basis as a subsidiary.

Where the company uses different accounting policies to the Council, its accounts have been restated to re-align their accounting policies with those of the Council where the effect of not doing so would be material to the reader's interpretation of the accounts.

Intra-group transactions have been eliminated before consolidation on a line-by-line basis.

Inventories

Within the Group Accounts, inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

Note 2 Group Property, Plant and Equipment

This note provides a reconciliation from the carrying amount of Group's property, plant and equipment at the beginning of the period to the carrying amount at the end of the period with details of all movements. Details of the Council's property plant and equipment are shown in Note 15 to the single entity accounts.

Property, Plant and Equipment 2024/25	Council Dwellings	Other Land & Buildings	Vehicles, Plant, Furniture & Equipment	Community Assets	Surplus Assets	Assets Under Construction	Right of Use Assets	Total Property, Plant & Equipment
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or Valuation								
At 1 April 2024	269,663	46,760	1,947	5,966	6,762	2,521	0	**333,619**
Rights of Use Asset recognised under IFRS16 1 April 2024	0	0	0	0	0	0	3,281	**3,281**
Additions	9,905	1,720	674	0	696	17,214	79	**30,288**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	(15,163)	88	0	0	138	0	94	**(14,843)**
Revaluation increases / (decreases) recognised in the Surplus on Provision of Services	(7,470)	(3,883)	0	0	(78)	0	0	**(11,431)**
Derecognition - disposals	(3,036)	0	0	0	(1,110)	0	0	**(4,146)**
Assets re-classified to / from Investment Properties	0	(18)	0	0	0	0	0	**(18)**
Assets re-classified from Assets Under Construction	13,618	0	0	0	0	(13,618)	0	**0**
Assets re-classified from Surplus Assets	1,896	0	0	0	(1,896)	0	0	**0**
At 31 March 2025	**269,413**	**44,667**	**2,621**	**5,966**	**4,512**	**6,117**	**3,454**	**336,750**
Accumulated Depreciation & Impairment								
At 1 April 2024	0	0	(1,236)	0	(1,110)	0	0	**(2,346)**
Depreciation charge	(4,383)	(674)	(322)	0	0	0	(194)	**(5,573)**
Depreciation written out to the Revaluation Reserve on revaluation	3,483	606	0	0	0	0	0	**4,089**
Depreciation written out to the Surplus on Provision of Services on revaluation	842	68	0	0	0	0	0	**910**
De-recognition - Disposals	58	0	0	0	1,110	0	0	**1,168**
Assets re-classified to / from Investment Properties	0	0	0	0	0	0	0	**0**
At 31 March 2025	**0**	**0**	**(1,558)**	**0**	**0**	**0**	**(194)**	**(1,752)**
Net Book Value at 31 March 2025	**269,413**	**44,667**	**1,063**	**5,966**	**4,512**	**6,117**	**3,260**	**334,998**
Net Book Value at 31 March 2024	**269,663**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**0**	**331,273**

Note 2. Group Property, Plant and Equipment & Heritage Assets (continued)

Property, Plant and Equipment 2023/24	Council Dwellings £000	Other Land & Buildings £000	Vehicles, Plant, Furniture & Equipment £000	Community Assets £000	Surplus Assets £000	Assets Under Construction £000	Right of Use Assets £000	Total Property, Plant & Equipment £000
Cost or Valuation								
At 1 April 2023	254,337	53,187	1,659	5,966	5,917	6,954	0	**328,020**
Additions	10,162	1,016	288	0	0	8,710	0	**20,176**
Revaluation increases / (decreases) recognised in the Revaluation Reserve	2,308	846	0	0	620	0	0	**3,774**
Revaluation increases / (decreases) recognised in the Deficit on Provision of Services	(6,902)	(657)	0	0	(17)	0	0	**(7,576)**
Derecognition - disposals	(3,385)	(453)	0	0		0	0	**(3,838)**
Assets re-classified to / from Investment Properties	0	(7,179)	0	0	242	0	0	**(6,937)**
Assets re-classified from Assets Under Construction	13,143	0	0	0	0	(13,143)	0	**0**
At 31 March 2024	**269,663**	**46,760**	**1,947**	**5,966**	**6,762**	**2,521**	**0**	**333,619**
Accumulated Depreciation & Impairment								
At 1 April 2023	0	(51)	(958)	0	(1,110)	0	0	**(2,119)**
Depreciation charge	(4,180)	(722)	(278)	0	0	0	0	**(5,180)**
Depreciation written out to the Revaluation Reserve on revaluation	3,529	580	0	0	0	0	0	**4,109**
Depreciation written out to the Surplus on Provision of Services on revaluation	575	108	0	0	0	0	0	**683**
De-recognition - Disposals	76	6	0	0	0	0	0	**82**
Assets re-classified to / from Investment Properties	0	79	0	0	0	0	0	**79**
At 31 March 2024	**0**	**0**	**(1,236)**	**0**	**(1,110)**	**0**	**0**	**(2,346)**
Net Book Value at 31 March 2024	**269,663**	**46,760**	**711**	**5,966**	**5,652**	**2,521**	**0**	**331,273**
Net Book Value at 31 March 2023	**254,337**	**53,136**	**701**	**5,966**	**4,807**	**6,954**	**0**	**325,901**

Note 3 Group Inventories

The carrying amount of Group inventories as 31 March 2025 is £10.675 million (£12.076 million as at 31 March 2024).

Note 4 Group Cash Flow Statement: Operating Activities

The (Surplus)/Deficit on Provision of Services has been adjusted for the following non-cash movements:

2023/24 £000	Adjustments for Non-Cash Movements	2024/25 £000
5,299	Depreciation and amortisation	5,744
6,602	Impairments and revaluations	7,947
(142)	Increase in impairment for bad debts	(162)
299	Increase in creditors	(941)
40	Increase in provisions	(77)
1,308	Decrease in debtors	(1,588)
(809)	Increase in inventories	1,402
(433)	Movement in pension liability	(325)
4,752	Carrying amount of non-current assets sold or de-recognised	2,978
(425)	(Increase) / Decrease in fair value of investment property	922
380	Other non-cash items charged to the (Surplus)/Deficit on Provision of Services	(2,383)
16,871	**Total adjustment for non-cash movements**	**13,517**

Note 5 Group Cash Flow Statement: Investing Activities

The investing activities include the following items:

2023/24 £000	Cash Flow Statement: Investing Activities	2024/25 £000
(24,689)	Purchase of property, plant & equipment, investment property, heritage assets and intangible assets	(29,128)
(20,000)	Proceeds/ (Purchase) of short term investments	(9,000)
1,796	Proceeds from the sale of property, plant & equipment	2,610
17,806	Capital grants received	20,919
2,000	Loan (Advance)/ Repayment	1,500
(5,000)	(Purchase)/ Proceeds from long term investments	0
(28,087)	**Net cash flows from investing activities**	**(13,099)**

Glossary of Terms

Accounting Code of Practice
The Code of Practice on Local Authority Accounting in the United Kingdom, published annually by CIPFA. It contains the provisions that the Council must comply with in preparing the Statement of Accounts.

Accounting Period
The length of time covered by the accounts. In the case of these accounts, it is the year from 1 April to 31 March**.**

Accounting Standards
The pronouncements of standard setting bodies that local authorities are required to follow (subject to adaptation by the Accounting Code). Primarily the IFRS framework administered by the International Accounting Standards Board.

Accruals Basis
The accruals principle is that income is recorded when it is earned rather than when it is received, and expenses are recorded when goods or services are received rather than when the payment is made.

Actuarial Gains and Losses
Changes in the estimated value of the pension fund because events have not coincided with the actuarial assumptions made or the assumptions themselves have changed.

Asset Ceiling
The limit on the amount of any net pensions asset that will be recoverable in the form of reductions in future contributions to the pension fund.

Balances
These represent the accumulated surplus of revenue income over expenditure.

Budget
An expression, mainly in financial terms, of the Council's intended income and expenditure to carry out its objectives.

Budget Requirement
The amount each local authority estimates as its planned spending, after deducting funding from reserves and any income expected to be collected (excluding Council Tax and Government Grants). This requirement is then offset by Government Grant, the balance being the amount needed to be raised in Council Tax.

Capital Adjustment Account
The Account accumulates (on the debit side) the write-down of the historical cost of non-current assets as they are consumed by depreciation and impairments or written off on disposal. It accumulates (on the credit side) the resources that have been set aside to finance capital expenditure. The same process applies to capital expenditure that is only capital by statutory definition (Revenue Expenditure Funded from Capital Under Statute, REFCUS). The

balance on the account thus represents timing differences between the amount of the historical cost of non-current assets that has been consumed and the amount that has been financed in accordance with statutory requirements.

Capital Expenditure
Payments for the acquisition, construction, enhancement or replacement of non-current assets that will be of use or benefit to the Council in providing its services for more than one year. Capital expenditure also includes Revenue Expenditure Funded from Capital Under Statute.

Capital Receipts
Income received from the sale of land and other capital assets, a proportion of which may be used to finance new capital expenditure subject to the provisions of the Local Government Act 2003.

Cash Equivalents
Short term, highly liquid investments readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

Chartered Institute of Public Finance and Accountancy ("CIPFA")
CIPFA is the main professional body for accountants working in public services.

Collection Fund
A fund administered by the Council as a billing authority. The fund records the receipts from council tax and non-domestic rates and the payments of the relevant shares of the surplus or deficit arising on the fund to the major precepting authorities and to Central Government.

Community Assets
Assets that the Council intends to hold in perpetuity, that have no determinable useful life, and which may, in addition, have restrictions on their disposal. The class largely comprises open land. They are classified as operational assets in that their use as parkland provides or supports the relevant services of the Council.

Community Infrastructure Levy ("CIL")
A levy which is charged on new builds (chargeable developments for the authority) with appropriate planning consent. This is a planning charge used to fund a number of infrastructure projects, including transport, flood defences and schools, to support the development of the area.

Corporate and Democratic Core
These are the activities that a local authority engages in specifically because it is a democratically elected decision-making body. Examples of corporate and democratic core costs are Councillors' allowances, Committee support and time spent by professional officers in giving policy advice.

Creditors
Amounts owed by the Council for work done, goods received or services rendered, for which payment has not been made at the balance sheet date.

Current Service Cost
Current Service Cost is the increase in the present value of a defined benefit pension scheme's liabilities expected to arise from employee service in the current period, i.e. the ultimate pension benefits "earned" by employees in the current year's employment.

Current Value
The amount that would be exchanged for an asset in its existing use. Operational property, plant & equipment assets are measured at current value reflecting the economic environment prevailing for the service or function that the asset is supporting at the reporting date.

Debtors
Amounts due to the Council that have not been received at the balance sheet date.

Depreciation
The measure of the consumption, wearing out or other reduction in the useful economic life of non-current assets that has been consumed in the period.

Employee Benefits
Amounts due to employees including salaries, paid annual leave, paid sick leave, and bonuses. These also include the cost of employer's national insurance contributions paid on these benefits; and the cost of post-employment benefits, i.e. pensions.

Expected Rate of Return on Pensions Assets
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 pension scheme.

Fair Value
The amount for which an asset could be exchanged or a liability settled, in an orderly transaction between market participants at the measurement date.

Fair Value Hierarchy and Inputs
In measuring fair value of assets and liabilities, the valuation technique used is categorised according to the extent of observable data that is available to estimate the fair value – this is known as the fair value hierarchy. Observable inputs refers to publicly available information about actual transactions and events in the market. Unobservable inputs are used where no market data is available and are developed using the best information available.
The fair value hierarchy has three levels of inputs:

- Level 1: Quoted prices for identical items in an active market – i.e. the actual price for which the asset or liability is sold;
- Level 2: Other significant observable inputs – i.e. actual prices for which similar assets or liabilities have been sold;
- Level 3: Unobservable inputs – i.e. where market data is not available and other information is used in order to arrive at a best estimate of fair value.

Finance Lease
A lease that transfers substantially all the risks and rewards of ownership of an asset to the lessee (even though title to the property may not be transferred). The asset is recognised on the Balance Sheet of the lessee.

Financial Instrument
Any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another. The term covers both financial assets and financial liabilities, from straightforward trade receivables (invoices owing) and trade payables (invoices owed) to complex derivatives and embedded derivatives.

General Fund
The main revenue fund of the Council which is used to meet the cost of services paid for from Council Tax, Government Grant and fees and charges.

Heritage Asset
A tangible asset with historic, artistic, scientific, technological, geophysical or environmental qualities that is held and maintained principally for its contribution to knowledge and culture.

Housing Revenue Account
A separate account, maintained by law that accounts for the income and expenditure related to the Council's housing stock. The General Fund cannot subsidise the Housing Revenue Account and vice versa.

Impairment
A reduction in the value of a non-current asset below its value brought forward in the Balance Sheet. Examples of factors which may cause such a reduction in value include general price decreases, a significant decline in an asset's market value and evidence of obsolescence or physical damage to the asset.

Intangible Assets
Assets that do not have physical substance but are identifiable and controlled by the Council. Examples include software and licences.

Leasing
A method of acquiring the use of capital assets for a specified period for which a rental charge is paid.

Liability
An amount due to individuals or organisations which will have to be paid at some time in the future. Current liabilities are those that are payable within one year of the balance sheet date.

Minimum Revenue Provision
An amount to be set aside each year from revenue to repay the principal amounts of external loans outstanding.

Non-domestic Rates ("NDR") - also known as Business Rates
A levy on business property, based on a national rate in the pound – known as the Multiplier – applied to the rateable value of the property. The Government determines the NDR Multiplier to be used each year. Billing Authorities collect non-domestic rates and account for this through the Collection Fund. Any surplus or deficit arising on the fund is distributed to the major precepting authorities and to central government in their proportionate shares in the subsequent year. The major precepting authorities for Wealden are East Sussex County Council and East Sussex Fire & Rescue Authority.

Net Book Value
The amount at which fixed assets are included in the balance sheet, i.e. their historical cost or current value, less the cumulative amount provided for depreciation.

New Homes Bonus
New Homes Bonus is a grant payable to councils from Government for six years, for increasing the number of homes in the Council's area.

Non-Current Asset
An item that yields benefit to the Council for a period of more than one year.

Operating Lease

A lease that does not transfers substantially all the risks and rewards of ownership of an asset to the lessee. The asset is not recognised on the Balance Sheet of the lessee.

Past Service Cost
Past service costs arise from decisions taken in the current year, but whose financial effect is derived from service earned in earlier years.

Precept
The amount levied by various authorities that is collected by the Council on their behalf.

Provisions
Amounts set aside to meet liabilities or losses which it is anticipated will be incurred but where the amount or timing of the costs is uncertain.

Public Works Loans Board ("PWLB")
A statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB is the major provider of loans to local authorities.

Reserves
The residual interest in the assets of the Council after deducting all of its liabilities. These are split into two categories, usable and unusable. Usable reserves are those reserves that contain resources that an authority can apply to fund expenditure of either a revenue or capital nature (as defined). Unusable reserves are those that an authority is not able to utilise to provide services. They hold unrealised gains and losses (for example the Revaluation Reserve), where amounts would only become available to provide services if the assets are sold; and reserves that hold timing differences between expenditure being incurred and it's financing e.g. Capital Adjustment Account.

Revenue Expenditure
Spending incurred on the day-to-day running of the Council. This mainly includes employee costs, general running expenses and capital financing costs.

Revenue Expenditure Funded from Capital under Statute ("REFCUS")
Legislation in England and Wales allows some expenditure to be classified as capital for funding purposes when it does not result in the expenditure being carried on the balance sheet as a fixed asset. Examples include works on property owned by other parties, renovation grants and capital grants to other organisations.

Revenue Support Grant
Central Government financial support towards the general expenditure of local authorities.

Statutory Adjustments
The adjustments made under law and regulations to the outcomes of the Accounting Code's requirements before establishment of the General Fund Balance, allowing the budgetary impact of specified items of expenditure on particular financial years to be managed. Adjustments relate primarily to the revenue impact of capital expenditure and pensions costs.

Suitable Alternative Natural Green Space ("SANGS")
The name given to green space that is of a quality and type suitable to be used as mitigation for residential and where necessary, tourism development likely to affect the Ashdown Forest Special Protection Area. It is considered that the provision of SANGS together with a range of on-site and other

management measures at Ashdown Forest has the potential to provide an effective means of avoiding or mitigating harm from the effects of recreational pressure from new development.

Surplus/deficit on the provision of services
The line in the Comprehensive Income and Expenditure Statement that summarises the Council's net expenditure on providing services, after considering non-service specific items.

Strategic Access Management and Monitoring Strategy ("SAMMS")
This is a strategy for managing and monitoring the Ashdown Forest and introducing a range of measures to reduce the problems arising from increased visitor numbers. The aim of strategic access management measures and associated monitoring at Ashdown Forest is to provide confidence that, even if the provision of SANGS on its own does not divert residents from new developments visiting the Forest, there will be no increase in harm caused as a result of recreational pressure on the Special Protection Area.

Specific Government Grants
Central Government financial support towards particular services which is provided with certain restrictions regarding the expenditure that may be funded from it.

Unusable Reserves
The reserves in the Balance Sheet that are not balances of usable resources, comprising revaluation reserves and adjustment accounts.

Useable Reserves
The reserves in the Balance Sheet that are balances of usable resources, both revenue and capital.

Useful Economic Life
The period over which the Council expects to derive benefit from non-current assets.

Valuation
An estimate by an appropriately qualified person of the amount the Council could sell an asset for or of the benefit of continuing to use it for the provision of services. The basis of valuation will depend on the nature of the asset being value.