

STATEMENT OF ACCOUNTS AND NARRATIVE REPORT

2024 / 2025



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WELCOME

Welcome to our Annual Statement of Accounts for 2024/25, which outlines our financial performance over the past year and highlights the progress we've made in delivering on our key priorities.

We have continued to attract investment into our district, supporting our ambition to celebrate Newark and Sherwood's rich heritage and to make our district a destination where people choose to visit, study, live, and work.

While the landscape continues to evolve with the ongoing Local Government Reorganisation in Nottinghamshire, we remain committed to supporting our residents and businesses. Through careful financial planning and strategic resource allocation, we are ensuring that services continue to be delivered effectively and without disruption.

I am incredibly proud of all that we have achieved over the past year, and I look forward to continuing to build on this success as we move forward.



John Robinson
Chief Executive,
Newark and Sherwood District Council

This report reflects not only our financial resilience but also the real progress we've made in delivering for our communities. It has been a year of delivery of new homes, improved parks, greener infrastructure, and stronger community engagement.

From the redevelopment of Sherwood Avenue Play Park and the installation of solar panels across seven council sites, to the £1.4 million grant secured for Newark Castle, and the launch of the Newark and Sherwood Gift Card, we are investing in the future of our district.

We've strengthened our financial position, increasing reserves in both our General Fund and Housing Revenue Account. These outcomes reflect our commitment to sound financial management and ensuring value for money for our residents.

We are proud of the strides we've made in areas such as health and wellbeing, housing, climate action, and community engagement. Our achievements are a testament to the dedication of our staff, the leadership of our elected members, and the voices of our residents who continue to shape our priorities.

As we look ahead, we remain focused on delivering the revised Community Plan and navigating the evolving local government landscape with confidence and care. Thank you for your continued support and engagement, together we will continue to build a district that is inclusive, sustainable and full of opportunity.



Councillor Rhona Holloway
Chair of Audit and
Governance Committee



Councillor Paul Peacock
Leader of Newark and
Sherwood District Council

INTRODUCTION BY S151 OFFICER

I am pleased to introduce our Statement of Accounts for 2024/25. The purpose of these accounts is to provide a true and fair representation of the financial outcomes of our activities over the year, as well as the value of our assets and liabilities at the close of the financial year.

This narrative report is structured into eight sections, as outlined below:



Part one	Introduction to Newark and Sherwood
Part two	Our purpose – why the District Council is here
Part three	How the District Council worked during 2024/25 and how it will work in the future
Part four	Community Plan delivery
Part five	Financial performance for the year 2024/25 summarising the information within the main Statement of Accounts document
Part six	Looking forward at the adopted Community Plan and Medium Term Financial Plan
Part seven	Identified corporate risks
Part eight	Explanation of the Financial Statements to help navigate through what is at times quite a technical document

When reviewing this report, it is important to note that the favourable variance shown against service budgets - used internally to monitor financial performance - is not directly comparable to the deficit reported in the Statement of Accounts.

This difference primarily arises from accounting adjustments required to meet statutory reporting standards. These adjustments do not affect the actual level of expenditure funded by local taxpayers. The key differences relate to the treatment of items such as depreciation, impairment, reserves, provisions, and carry-forwards. Further details on each of these can be found in our accounting policies and the glossary.

Sanjiv Kohli



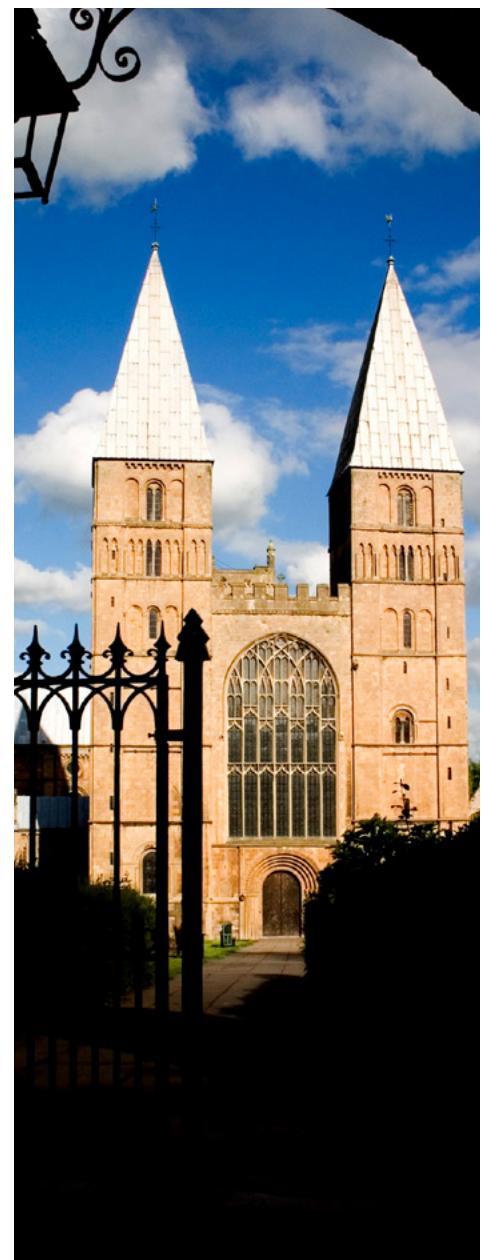
PART ONE

Introduction to Newark and Sherwood

We are proud to be home to 122,900 people with a total of 53,300 households over 651 square kilometres. The population of Newark and Sherwood has increased by 7% between 2011 and 2021, meaning our population has grown more quickly when compared with the population nationally.

The population of residents aged 65 years and over has increased the most (by 26.7%) with the number of residents in all age groups 50 and over being higher than the national average. In contrast, those aged 15 years and under has increased by 1.3%, with the number of residents in all age groups 14 and below being lower than the national average. Despite the growing population, as of 2021 Newark and Sherwood is the 12th least densely populated local authority area out of 35 in the East Midlands.

13.9% of households in the district are socially rented, which is 3.2% lower than the national average. However, there are 7,814 socially rented households within Newark and Sherwood, and of those, 5,534 (70.82%) properties are owned by Newark and Sherwood District Council.



OUR AREA

Newark and Sherwood is a district which has much to celebrate and be proud of. The district is fortunate enough to have access to green spaces throughout, including five green flag parks as of 2024, as well as a number of green space visitor destinations which are detailed in the map of the district below. The district also has several historic visitor destinations, including Sherwood Forest, which is an ancient woodland that is associated with the world-renowned legend of Robin Hood and draws many visitors into the district. Newark and Sherwood is also the home of the National Civil War Centre and Newark Castle and Gardens.

Looking at the residents who call Newark and Sherwood home, we know that 69.8% of households own their own home, either outright or with a mortgage, loan or shared ownership and this is 7.5% higher than the national average. Newark and Sherwood District Council is the largest social landlord in the district, with 69.24% of all socially rented properties being owned and maintained by the Council.



PART TWO

Our purpose: why the District Council is here

"Local government touches the lives of everybody, every day."
– Local Government Association

The ethos of Newark and Sherwood District Council is 'Serving People, Improving Lives'. We exist for the benefit of others, and we are accountable for making things better, both through the delivery of our everyday services as well as our ambitions for Newark and Sherwood. We want to make a positive difference - now and for future generations. We're passionate for everyone within our community to fulfil their potential and our aspiration is to remove the barriers to opportunity that prevent this from happening.

As representatives of Newark and Sherwood, we take great pride in what we do. We recognise that not everyone may agree with everything that we do, but we are a Council that is true to its values: welcoming, ambitious, responsive, professional and value for money.

We want to serve our local community in the best way we possibly can. As public servants we place a great emphasis on adopting a public sector ethos and seek to embody this in the way that we interact with you. This extends to how we interact with our internal and external stakeholders and partners, as this is at the heart of ensuring we achieve the very best outcome for you, our residents. The Council's purpose and values make it clear what we are here to do and how we will go about it.

Ambitious and forward thinking:

Focused on achieving the very best and always looking to improve and innovate.

Caring and compassionate:

Sensitive to the different needs and circumstances of others; seeks to empower people to fulfil their potential.

Commercial and business-like:

Careful and creative with resources; securing value for money.

Professional and trustworthy:

Open, honest and transparent. Consistently delivering on promises; providing good quality and demonstrating integrity.

Welcoming and responsive:

Approachable, friendly and inclusive. Open to feedback and challenge and swift to act.

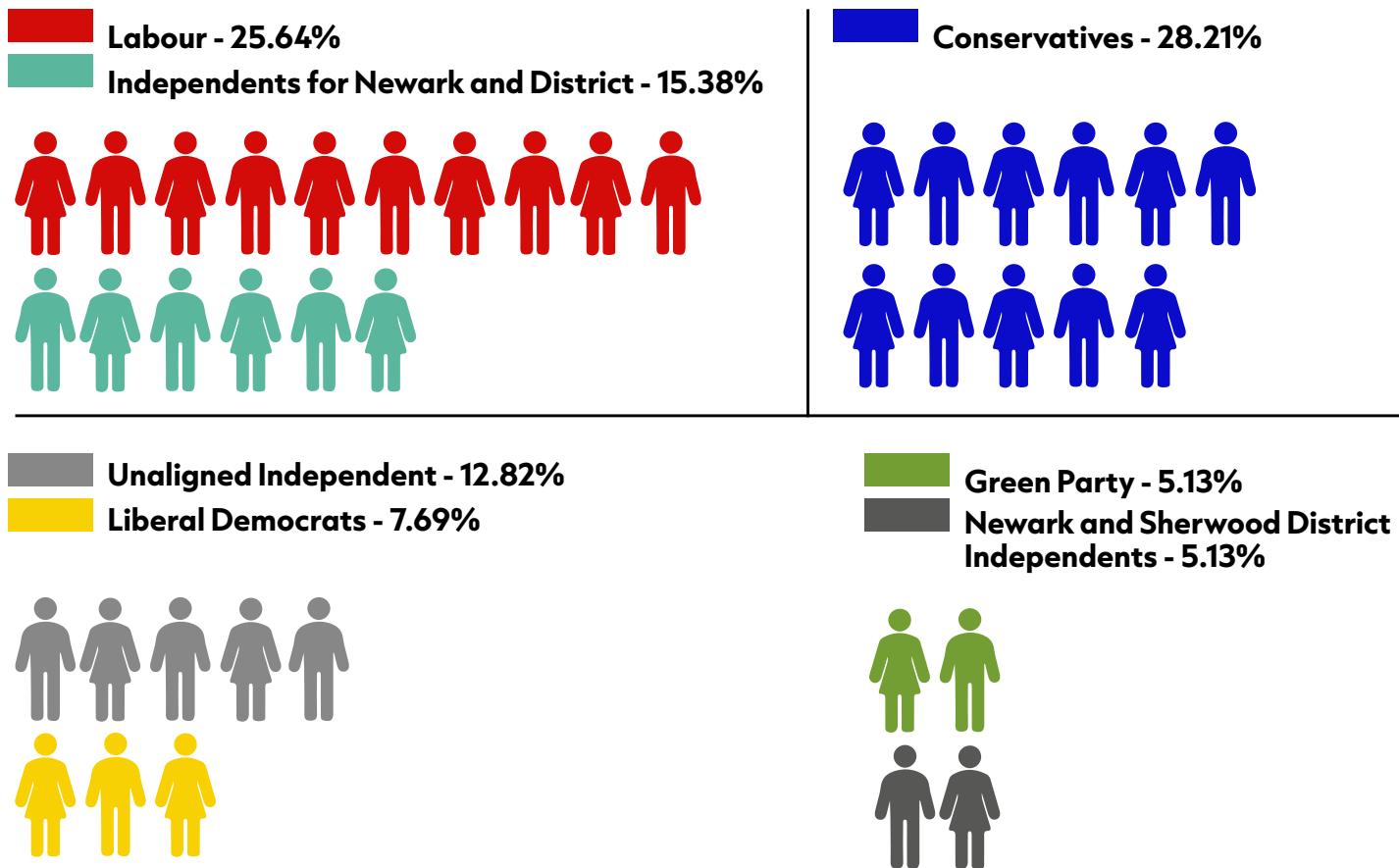


Click on the image to see
our Community Plan.

PART THREE

How the District Council works

Residents of Newark and Sherwood are represented by 39 elected members. The current political make-up of the Council is shown below. As no single political group has a majority of seats (20) on the Council, a collective has been formed between the Labour group and the Independents for Newark and District who between them provide the political leadership of the Council.



Councillors are elected by the community to decide how the Council should carry out its various activities. They represent public interest as well as individuals living within the ward in which he or she has been elected to serve a term of office. They have regular contact with the general public through Council meetings, telephone calls or surgeries.

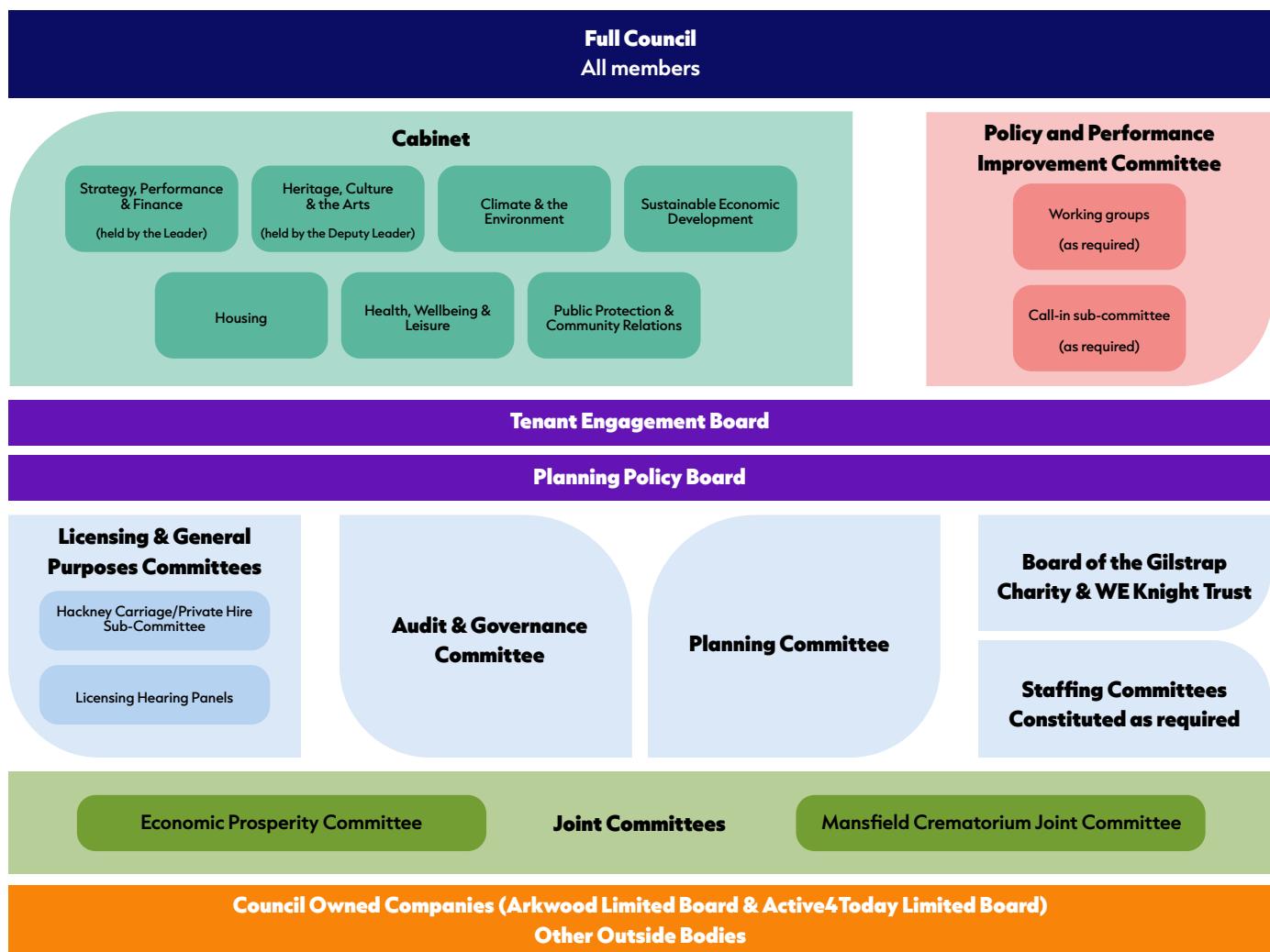
Surgeries provide an opportunity for any ward resident to go and talk to their Councillor face-to-face and these take place on a regular basis. Councillors appoint a Leader and Deputy Leader to provide political leadership and direction for the Council as a whole. Each year, Councillors also appoint a Chair to undertake civic responsibilities on behalf of the whole Council.

Find out more about our Councillors, including the Councillor representative for each ward [here](#).

How the District Council works: Governance Structure

The council moved from a Committee system to a Cabinet model of governance in May 2022. A Cabinet-scrutiny system is inclusive and allows for more transparent and agile decision making. It is also more modern, accessible and easy to understand.

The Leader and Cabinet system, introduced by the Local Government Act 2000, is the most common form of governance. Cabinet is led by a Leader, who is elected by Full Council, who selects the Cabinet members. These Cabinet members have decision-making powers grouped into Portfolios. Newark and Sherwood has seven portfolios (listed below) and the eighth and final member of Cabinet is the Leader of the largest opposition party. They are a voting member of the Cabinet, but they do not have a portfolio.



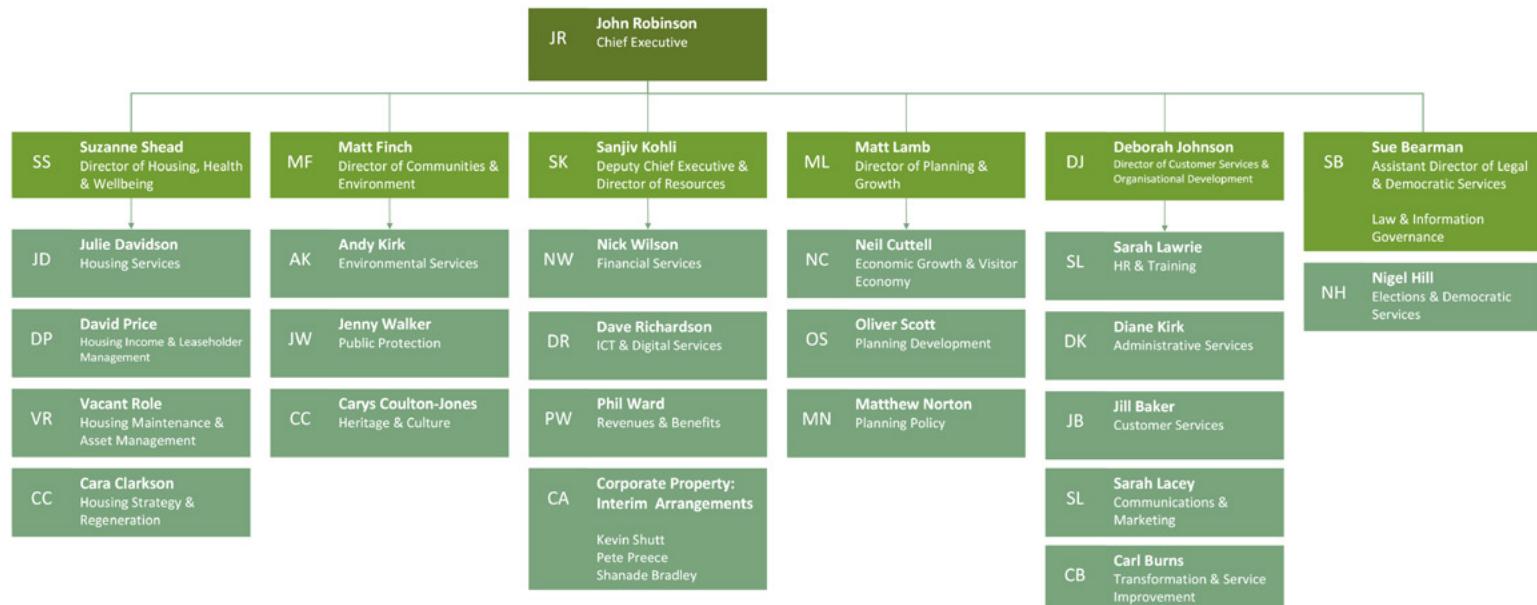
Newark and Sherwood's Cabinet Portfolios include:

- Strategy, Performance and Finance Portfolio
- Heritage, Culture and the Arts
- Climate & the Environment
- Sustainable Economic Development
- Housing
- Health, Wellbeing and Leisure
- Public Protection and Community Relations

Councils which conduct business under this model are required to have at least one 'overview and scrutiny' committee, which at Newark and Sherwood is the Policy and Performance Improvement Committee. Effective overview and scrutiny acts as a constructive 'critical friend', challenging the council to drive improvement as well as amplifying the voices and concerns of the public. The Policy and Performance Committee provides this critical friendship as well as having a vital role in the development of policy and strategy. The Committee also works to improve council services through working groups which undertake a range of activities from developing strategy to reviewing a service to recommending improvements. This Committee allows for a greater challenge of performance in a purposeful and constructive manner that is also open to external outlook and input, from partners as well as residents and tenants.

All committee meetings (not including Board meetings) are open to the public to attend in person. You can view the agendas for these meetings, see when meetings are due to place, stream meetings live on YouTube, or watch recordings of previous meetings [here](#).

How the Council works – internal staffing structure

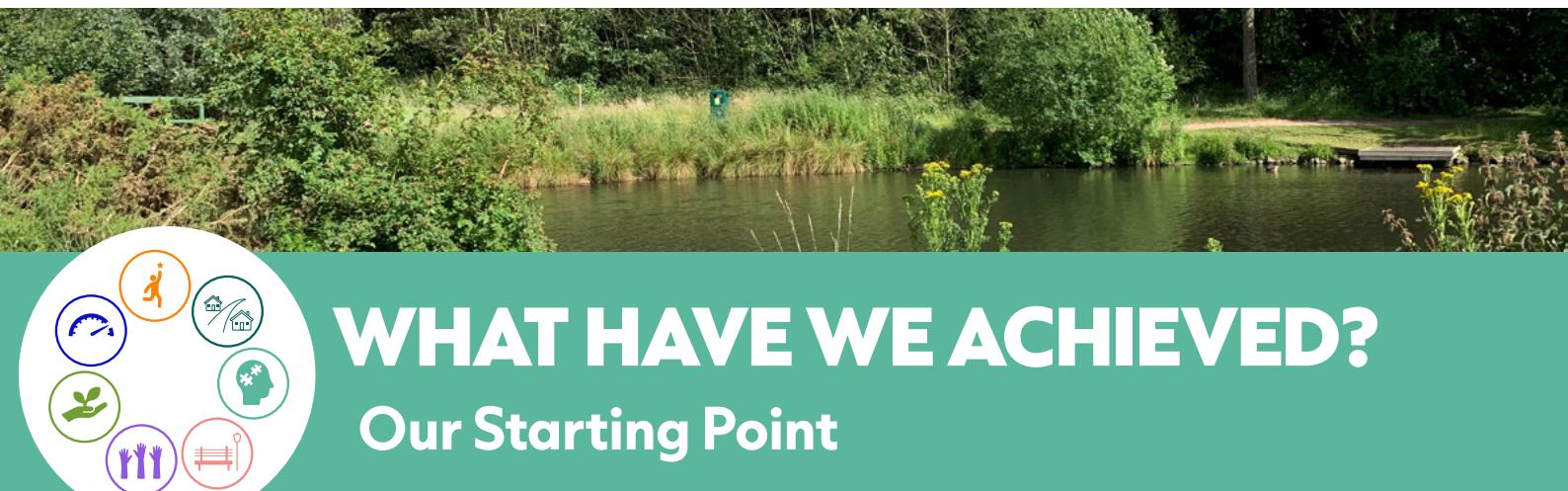


PART FOUR

Community Plan Delivery

The Community Plan is the key direction setting document used to outline the priorities and vision of the Council for a four-year term. Eight objectives sit at the core of the Community Plan and under each of those objectives are a number of actions which we have been working to deliver for our communities over and above our everyday services. Each quarter we report on our progress against the delivery of the actions contained within the Community Plan, in which we share detailed progress updates, and these reports can be found [here](#).

For the purpose of this report, a summary of some of the key projects that have been completed from the Community Plan to date are provided below.

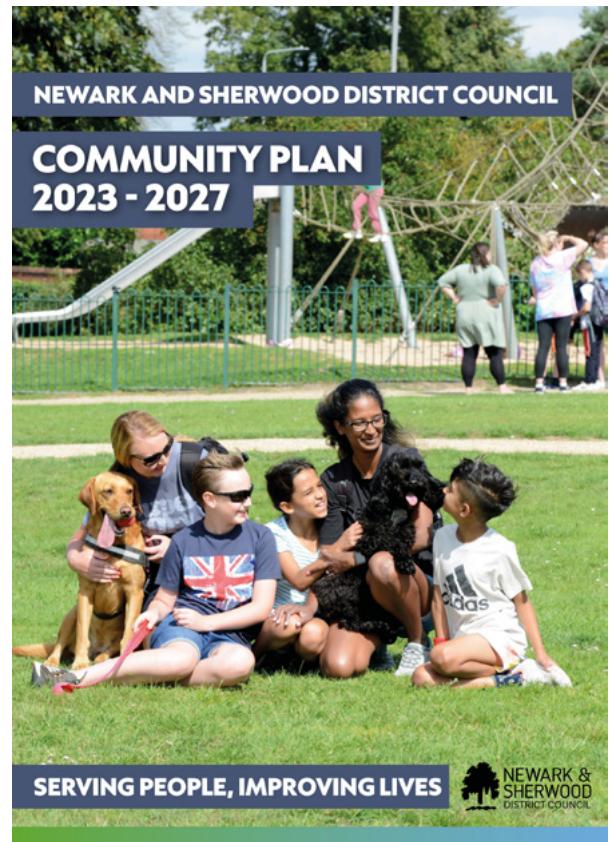


WHAT HAVE WE ACHIEVED?

Our Starting Point

8 Objectives

140
Community
Plan Actions



Objective 1: Improve health and wellbeing

- A project to redevelop Sherwood Avenue Play Park was completed and opened in May 2025
- The new play park area at Sconce and Devon Park was unveiled in November 2023
- We maintained Green Flag Status at five parks
- The Active Travel study was conducted, and we adopted the associated feasibility report. There are ongoing partnership works with Nottinghamshire County Council and Active Travel England
- We developed and adopted the 'Playing Pitch Strategy' and 'Sport and Recreational Facilities Strategy', including having committed to the provision of five new 5G sports pitches
- We delivered the Changing Places style facility at the Dukeries Leisure Centre
- Working in partnership with Sherwood Forest Hospitals NHS Foundation Trust we delivered an 80-space car park at Newark Hospital

Objective 2: Increase the supply, choice, and standard of housing

- Completed a review of the 'Housing Allocations Scheme', including a full refresh of the housing register
- Implemented our new Homelessness and Rough Sleeper Strategy
- We have delivered previous phases and are now committed to delivering phase six of the development programme, which will deliver up to 50 further council homes
- Developed 89 new homes for open market sale or rent through Arkwood Developments Ltd in 2024/25
- We have developed a GRT partnership across a wide range of partners and developed a range of priorities which will guide the work of the partnership
- We delivered Alexander Lodge which provides shelter and support for residents who find themselves at the threat of becoming homeless
- We have implemented our new Housing Management System
- Our Planning Committee has approved exciting regeneration plans for Yorke Drive, with work set to begin this summer after years of planning.

Objective 3: Raise peoples' skill levels and create employment opportunities for them to fulfil their potential

- We hosted the 7th Annual Future First career expo which received excellent feedback from students and businesses alike
- The 'Shared and Rural Prosperity Fund Programmes' were delivered up to March 2025
- We have been working with local musicians and music providers at a series of in-person Alive With Music sessions. Feedback gathered from these successful events in May and October has informed a plan which has begun with the recruitment of a temporary freelance Music Network Co-ordinator over a 6-month period. This coordinator will help to create a Newark and Sherwood Music Forum, bringing interested parties together to co-create opportunities for collaboration.

Objective 4: Reduce crime and anti-social behaviour

- We delivered five 'Safer Streets' projects and identified future funding streams
- We have supported several events in collaboration with our partners to ensure that diversionary activities are in place for the young people within our communities, as well as to provide education and raise awareness of what ASB is and the impact that it has on communities

Objective 5: Protect and enhance the district's natural environment and green spaces & Objective 6: Reduce the impact of climate change

- We saw a 62.8% increase in glass being recycled across Newark and Sherwood following us implementing a new kerbside glass recycling scheme in June 2024
- The programme of solar panel installation across Council buildings has now seen Solar PV arrays installed on seven of our corporate sites. Installations at the Dukeries Leisure Centre, Newark Sports & Fitness Centre, The Newark Beacon, Vicar Water Country Park, Sconce & Devon Park, Gladstone House and Broadleaves care home are expected to generate over 470.000 Kwh of electricity per year and save in the region of 100 tCO2e annually
- We have reached 3,210 children this year via educational education visits, including river health and 'Motion for the Ocean' activities

Objective 7: Celebrate and invigorate community spirit, pride of place and a sense of belonging

- Launch of the Town and City Newark and Sherwood Gift Card which can be spent in more than 70 businesses in the town centres of Newark, Southwell, Ollerton and Edwinstowe village. We hope that the new gift card will encourage tourism within the district by showcasing a variety of local businesses, cafes and retailers and making them accessible through a single gift card
- We have successfully delivered several seasonal destination marketing campaigns to promote visitor attractions, working closely with accommodation and food providers, as well as event promoters
- We've been actively involved in informing a wider destination management plan through district and borough meetings and a new events calendar will be launched in 2025
- In May 2024 we received a grant of £1.4million from The National Lottery Heritage Fund for its ambitious plans to create a new and improved visitor attraction at Newark Castle. It's anticipated that, once works are completed, the Castle will attract almost 17,000 visitors each year from outside of the district, helping to deliver sustainable economic growth

Objective 8: To be a top performing, modern and accessible Council

- We commissioned the 'Corporate Peer Challenge' which took place in October 2024 and a working group has been formed to develop the action plan which is based on the Peer Challenge team's findings
- The process to reinvigorate the Resident Panel is now complete. The aim was to revitalise the panel to improve engagement, as well as understand how representative the panel is of the districts demographic profile
- The Councillor and Officer Wellbeing Champions have been reinvigorated and are in place



WHAT'S LEFT TO DELIVER?



7 Ambitions

61 Community Plan Actions



AMBITION 1

Break down barriers to opportunity to enable residents and businesses to prosper and fulfil their potential



AMBITION 2

Increase the supply of housing, in particular decent homes that residents can afford to buy and rent, as well as improving housing standards



AMBITION 3

Improve health and wellbeing, with an emphasis on communities with lower levels of life expectancy



AMBITION 4

Reduce crime and anti-social behaviour, improving community feelings of safety



AMBITION 5

Promote, maximise and celebrate the diversity of Newark and Sherwood's heritage, culture and community spirit



AMBITION 6

Reduce the impact of climate change and protect and enhance green spaces



AMBITION 7

Be a top performing, modern and accessible Council that get its everyday services right for the residents and businesses that it serves

PART FIVE

2024/25 Financial Performance

The Comprehensive Income and Expenditure Statement shows the District Council's outturn for the authority on an accounting basis (to include notional entries such as depreciation and revaluations). The Expenditure Funding Analysis shows the actual increase in the General Reserves (held for unforeseen circumstances) and the Housing Revenue Account (HRA) reserves. The Expenditure Funding Analysis shows an increase in General Fund reserves of £2.965m and an increase in HRA reserves of £1.427m.

	Balance at 31 March 2024	Increase/ (decrease) in year	Balance at 31 March 2025
General Fund working balance	£1.500m	£0.000m	£1.500m
General Fund earmarked reserves	£31.149m	£2.965m	£34.114m
General Fund total	£32.649m	£2.965m	£35.614m
HRA working balance	£2.000m	£0.000m	£2.000m
HRA earmarked reserves	£4.227m	£1.427m	£5.654m
HRA total	£6.227m	£1.427m	£7.654m

General Fund Revenue

The General Fund supports the day-to-day running of the District Council's services (excluding housing). The District Council set its General Fund budget for the 2024/25 financial year on 7 March 2025. View the budget report pack: [Budget report pack](#).

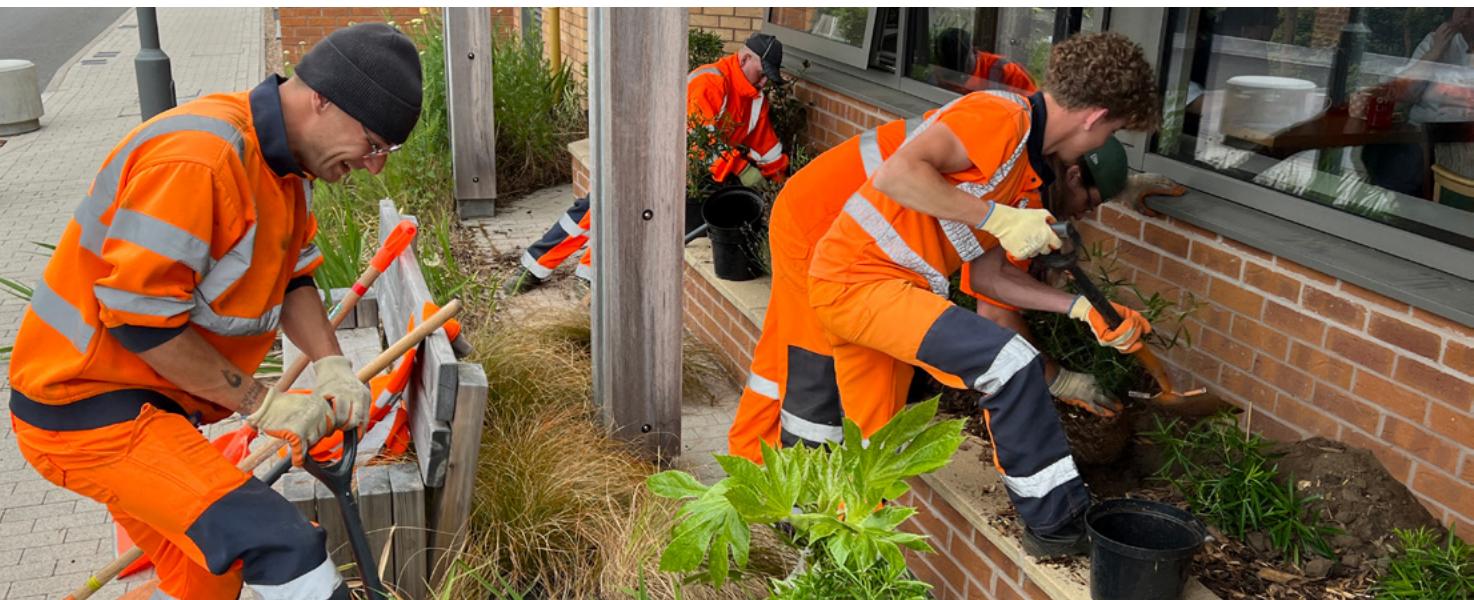
The revenue outturn performance for the year showed an overall favourable variance of £3.384m for the General Fund, with services showing a favourable £1.744m variance. The table below describes the main variances:

Reason for Variance	Value £'m
Reduction in need for Active4today management fee, £0.587m, mainly due to reduction in utility costs. VAT refund received in year, £0.155m, in respect of non-business vat sporting claim	(0.742)
Government enacted the Bellwin scheme during 2024/25 enabling the council to claim for flooding costs from storm Babet and Henk incurred during 2023/24	(0.095)
Prices of petrol & diesel have stabilised since the budget setting for 2024/25 resulting in a favourable outturn variance	(0.093)
Additional net income generated at the Palace Theatre	(0.153)
Favourable variance on electricity and gas costs across corporate council buildings due to stabilisation of prices compared to the forecast price increase at budget setting for 2024/25	(0.352)
The admin grant for localised Council Tax support is no longer paid separately by the Government and has now been rolled into the revenue support grant	0.096
Unfavourable income variance from planning applications is attributed to a decline in major submissions, driven by continued market caution influenced by ongoing external factors	0.208

Over achievement in income on the waste and recycling department which includes glass collection, trade waste and garden waste	(0.274)
Additional recharges to the HRA due to increase on the demand for vehicle repairs due to the aging fleet	(0.057)
Net favourable variance on private sector speech call mainly due to increase in customer base regarding the transfer of customers from Mansfield District Council	(0.047)
Other Variances	(0.235)
Reduction in income generation at the lorry park due to the floods, together with the cleaning costs of taking away flood waters	0.097
Favourable variance on services	(1.744)
Release of bad debt provision, £0.096m, and the net variance on apprentice levy and corporate contingency	0.154
Net variance on interest receivable and payable	0.084
Additional income from the Nottinghamshire Business Rates Pool	(0.773)
Redistribution of the Nottinghamshire Business Rates Pool volatility funding.	(0.860)
Reduction in Minimum Revenue Provision due to Bowbridge Road car park scheme not being complete by 31 March 2024	(0.101)
Reduction in Internal Drainage Board grant received in year compared with budgeted level	0.121
Additional transfer to usable reserves	3.384

Overall the council has increased its General Fund reserves position by £2.965m. This is attributed to:

Brought forward reserves balance	32.649
Budgeted increase in reserves	0.794
Contributions to capital expenditure	(1.757)
Favourable variance in cost of running the council	3.384
Other movements	0.544
Reserves balance as at 31 March 2025	35.614



Housing Revenue Account (HRA)

The HRA is a ring-fenced landlord account for the running of the District Council's housing stock. The budget was approved on 13 February 2024. View the [budget report pack](#).

The service outturn position compared to budget amounted to a surplus of £0.602m with an overall surplus outturn position of £0.978m:

Reason for Variance	Value £'m
Salary underspends due to unused job evaluation provisions, three Housing Choice Advisors roles being removed, and vacancies such as: Tenancy Assistants, Street Wardens, Tenancy Officer	(0.530)
Salary underspends due to vacancies such as: x2 Tenancy Assistants, Apprentice, Rent Recovery Assistant and Income Recovery Team Leader	(0.093)
Compliance costs have been higher due to air source and oil servicing and repairs works being done. Also catching up with a backlog of works in 'Fire Alarm and Emergency Lighting', 'Periodic Electrical Testing' and 'Appliance Servicing'	0.162
Responsive repairs contractual works costs higher due to volume of work higher than anticipated and cost of services has increased	0.264
Gas underspends across Gladstone House and Broadleaves due to unused accruals carried over from last year	(0.039)
Underspends largely due to delays in the scheme meaning fewer tenants moving out (less homes, less payments)	(0.205)
Council Tax voids losses	0.142
Various recharges from GF underspent due to vacancies	(0.518)
Vacancy Factor	0.292
Other small variances	(0.077)
Net cost of HRA Services	(0.602)
Additional contribution to the bad debt provision	0.187
Reduction in interest cost incurred during the year	(0.545)
New burdens grants received during the year	(0.018)
Surplus generated to be allocated to HRA balances	(0.978)

Brought forward reserves balance	6.227
HRA agreed carry forwards	0.233
Unused efficiency savings	0.348
Favourable variance in cost of running HRA	0.978
Other movements	(0.132)
Reserves balance as at 31 March 2025	7.654

Capital Spending

Capital money is spent on building or enhancing our asset base. There are rules and regulations regarding what can be classed as capital expenditure, and this spend must be financed separately from the day to day running costs. During 2024/25, we spent £32.936m on capital works. Key projects are listed below:

- **Disabled Facilities Grants:** £1.065m was spent to support accessibility improvements following referrals from occupational therapists.
- **Fitness Equipment Upgrades:** £0.626m was invested in replacing fitness equipment at Newark Sports and Fitness Centre, Dukeries Leisure Centre, and Blidworth Community Leisure Centre.
- **Southern Link Road:** £2.279m was allocated to Urban & Civic for the Southern Link Road project, part of a £3m contribution from Nottinghamshire County Council, following the full utilisation of £20m from the Levelling Up Fund in the previous year.
- **Stodman Street Redevelopment:** £2.368m was spent on the redevelopment of the former Marks and Spencer building, including £0.300m of Shared Prosperity Funding, with completion expected early in 2026/27.
- **Sherwood Avenue Park Improvements:** £0.524m was spent on improving Sherwood Avenue Park in Newark, funded by £0.250m from Shared Prosperity Funding, Section 106 contributions and Newark Town Council.
- **Shared Prosperity and Rural England Prosperity Fund:** £0.784m grant was awarded externally to those amounts mentioned above through Shared Prosperity and Rural England Prosperity Funding to support local communities and businesses.
- **Arkwood Developments:** £3.214m was provided through a loan to Arkwood Developments Ltd to enable progress with various housing development projects.
- **Investment in existing council dwellings:** £11.385m was invested in improvements to council dwellings during the year, including £1.702m on decarbonisation supported by grant funding from the Social Housing Decarbonisation Fund (SHDF) and the Devolution Retrofit Programme from The Midlands Net Zero Hub (MNZH).
- **Council House Development Programme:** £5.569m was spent on delivering 385 additional homes across the district, with phases 5 and 6 in progress.

Major Movements on the Balance Sheet

Property, Plant and Equipment

Property, Plant and Equipment has increased by £11.172m. £24.009m has been added through the capital programme whilst the economic use of assets has reduced the value by £8.292m. £3.958m worth of assets have been transferred to assets held for sale and heritage assets. Other assets have had their values decreased by £0.587m.

Assets Held for Sale

The increase of £1.916m in assets held for sale is mainly due to the increase in Right to Buy applications during the financial year which can be attributed to recent changes in Government policy, which altered both the eligibility criteria and the discount structure. In

particular, the announcement of a reduction in the maximum cash discounts—effective from November 2024—prompted many eligible tenants to accelerate their applications to benefit from the more favourable terms prior to the changes taking effect.

Short Term Investments and Cash and Cash Equivalents

The increase of £14.523m in short term investments and cash and cash equivalents (such as instant access cash deposit accounts) is attributable to additional borrowing being undertaken during the financial year, which enhanced liquidity and temporarily improved available cash reserves.

Short Term Debtors

The increase of £5.432m relates mainly to the increase in monies owed to the District Council from Government departments for items including the year-end balance of Housing Subsidy claims and the monthly VAT returns. There is a £1.515m increase in monies owed to the District Council where an invoice has been issued for goods or works supplied by the District Council but not yet paid.

Short and Long Term borrowing

The overall increase of borrowing relates to new in year loans being taken totalling £27.000m, partially offset by the repayment of £3.037m worth of loans that had come to the maturity date during the financial year.

Short and Long Term Capital Grants Receipts in Advance

The District Council has received some revenue grant income from the Levelling Up fund initiative towards a number of projects that have yet to be utilised in line with the grant agreement, as the projects haven't yet started, and therefore have been moved to revenue grants receipts in advance.

There was also a number of capital grants received, including Towns Fund, which have yet to be utilised in line with the grant agreement conditions and therefore have been moved to Capital Grants receipts in advance.

Other Long Term Liabilities

The decrease of £3.596m relates mainly to the District Council's future pension fund liabilities. This change has arisen from an increase in the value of the District Council's portion of the overall fund assets of £3.918m and a decrease in the anticipated liabilities of £15.035m, which are both favourable changes. This was then offset by the change of £15.365m based on the impact of the asset ceiling, which represents the present value of any economic benefit available to the Council in the form of refunds or reduced future employer contributions.



PART SIX

Looking Forward

Work is ongoing to deliver on the agreed actions from our revised Community Plan 2023-2027. The Community Plan was revised in 2025, and the work to do this was carried out through several workshops attended by our Portfolio Holders, Committee Chairs and Vice Chairs and some of our Officers. With a revised Community Plan comes new business plans and Key Performance Indicators. These help us to ensure that our officers have an effective plan to deliver on our promises in addition to a Performance Framework.

You can find our new Community Plan on our website: [Community Plan 2023-2027](#) and you can follow our progress in achieving our aims by checking out our committee meetings: [Calendar of Meetings](#).

We are also very interested in your opinion and are actively recruiting members of the public for our Resident Panel. If you're a resident of Newark and Sherwood who is keen to share your views on the council's services, plans, proposals and development of the local area, why not join here: [Resident Panel Information](#).

Community Link Groups take place across the district and provide an opportunity for our tenants, leaseholders and residents to further shape their local community. To find out when the next Community Link Group is taking place, please check our website: [Community Link Groups](#).



Medium Term Financial Plan (MTFP)

The District Council's Medium Term Financial Plan (MTFP) for the period 2025/26 to 2028/29 was approved at Council on 6 March 2025 and is available on [our website](#). This sets out the District Council's assumptions on expenditure, income and financing to ensure the delivery of the District Council's Community Plan.

Central Government has had plans to reform the local government finance system for a number of years. The Government initially intended for these reforms to take effect from 2020/21, but a range of national issues has meant this has been deferred. The Government have announced that this will take place in 2026/27 and are currently consulting on a range of topics that will ultimately affect the outcome of this.

The reforms of the system are principally to make fairer the Government's annual funding allocations for local authorities and to reset baselines in respect of Business Rates income. The impact of the Government's decision to delay the reform to the system has been positive on the funding position of Newark and Sherwood District Council. The delay in re-setting the Business Rates baseline has meant that expected Business Rates income for the years 22/23 to 2025/26 is £12.278m higher than forecast within the MTFP that was approved on 8 March 2022.

As it is not known how exactly the local government finance system will change, the council's current modelling of funding projections for 2026/27 and future years are subject to high levels of volatility.

Throughout 2025/26, officers will closely monitor the government's announcements relating to the local government finance system and assess the implications of these on the council's funding for 2026/27 and future years.

The Council's MTFP, as approved, set out the high level budget projections for the next four financial years:

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)
Net Service Expenditure (less capital charges)	20.722	21.046	21.149	21.750
Total Other Expenditure	0.178	0.786	1.046	1.107
Total Expenditure	20.900	21.832	22.195	22.857
Business Rates: receivable annually	(10.593)	(9.785)	(9.785)	(9.785)
Business Rates: other adjustments	(0.252)	0.000	0.000	0.000
Council Tax: receivable annually	(8.484)	(8.730)	(8.982)	(9.240)
Council Tax: other adjustments	0.174	0.000	0.000	0.000
Other Grants	(2.061)	(0.819)	(0.770)	(0.716)
Contribution (to) or from Reserves	0.404	0.174	0.174	0.174
Funding Shortfall prior to Mitigations	0.088	2.672	2.832	3.290

The above table shows the likely levels of annual shortfalls of expenditure over income when comparing resources necessary to fund the Community Plan over the four-year period. Clearly there are large shortfalls in each of the final three years based on the assumption at the time with the anticipated reforms to the local Government finance system.

The table below demonstrates how the District Council anticipates funding the gaps in each of the financial years:

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)
Funding Shortfall prior to Mitigations	0.088	2.672	2.832	3.290
Previous Year Mitigation			(0.885)	(1.148)
Dividends from Arkwood Developments Ltd	-	-	(0.250)	-
Target saving for borrowing costs and MRP	-	(0.300)	-	-
Savings from leisure management review	-	(0.142)	(0.013)	(0.005)
Savings from service reviews	-	(0.098)	-	-
Savings/efficiencies from making business processes more efficient	-	(0.252)	-	-
Increased income from the council becoming more commercial	-	(0.093)	-	-
Use of MTFP reserve to offset contributions from reserves in future years	(0.088)	(1.787)	(1.684)	(2.137)
Proposed General Fund Funding Gap	0.000	0.000	0.000	0.000



PART SEVEN

Corporate Risks

The District Council has a risk management strategy to identify and evaluate risk. This strategy supports better decision making by enabling the understanding of risk, whether it's a positive opportunity or threat, and the likely impact. The risk management processes are subject to regular review and updating. Set out below are the key risks from the District Council's corporate risk register.

RISK	RISK	CONTROLS
Financial sustainability of the General Fund	Ensuring financial sustainability of the general fund to allow the District Council to undertake its core functions, deliver services, and to meet its corporate priorities and objectives	<ul style="list-style-type: none">• Medium term financial planning• District Council approved capital programme• Financial implications added to Committee reports by Financial Services• Quarterly budget monitoring report tabled at Senior Leadership Team (SLT) and Cabinet.• Quarterly Capital monitoring meetings• Approved Investment Plan and Commercial strategy to support objectives set out in the MTFP• Annual review of budgets• Consultation and communication plan to manage political and public expectations• Key financial strategy documents in place such as the Treasury Management Strategy and Medium-Term Financial Plan• Commercial group established to identify and review business opportunities• Financial regulations training
Financial sustainability of the HRA	Financial sustainability of the HRA to ensure the District Council is able to provide, maintain and develop its housing stock.	<ul style="list-style-type: none">• Quarterly budget monitoring report tabled at SLT and Policy and Cabinet• Quarterly capital monitoring meetings• Financial implications added to Committee reports by Financial Services• Financial strategies and budget reviewed through Cabinet and committee annually• Key financial strategy documents in place such as a Treasury Management Strategy and HRA business plan• Reserves in place• Council approved Capital programme• HRABP tool• Financial regulations training

RISK	RISK	CONTROLS
Failure to achieve housing growth targets	Removing barriers to allow delivery of statutory housing targets.	<ul style="list-style-type: none"> • Local Plan • Infrastructure delivery plan • CIL charging schedule and infrastructure list • Planning policy board • Cabinet and Full Council • Planning Committee • High performing planning service • Active Lobbying • Engagement with Developers, Stakeholders, Partners, infrastructure providers, utility providers • Continued liaison with National Highways to monitor progression of SLR and A1 over bridge. • Newark "levelling up" fund governance • Maintain approach of approving without delay sustainable development • Monthly review of resourcing within the planning development service • Delivery of council led provision i.e. HRA & Arkwood • Monitoring of performance delivery against government targets
Contract/ supply failure	Managing contracts with key suppliers, including Newark and Sherwood District Council's wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the District Council's priorities and objectives.	<ul style="list-style-type: none"> • Procurement advice provided through Welland Procurement • Contract register maintained and contract managers named for every contract • Regular contract management meetings in place • Wholly owned companies- Management agreements for wholly owned companies regularly reviewed. SLA register devised and actively managed by service areas and reviewed annually • Comprehensive audit undertaken of contracts

RISK	RISK	CONTROLS
Workforce	Ensuring the District Council is able to recruit, maintain and retain appropriate staffing resource to ensure it is able to deliver its services and meet its corporate objectives.	<ul style="list-style-type: none"> Business planning embedded throughout the District Council with clear links to community planning and performance framework Partnership approach with recognised trade unions to support staff and organisational change Training and development programme to support ongoing development of skills and competencies with Business Managers as well as other staff (i.e. change management, sickness and performance management and recruitment and softer skills) Procedures, policies and guidance, such as the managing absence guidance, in place to ensure best practice, and a rolling programme of review for HR policies to ensure they remain robust and fit for purpose Family friendly policies and enhanced workplace entitlements to attract and retain quality candidates including hybrid working, flexible working, employee counselling and therapy services, health and wellbeing initiatives Targeted training interventions to support individual employee development and the facilitation of succession management. R&R project
Corporate governance	Risk of failure in systems of governance within the District Council, District Council owned/ influenced organisations and partnerships or other collaborative arrangements.	<ul style="list-style-type: none"> Annual internal review of the fraud risk register to carry out proactive work, check on internal controls. This is reported to members Corporate governance self-assessment against the Code of Corporate Governance undertaken periodically Annual review of the District Council's Constitution which ensures it is fit for purpose and up to date Periodic review of governance by three statutory Officers Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance Officer training on governance issues including anti- fraud and financial regulations and member inductions for new members Key Procedures, policies and guidance in place, such as Officer code of conduct, Officer registers of interests, Gifts and hospitality, Council Financial regulations and procedures, Contract procedures, Whistle blowing policy, Anti-fraud and corruptions strategy. Annual governance statement Annual combined assurance Internal Audit work including risk-based Audit Plan. Effective use of External Auditor. Productivity Plans Corporate peer challenge

RISK	RISK	CONTROLS
Data management and security	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation	<ul style="list-style-type: none"> IG and Cyber security strategy Data protection and cyber awareness training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process Guidance and training for elected members. GDPR sessions provided for new members External Audit on ICT security annually Use of data processing and agreements with contractors and partners CIGG group Public Sector Network and Cyber Essentials compliant Information security and governance is monitored and reviewed by the corporate information governance group on a monthly basis ISMS - Key information management documents in place including Security Policy, Retention Policy, Data Protection Policy etc.
Environment	Ability to meet requirements of the Government's green agenda and aspirations/expectations of the Newark and Sherwood community in delivering a greener/carbon neutral service.	<ul style="list-style-type: none"> Annual report to members on progress against the action plan and carbon footprint target Climate Emergency was declared in July 2019 The Carbon Trust were appointed to work alongside officers and members to develop a Climate Emergency Strategy and Action Plan. The approved strategy, and costed action plan, support a net neutral date of 2035 Appointed a dedicated officer to drive carbon reduction projects forward Costed action plan to support net neutral date Climate emergency project working group Financial planning – MTFP Community plan Decarb surveys and plan Internal Audit Fleet management and depot review
Statutory compliance management	Implementation and maintenance of suitable statutory safety compliance management systems.	<ul style="list-style-type: none"> Key policies and procedures in place e.g. auditing, inspection and reconciliation processes Dedicated compliance teams Dedicated compliance software Training for staff and contractors A complaints process for customer and tenants A robust maintenance and inspection programme Compliance reporting systems in place Procurement processes to ensure competent/licensed/ registered engineers/inspectors Contract and Performance management systems Assurance and scrutiny processes in place Business planning Safety & Quality standard self-assessment undertaken

PART EIGHT

Explanation of Financial Statements

The Statement of Accounts sets out the District Council's income and expenditure for the year, as well as its financial position at 31 March 2025. It comprises core and supplementary statements, together with disclosure notes.

The format and content of the financial statements is 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.

A glossary of key terms is in the Statement of Accounts document can be found [here](#).

The core statements are:

The Comprehensive Income and Expenditure Statement

This records all of the District Council's income and expenditure for the year. The top half of the statement provides an analysis by the District Council's internal management structure. The bottom half of the statement deals with corporate transactions and funding. Expenditure represents a combination of services and activities that the District Council is required to carry out by law (statutory duties) such as street cleaning, planning and registration; and discretionary expenditure focused on local priorities and needs.

The Movements in Reserves Statement

Shows the movement in the year on the different reserves held by the District Council, analysed into "usable reserves" (i.e. those that can be applied to fund expenditure or reduce local taxation) and "unusable reserves" which must be set aside for specific purposes.

The Balance Sheet

Is a "snapshot" of the District Council's assets, liabilities, cash balances and reserves at the year-end date.



The Cash Flow Statement

Shows the reason for the changes in the District Council's cash balances during the year and whether the change is due to operating activities (day-to-day costs), new investment, or financing activities (such as repayment of borrowing and other long term liabilities).

The Supplementary Financial Statements are:

The Annual Governance Statement which sets out the governance structures of the District Council and its key internal controls.

The Housing Revenue Account (HRA) which separately identifies the District Council's statutory landlord function as a provider of social housing under the Local Government and Housing Act 1989. The Collection Fund Account summarises the collection of Council Tax and Business Rates, and the redistribution of some of that money to other organisations on whose behalf the District Council collects these taxes.

The Group Accounts which consolidate the District Council's accounts together with Active4Today Ltd and Arkwood Development Ltd, which are both wholly owned by the District Council. In addition to the above companies, the District Council has consolidated its 50% share of RHH Limited into its group accounts.



STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

1 The Authority's Responsibilities

The authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this authority, the Chief Financial Officer during the financial year and at the date of signing the statement of accounts is the Deputy Chief Executive, Director of Resources and S151 Officer.
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets.
- Approve the Statement of Accounts.

2 Responsibilities of the Chief Financial Officer

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

In preparing this Statement of Accounts, the Chief Financial Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgments and estimates that were reasonable and prudent.
- Complied with the Local Authority Code.

The Chief Financial Officer has also:

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.
- Prepared the accounts on a 'going concern' basis.

Certificate of the Chief Financial Officer

This statement of accounts is that upon which the auditor should enter their opinion. It presents a true and fair view of the financial position of the authority at 31st March 2025 and its income and expenditure for the year then ended.

Signed: **SANJIV KOHLI**

Sanjiv Kohli, CPFA, ACA
Deputy Chief Executive, Director of Resources
and S151 Officer

Date 23 January 2026

I can confirm that these accounts were approved by the Audit and Accounts Committee at the meeting held on 15.10.2025.

Signed: **SYLVIA MICHAEL**

Councillor Sylvia Michael
Chair - Audit and Accounts Committee

Date 23 January 2026

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

RESTATED 2023/24			2024/25		
Gross Expend- iture £'000	Gross Income £'000	Net Expend- iture £'000	Gross Expend- iture £'000	Gross Income £'000	Net Expend- iture £'000
5,987	-2,446	3,541	Climate and the Environment	5,924	-3,724
4,847	-812	4,035	Health, Wellbeing and Leisure	-46	-561
2,566	-1,832	734	Heritage, Culture and the Arts	3,242	-2,220
34,561	-29,299	5,262	Housing	30,839	-32,843
3,585	-893	2,692	Public Protection and Community Relations	3,919	-969
34,150	-23,911	10,239	Strategy, Performance and Finance	34,501	-25,350
34,201	-29,513	4,688	Sustainable Economic Development	8,407	-6,438
119,897	-88,706	31,191	Cost of Services	86,786	-72,105
5,691	-1,005	4,686	Other Operating Income and Expenditure Note 13	6,749	-843
10,544	-9,114	1,430	Financing and Investment Income and Expenditure Note 14	11,026	-9,187
14,850	-43,364	-28,514	Taxation and Non Specific Grant Income Note 15	14,965	-47,628
150,982	-142,189	8,793	Surplus (-) or Deficit on Provision of Services	119,526	-129,763
		-1,481	Surplus(-) or Deficit on Revaluation of Non Current Assets		-2,163
		-8,192	Remeasurements of the Net Defined Benefit Liability (Asset)		-3,318
		-9,673	Other Comprehensive Income and Expenditure		-5,481
		-880	Total Comprehensive Income and Expenditure		-15,718

MOVEMENT IN RESERVES STATEMENT

	Earmarked			Earmarked				Total			Total Council Reserves £'000
	General Fund Balance £'000	General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Usable Reserves £'000	Unusable Reserves £'000		
Movement in reserves 2024/25											
Balance at 31 March 2024 carried forward	1,500	31,149	2,000	4,227	8,025	11,157	159	58,217	317,718	375,935	
Adjustments to Opening Balance for Leases	0	0	0	0	0	0	0	0	470	470	
Revised at 31 March 2024	1,500	31,149	2,000	4,227	8,025	11,157	159	58,217	318,188	376,405	
Total Comprehensive Income and Expenditure	9,781	0	456	0	0	0	0	10,237	5,481	15,718	
Adjustment between accounting basis & funding basis under regulations (Note 11)	-6,815	0	970	0	2,477	2,230	1,136	-2	2	0	
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	2,966	0	1,426	0	2,477	2,230	1,136	10,235	5,483	15,718	
Transfers to/from(-) Earmarked Reserves (Note 12)	-2,966	2,966	-1,426	1,426	0	0	0	0	0	0	
Increase/Decrease(-) in 2024/25	0	2,966	0	1,426	2,477	2,230	1,136	10,235	5,483	15,718	
Balance at 31 March 2025 carried forward	1,500	34,115	2,000	5,653	10,502	13,387	1,295	68,452	323,671	392,123	

	Earmarked			Earmarked				Total			Total Council Reserves £'000
	General Fund Balance £'000	General Fund Reserves £'000	Housing Revenue Account £'000	Housing Revenue Account £'000	Major Repairs Reserve £'000	Capital Grants Unapplied £'000	Capital Receipts Reserve £'000	Usable Reserves £'000	Unusable Reserves £'000		
Movement in reserves 2023/24											
Balance at 31 March 2023 carried forward	1,500	30,820	2,000	5,115	13,244	14,047	1,374	68,100	306,955	375,055	
Total Comprehensive Income and Expenditure	-6,498	0	-2,295	0	0	0	0	-8,793	9,673	880	
Adjustment between accounting basis & funding basis under regulations (Note 11)	6,827	0	1,407	0	-5,219	-2,890	-1,215	-1,090	1,090	0	
Net Increase/Decrease(-) before Transfers to Earmarked Reserves	329	0	-888	0	-5,219	-2,890	-1,215	-9,883	10,763	880	
Transfers to/from(-) Earmarked Reserves (Note 12)	-329	329	888	-888	0	0	0	0	0	0	
Increase/Decrease(-) in 2023/24	0	329	0	-888	-5,219	-2,890	-1,215	-9,883	10,763	880	
Balance at 31 March 2024 carried forward	1,500	31,149	2,000	4,227	8,025	11,157	159	58,217	317,718	375,935	

BALANCE SHEET

31 March 2024 £'000	Notes	31 March 2025 £'000
448,815 Property, Plant & Equipment	21	459,987
3,560 Heritage Assets	25	3,629
651 Intangible Assets	27	818
15,024 Long Term Investments - Fair Value through Profit and Loss	40	14,780
2,373 Long Term Debtors	29	3,232
4,225 Long Term Finance Lease Debtor	23	4,234
474,648 TOTAL LONG TERM ASSETS		486,680
7,240 Short Term Investments	40	8,182
409 Inventories		390
10,671 Short Term Debtors	29	16,103
3,194 Assets Held For Sale	26	5,110
15,956 Cash and Cash Equivalents	24	29,537
37,470 TOTAL CURRENT ASSETS		59,322
-7,863 Short Term Borrowings	40	-37,441
-17,905 Short Term Creditors	30	-11,794
-203 Provisions Short Term	31	-305
-6,461 Grants Receipts in Advance	19	-8,864
-32,432 TOTAL CURRENT LIABILITIES		-58,404
0 Long Term Creditors	30	0
-377 Provisions Long Term	31	-316
-4,714 Long Term Finance Lease Liability	22	-5,000
-78,403 Long Term Borrowing	40	-73,357
-11,898 Pensions Liability	38	-8,302
-8,359 Grants Receipts in Advance	19	-8,500
-103,751 TOTAL LONG TERM LIABILITIES		-95,475
375,935 TOTAL NET ASSETS		392,123
58,217 Usable Reserves	32	68,452
317,718 Unusable Reserves	33	323,671
375,935 TOTAL RESERVES		392,123

CASH FLOW STATEMENT

2023/24	Notes	2024/25
£'000		£'000
-8,793 Net Surplus/Deficit(-) on the Provision of Services		10,237
26,959 Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	35A	12,042
-33,462 Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	35A	-12,719
-15,296 Net Cash Flows from Operating Activities		9,560
15,271 Investing Activities	35C	-18,972
-7,253 Financing Activities	35D	22,993
-7,278 Net Increase or Decrease(-) in Cash and Cash Equivalents		13,581
Cash and Cash Equivalents at the Beginning of the Reporting Period		15,956
15,956 Cash and Cash Equivalents at the End of the Reporting Period	24	29,537

NOTES TO THE CORE FINANCIAL STATEMENTS

The values held within the proceeding Notes to the Accounts may vary slightly when compared to the main Statements or other Notes. This is due to amounts being rounded. It is not expected that a difference would be in excess of £2,000 in any single case.

1 ACCOUNTING POLICIES

1.1 General Principles

The Statement of Accounts summarises the Council's transactions for the 2024/2025 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 Regulation 2015 which those Regulations require to be prepared in accordance with proper accounting practices. These practices under Section 21 of the 2003 Act primarily comprise the Code of Practice on Local Council Accounting in the United Kingdom 2024/2025 (the Code) supported by International Financial Reporting Standards (IFRS).

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

During the financial year, the number of portfolio holders for services decreased from 8 to 7. As a result, all tables showing service breakdowns have been restated, with figures from the previous year reallocated across the 7 current portfolio holders.

1.2 Accruals of Income and Expenditure

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

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

Income and expenditure are credited and debited to the relevant service revenue account, unless they properly represent capital receipts or capital expenditure.

1.3 Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments with immediate call back or instant access 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.

1.4 Charges to Revenue for Non-Current Assets

General Fund service revenue accounts, support services and trading accounts are debited with the following amounts to record the real 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
- 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 in the form of the Minimum Revenue Provision (MRP). This charge is based on the Asset Life method of calculation as per the Council's approved MRP Policy and will commence in the financial year after the asset becomes operational.

1.5 Council Tax and Non-Domestic Rates

The Council is a billing Council and acts as an agent collecting Council Tax and Non-Domestic Rates (NDR) on behalf of the major preceptors, including government for NDR, and as principals collecting Council Tax and NDR for itself. 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 council is part of a pool arrangement for NDR with its neighbouring Nottinghamshire councils.

Accounting for Council Tax and NDR

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

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

Where debtor balances for the above are identified as impaired because of a likelihood arising from a past event that payments due under the statutory arrangements will not be made, the asset is written down and a charge made to the taxation and non-specific grant income and expenditure line in the

CIES. The impairment loss is measured as the difference between the carrying amount and the revised future cash flows.

1.6 Employee Benefits

Benefits Payable During Employment

Short term employee benefits are those due to be settled wholly within 12 months of the year end. They include such benefits as salaries, paid annual leave and paid sick leave for current employees and are recognised as an expense for services in the year in which employees render service to the Council. An accrual is made for the cost of holiday entitlements and time in lieu earned by employees but not taken before the year end which employees can carry forward into the next financial year. The accrual is made at the salary rate applicable at the year end. The accrual is charged to the Surplus/Deficit on Provision of Services but is then reversed out through the Movement in Reserves Statement so that holiday entitlements are charged to revenue in the financial year in which the holiday absence occurs.

Termination Benefits

Termination benefits are amounts payable as a result of a decision by the Council to terminate an officer's employment before the normal retirement date or an officer's decision to accept voluntary redundancy in exchange for those benefits and are charged on an accruals basis to the appropriate service or, where applicable, to the Policy and Finance line in the Comprehensive Income and Expenditure Statement 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 year, not the amount calculated according to the relevant accounting standards. Through the Movement in Reserve Statement, appropriations are required to and from the Pensions Reserve to remove the notional debits and credits for pension enhancement termination benefits and replace them with debits for cash paid to the pension fund and pensioners and any such amounts payable but unpaid at the year end.

Post-employment Benefits

The Council fully complies with the requirements of IAS 19 Employee Benefits and recognises the cost of retirement benefits in the revenue account when employees earn them rather than when the benefits are eventually paid as pensions.

Employees of the Council are members of the Local Government Pensions Scheme, administered by Nottinghamshire County Council (the pension fund). The scheme provides defined benefits to members (retirement lump sums and pensions), which have been earned by members in the time they worked as employees of the Council.

The Local Government Pension Scheme is accounted for as a defined benefits scheme:

- The liabilities of the pension scheme attributable to the Council are included in the Balance Sheet on an actuarial basis using the projected unit method - 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 bonds.
- The assets of the 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 Comprehensive Income and Expenditure Statement to the revenue accounts of services for which the employees worked.
- past service cost - the increase in liabilities arising from current year decisions whose effect relates to years of service earned in earlier years - debited to the (Surplus)/Deficit on Continuing Operations in the Comprehensive Income and Expenditure Statement as part of Policy and Finance.
- net interest on the net defined benefit liability or asset i.e. net interest expense for the Council – the change during the period in the net defined benefit liability or asset that arises from the passage of time charged to the Financing and Investment Income and Expenditure line of the Comprehensive Income and Expenditure Statement – this is calculated by applying the discount rate used to measure the defined benefit obligation at the beginning of the period to the net defined benefit liability or asset at the beginning of the period – taking into account any changes in the net defined benefit liability or asset 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 defined benefit liability or asset – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- actuarial gains and losses – changes in the net pensions liability that arise because events have not coincided with assumptions made at the last actuarial valuation or because the actuaries have updated their assumptions – charged to the Pensions Reserve as Other Comprehensive Income and Expenditure.
- contributions paid to the pension fund - cash paid as employer's contributions to the pension fund in settlement of liabilities; not accounted for as an expense.

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

Discretionary Benefits

The Council also has restricted powers to make discretionary awards of retirement benefits in the event of early retirements. 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.

1.7 Financial Instruments

Financial Liabilities

A financial liability is an obligation to transfer economic benefits controlled by the Council and can be represented by a contractual obligation to deliver cash or financial assets or an obligation to exchange financial assets and liabilities with another entity that is potentially unfavourable to the Council. The Council's financial liabilities comprise:

- long term loans from the Public Works Loan Board
- long term LOBO loans from the money market (Lender Option Borrower Option)
- short term loans from the Council's subsidiary companies and other related companies

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

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

Where premiums and discounts have been charged to the Comprehensive Income and Expenditure Statement, regulations allow the impact on the General Fund Balance to be spread over future years. The Council has a policy of spreading the gain/loss over the term that was remaining on the loan against which the premium was payable or discount receivable when it was repaid. The reconciliation of amounts charged to the Comprehensive Income and Expenditure Statement to the net charge required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account through the Movement in Reserves Statement.

Financial Assets

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

- amortised cost
- fair value through profit or loss (FVPL), and
- fair value through other comprehensive income (FVOCI).

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

Financial Assets Measured at Amortised Cost

Financial assets measured at amortised cost are recognised on the Balance Sheet when the Council becomes a party to the contractual provisions of a financial instrument and are initially measured at fair value. They are subsequently measured at their amortised cost. Annual credits to the Financing and Investment Income and Expenditure line in the Comprehensive Income and Expenditure Statement (CIES) for interest receivable are based on the carrying amount of the asset multiplied by the effective rate of interest for the instrument. For most of the financial assets held by the Council, 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.

However, if the Council decides to make a loan to a voluntary organisation at less than market rate (soft loan). When the soft loan is made, a loss is recorded in the CIES (debited to the appropriate service) for the present value of the interest that will be foregone over the life of the instrument, resulting in a lower amortised cost than the outstanding principal.

Interest is credited to the Financing and Investment Income and Expenditure line in the CIES at a marginally higher effective rate of interest than the rate receivable from the voluntary organisations, with the difference serving to increase the amortised cost of the loan in the Balance Sheet. Statutory provisions require that the impact of soft loans on the General Fund Balance is the interest receivable for the financial year – the reconciliation of amounts debited and credited to the CIES to the net gain required against the General Fund Balance is managed by a transfer to or from the Financial Instruments Adjustment Account in the Movement in Reserves Statement.

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 lease receivables and contract assets. Only lifetime losses are recognised for trade receivables (debtors) held by the Council.

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

Financial assets measured at fair value through profit or loss

Financial assets that are measured at FVPL are recognised on the Balance Sheet when the 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 as they arise in the surplus or deficit on the provision of services.

Fair value measurements of financial assets

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

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

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

- Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets that the 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 and losses that arise on the derecognition of the asset are credited or debited to the financing and investment income and expenditure line in the Comprehensive Income and Expenditure Statement.

1.8 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 Comprehensive Income and Expenditure Statement until conditions attached to the grant or contribution have been satisfied. Conditions are stipulations that specify that the future economic benefits or service potential embodied in the asset in the form of the grant or contribution are required to be consumed by the recipient as specified, or future economic benefits or service potential must be returned to the transferor.

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

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

Community Infrastructure Levy

The Council has elected to charge a Community Infrastructure Levy (CIL). The levy will be charged on new builds (chargeable developments for the Council) 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.

CIL is received without outstanding conditions; it is therefore recognised at the commencement date of the chargeable development in the Comprehensive Income and Expenditure Statement in accordance with the accounting policy for government grants and contributions 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 administrative expenditure.

1.9 Heritage Assets

The Council's heritage assets are held in the Council's museum. The museum has an extensive collection comprising of art, Civil war, artefacts, clock, coins and tokens of heritage assets which are held in support of the primary objective of the Council's museum, i.e. increasing the knowledge, understanding and appreciation of the Council's history and local area. Heritage assets are recognised and measured

(including the treatment of revaluation gains and losses) in accordance with the Councils accounting policies on property, plant and equipment. However, some of the measurement rules are relaxed in relation to heritage assets as detailed below. The accounting policies in relation to heritage assets that are deemed to include elements of intangible heritage assets are also presented below. The Councils collections of heritage assets are accounted for as follows.

- *Ceramics, Jewellery, Regalia, Statues, Art Collection and Samplers together with Machinery, Equipment and Furniture* – these are measured at insurance valuation, based on market value, which is increased annually for inflation. As they are deemed to have indeterminate lives and a high residual value, the Council does not consider it appropriate to charge depreciation.

Heritage Assets – General

The carrying amounts of heritage assets are reviewed where there is evidence of impairment for heritage assets, e.g. where an item has suffered physical deterioration or breakage or where doubts arise as to its authenticity. Any impairment is recognised and measured in accordance with the Councils general policies on impairment – see note 1.17 in this summary of significant accounting policies. The trustees of the Councils museum will occasionally dispose of heritage assets which have a doubtful provenance or are unsuitable for public display. The proceeds of such items are accounted for in accordance with the Councils general provisions relating to the disposal of property, plant and equipment. Disposal proceeds are disclosed separately in the notes to the financial statements and are accounted for in accordance with statutory accounting requirements relating to capital expenditure and capital receipts (again see note 1.17 in this summary of significant accounting policies).

1.10 Joint Operations

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

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

1.11 Leases

The Council as Lessee

The Council classifies contracts as leases based on their substance. Contracts and parts of contracts, including those described as contracts for services, are analysed to determine whether they convey the right to control the use of an identified asset, through rights both to obtain substantially all the economic benefits or service potential from that asset and to direct its use. The Code expands the scope of IFRS 16 *Leases* to include arrangements with nil consideration, peppercorn or nominal payments.

Initial measurement

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

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

- fixed payments, including in-substance fixed payments
- variable lease payments that depend on an index or rate, initially measured using the prevailing index or rate as at the adoption date
- amounts expected to be payable under a residual value guarantee
- the exercise price under a purchase option that the Council is reasonably certain to exercise
- lease payments in an optional renewal period if the Council is reasonably certain to exercise an extension option
- penalties for early termination of a lease, unless the Council is reasonably certain not to terminate early.

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

However, for peppercorn, nominal payments or nil consideration leases, the asset is measured at fair value.

Subsequent measurement

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

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

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

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

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

The liability is remeasured when:

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

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

Low value and short lease exemption

As permitted by the Code, the Council excludes leases:

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

Lease expenditure

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

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

The Council as lessor

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

Finance leases

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

Lease rentals receivable are apportioned between:

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

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

capital receipts reserve in the Movement in Reserves Statement. Where the amount due in relation to the lease asset is to be settled by the payment of rentals in future financial years, this is posted out of the General Fund balance to the deferred capital receipts reserve (England and Wales) in the Movement in Reserves Statement. When the future rentals are received, the element for the capital receipt for the disposal of the asset is used to write down the lease debtor. At this point, the deferred capital receipts are transferred to the capital receipts reserve (England and Wales).

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

Operating leases

Where the authority grants an operating lease over a property or an item of plant or equipment, the asset is retained in the Balance Sheet. Rental income is credited to the other operating expenditure line in the Comprehensive Income and Expenditure Statement. Credits are made on a straight-line basis over the life of the lease or where this is initiated by a service to the individual service, 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.

1.12 **Property, Plant and Equipment**

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

Recognition

Expenditure on the acquisition, creation or enhancement of property, plant and equipment is capitalised on an accruals basis, provided that it is probable that the future economic benefits or service potential associated with the item will flow to the 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 (ie repairs and maintenance) is charged as an expense when it is incurred. Expenditure under the value of £15,000 is treated as de-minimis. All capital expenditure will be depreciated in the following financial year of acquisition.

Measurement

Assets are initially measured at cost, comprising:

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

The Council does not capitalise borrowing costs incurred while assets are under construction.

Donated assets are measured initially at fair value. The difference between fair value and any consideration paid is credited to the taxation and non-specific grant income and expenditure line of the Comprehensive Income and Expenditure Statement, unless the donation has been made conditionally. Until conditions are satisfied, the gain is held in the donated assets account. Where gains are credited

to the Comprehensive Income and Expenditure Statement, they are reversed out of the General Fund balance to the capital adjustment account in the Movement in Reserves Statement.

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

- Surplus Assets – the current value measurement base is fair value, estimated at highest and best use from a market participant's perspective
- Dwellings – current value, determined using the basis of existing use value for social housing (EUV-SH)
- Community Assets, Infrastructure and Assets Under Construction – measured at historical cost
- Other Land and Buildings, Vehicles, Plant and Equipment – fair value or, where there is no market based evidence of fair value, depreciated historical cost

Valuation

Assets are included in the Balance Sheet at current value on the basis recommended by CIPFA and in accordance with the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors (RICS). Non-current assets are classified into the groupings required by the CIPFA Code of Practice on Local Council Accounting.

Assets included in the Balance Sheet at current value are revalued where there have been material changes in the value, but as a minimum every five years. Community Assets, Infrastructure Assets and Assets Under Construction are held at historical cost and are not revalued. Increases in valuations are matched by credits to the Revaluation Reserve to recognise unrealised gains. Exceptionally, gains might be credited to the Comprehensive Income and Expenditure Statement where they arise from the reversal of an impairment loss previously charged to a service revenue account.

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

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

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

Impairment

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

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

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

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

Depreciation

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

Deprecation is calculated on the following bases:

Asset	Depreciation Method	Useful Life in Years
Council Dwellings	Straight line allocation over the life of the property as estimated by the Valuer	35-50
Other Buildings	Straight line allocation over the life of the property as estimated by the Valuer	20-100
Vehicle, Plant and Equipment	Straight line allocation, taking into account any residual value, over their useful life as advised by a suitably qualified officer	5-10
Infrastructure	Straight line	10-50
Community Assets	Straight line	100
Surplus Assets	Straight line	10-100
Land	No depreciation charged	
Assets Under Construction	No depreciation charged	
Assets Held for Sale	No depreciation charged	
Investment Properties	No depreciation charged	

Where an asset has major components with different estimated useful lives these are depreciated separately. Land and buildings are separate assets and are accounted for separately, even when they are acquired together.

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

Disposals and Non-current Assets Held for Sale

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

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

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

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

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

1.13 Provisions, Contingent Liabilities and Contingent Assets

Provisions

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

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

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.

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

Contingent Liabilities

A contingent liability arises where an event has taken place that gives the Council a possible obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council. Contingent liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent liabilities are not recognised in the Balance Sheet but disclosed in a note to the accounts.

Contingent Assets

A contingent asset arises where an event has taken place that gives the Council a possible asset whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Council.

Contingent assets are not recognised in the Balance Sheet but disclosed in a note to the accounts where it is probable that there will be an inflow of economic benefits or service potential.

1.14 Reserves

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

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

1.15 Revenue Expenditure Funded from Capital under Statute

Expenditure incurred during the year that may be capitalised under statutory provisions but that does not result in the creation of a non-current asset has been charged as expenditure to the relevant service in the Comprehensive Income and Expenditure Statement in the year. Where the Council has determined to meet the cost of this expenditure from existing capital resources or by borrowing, a transfer through 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.

1.16 Value Added Tax

Income and expenditure excludes any amounts related to VAT, as all VAT collected is payable to HM Revenue and Customs and all VAT paid is recoverable from them.

1.17 Fair Value Measurement of non-financial assets

The Council measures some of its non-financial assets such as surplus assets and investment properties and some of its financial instruments such as equity shareholdings [other financial instruments as applicable] 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 in the Council's financial statements are categorised within the fair value hierarchy, as follows:

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

2 ACCOUNTING STANDARDS THAT HAVE BEEN ISSUED BUT NOT YET ADOPTED

The Code of Practice requires that, where new or amended accounting standards have been issued but not adopted by 31st March 2025, the Council discloses the impact that this change would have had on the current year's financial statements had it already been adopted. The following changes to accounting standards will be applicable to the Council's accounts from 1 April 2025:

- a) IAS 21 The Effects of Changes in Foreign Exchange Rate (Lack of Exchangeability) issued in August 2023.
- b) IFRS 17 Insurance Contracts issued in May 2017.
- c) The changes to the measurement of non-investment assets within the 2025/26 Code include adaptations and interpretations of IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets.

It is likely that though they provide clarifications, items a) and b) will not have a significant impact on the amounts anticipated to be reported in the financial statements.

3 CRITICAL JUDGEMENTS IN APPLYING ACCOUNTING POLICIES

In applying the accounting policies set out in Note 1, 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:

- Note 39-42 - The Council uses valuation techniques to determine the fair value of financial instruments (where active market quotes are not available) and non-financial assets. This involves developing estimates and assumptions consistent with how market participants would price the instrument. Assumptions are based, on observable data as far as possible, but this is not always available. In such a case the best information available would be used. Estimated fair values may vary from the actual prices that would be achieved in an arm's length transaction at the reporting date.

4 ASSUMPTIONS MADE ABOUT THE FUTURE AND OTHER MAJOR SOURCES OF ESTIMATION UNCERTAINTY

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

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

Item	Uncertainties	Effect if Actual Results Differ from Assumptions
Property, Plant and Equipment	<p>Assets are depreciated over useful lives that are dependent on assumptions about the level of repairs and maintenance that will be incurred in relation to individual assets. The current economic climate makes it uncertain that the authority will be able to sustain its current spending on repairs and maintenance, bringing into doubt the useful lives assigned to assets.</p> <p>Assets are valued on a five-year rolling basis. Building indices are not applied to approximate for those assets that are not subject to the revaluation process in the year.</p>	<p>If the useful life of assets is reduced, depreciation increases and the carrying amount of the assets falls.</p> <p>If the value of the Council's operational properties were to reduce by 10%, this would result in a charge to the Comprehensive Income and Expenditure Statement (CIES) of approximately £44m.</p>
Fair Value Measurements	<p>When the fair values of financial assets and financial liabilities cannot be measured, based on quoted prices in active markets (i.e. domestic Level 1 inputs), their fair value is measured using valuation techniques (eg quoted prices for similar assets or liabilities in active markets or the discounted cash flow (DCF) model). Where possible, the inputs to these valuation techniques are based on observable data, but where this is not possible, judgement is required in establishing fair values. These judgements typically include considerations such as uncertainty and risk. However, changes in the assumptions used could affect the fair value of the Council's assets and liabilities.</p> <p>Where Level 1 inputs are not available, the Council employs relevant experts to identify the most appropriate valuation techniques to determine fair value.</p>	<p>The Council uses a combination of indexation techniques, beacon valuations and discounted cash flow (DCF) models to measure the fair value of its Surplus Assets and Assets Held for Sale under IFRS13 depending on which technique it considers most appropriate.</p> <p>The significant unobservable inputs used in the fair value measurement include management assumptions regarding rent growth, occupancy levels, floor area repairs backlogs, beacon classifications and others.</p> <p>Significant changes in any of the unobservable inputs would result in a significantly lower or higher fair value measurement for these assets.</p> <p>If property value were to reduce by 10%, this would lead to a £0.5m reduction. This would impact the Council's CIES Surplus/Deficit.</p>
Pensions Liability	<p>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 assets. A firm of consulting actuaries is engaged to provide the Council with expert advice about the assumptions to be applied.</p>	<p>The effects on the net pension liability of changes in individual assumptions can be measured; however, the assumptions interact in complex ways.</p> <p>During 2024/25, the Council's actuaries advised that the net pensions liability had decreased by £3.6m attributable to updating of the assumptions.</p> <p>An increase in the discount rate would, if all other factors remained unchanged, result in a decrease in the present value of the defined benefit obligation.</p>

Arrears	At 31 March 2025, the Council had a balance of short term debtors totalling £18.317m. A review of significant balances suggested that a loss allowance of £2.214m was appropriate. However, in the current economic climate it is not certain that such an allowance would be sufficient.	If collection rates were to deteriorate, a doubling of the amount of the loss allowance would require an additional £2.214m to set aside as an allowance.
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5 MATERIAL ITEMS OF INCOME AND EXPENDITURE

During 2024/2025 there were no material transactions, which are not disclosed separately.

6 MATERIAL INTEREST IN JOINT BODIES

The Council has a joint interest in Mansfield Crematorium. The annual net surplus from the running of the crematorium amounts to £0.024m (2023/24 £0.039m) and is included within Other Operating Income and Expenditure. The Council also includes its share of the assets and liabilities of the crematorium in its Balance Sheet. For a more detailed breakdown please see Note 37.

7 TRUST FUNDS

The Council acts as sole trustee for two Trusts:

The W.E. Knight Trust

A permanently endowed charity established by an indenture dated 6 January 1920 as varied by a conveyance of 6 July 1933 by the Trustees to the Mayor, Aldermen and Burgesses of the Borough of Newark-on-Trent. Separate accounts for this Charity have been maintained since 1 April 1984. Up to that date the costs of administering the Trust and any income received had been included in the accounts of the Borough and District Councils. The Trustees resolved at their meeting on the 22 July 2013 to retain the income earned by the endowment until a significant sum had been accrued at which time a decision on distribution would be taken.

The Gilstrap Endowment

The history of the Gilstrap charity is that in 1883 Sir (then Mr) William Gilstrap gave land in Castlegate on trust to the Borough of Newark for the purposes of a library. In 1884 the former Borough of Newark made a "one-off" payment to the Trust of £1,200 to be invested in compensation of loss of income, to enable the whole of the Castle Grounds to be laid out as "public walks and pleasure grounds". The accounts in respect of the Endowment were maintained by Nottinghamshire County Council until 31 March 1987 when Newark and Sherwood District Council took over as Trustees consequent upon the County Council acquiring a new site for a Central Library. The District Council agreed a new scheme of administration which was sealed by the Charity Commissioners on the 28 August 1990 and applied the income of the Endowment to the upkeep and use of the Gilstrap building. From 1 April 2013, the Gilstrap building was leased to Nottinghamshire County Council with the rental income being applied in fulfilment of the Trust objectives. The new arrangements were approved by the Charity Commission prior to agreement of the lease.

8 EXPENDITURE AND FUNDING ANALYSIS

This note shows how annual expenditure is used and funded from resources (government grants, rents, council tax and business rates) by local authorities in comparison with those resources consumed or earned by authorities in accordance with generally accepted accounting practices. It also shows how this expenditure is allocated for decision making purposes between the council's committees. Income and expenditure accounted for under generally accepted accounting practices is presented more fully in the Comprehensive Income and Expenditure Statement.

RESTATEd 2023/24			2024/25		
Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustment between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to the General Fund and HRA Balances	Adjustment between the Funding and Accounting Basis	Net Expenditure in the Comprehensive Income and Expenditure Statement
£'000	£'000	£'000	£'000	£'000	£'000
2,858	683	3,541 Climate and the Environment	2,493	-293	2,200
1,121	2,914	4,035 Health, Wellbeing and Leisure	458	-1,065	-607
664	70	734 Heritage, Culture and the Arts	625	397	1,022
-12,748	18,010	5,262 Housing	-14,406	12,402	-2,004
2,582	110	2,692 Public Protection and Community Relations	2,839	111	2,950
7,466	2,773	10,239 Strategy, Performance and Finance	7,976	1,175	9,151
1,509	3,179	4,688 Sustainable Economic Development	2,099	-130	1,969
3,452	27,739	31,191 Net Cost of Services	2,084	12,597	14,681
-2,893	-19,505	-22,398 Other Income and Expenditure	-6,476	-18,442	-24,918
559	8,234	8,793 Surplus(-)/Deficit	-4,392	-5,845	-10,237
General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total	General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total
£'000	£'000	£'000	£'000	£'000	£'000
-32,320	-7,115	-39,435 Opening Balance	-32,649	-6,227	-38,876
-329	888	559 Surplus(-) or Deficit on Balances in Year	-2,966	-1,426	-4,392
-32,649	-6,227	-38,876 Closing Balance at 31 March	-35,615	-7,653	-43,268
Closing Balances Split by Reserve:					
-1,500	-2,000	-3,500 Working Reserve	-1,500	-2,000	-3,500
-31,149	-4,227	-35,376 Earmarked Reserve	-34,115	-5,653	-39,768
-32,649	-6,227	-38,876 Closing Balance at 31 March	-35,615	-7,653	-43,268

9 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net change for the				Total £'000
	Adjustments for Capital Purposes (Note 1) £'000	Pensions Adjustments (Note 2) £'000	Other Differences (Note 3) £'000	Adjustments	
Climate and the Environment	-162	-131	0		-293
Health, Wellbeing and Leisure	-1,051	-14	0		-1,065
Heritage, Culture and the Arts	429	-32	0		397
Housing	12,610	-208	0		12,402
Public Protection and Community Relations	201	-90	0		111
Strategy, Performance and Finance	1,447	-272	0		1,175
Sustainable Economic Development	-56	-74	0		-130
Net Cost of Services	13,418	-821	0		12,597
Other income and expenditure from the Expenditure and Funding Analysis	-19,455	544	469		-18,442
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-6,037	-277	469		-5,845

Adjustments between Funding and Accounting Basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net change for the				Total £'000
	Adjustments for Capital Purposes (Note 1) £'000	Pensions Adjustments (Note 2) £'000	Other Differences (Note 3) £'000	Adjustments	
RESTATED					
Climate and the Environment	778	-95	0		683
Health, Wellbeing and Leisure	2,924	-10	0		2,914
Heritage, Culture and the Arts	93	-23	0		70
Housing	18,169	-159	0		18,010
Public Protection and Community Relations	173	-63	0		110
Strategy, Performance and Finance	2,988	-215	0		2,773
Sustainable Economic Development	3,238	-59	0		3,179
Net Cost of Services	28,363	-624	0		27,739
Other income and expenditure from the Expenditure and Funding Analysis	-20,428	915	8		-19,505
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	7,935	291	8		8,234

The following headings of other operating expenditure, financing and investment income and expenditure and taxation and non-specific grant income and expenditure all relate to the comprehensive income and expenditure statement. The Expenditure and Funding Analysis groups all the headings under 'Other income and expenditure'.

Note 1 Adjustments for Capital Purposes

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 – adjustments 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 ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. 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.

Note 2 Net Change for the Pensions Adjustments

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

- For services this represents 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.
- For Financing and investment income and expenditure -- the net interest on the defined benefit liability is charged to the CIES.

Note 3 Other Differences

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

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

10 EXPENDITURE AND INCOME ANALYSED BY NATURE

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

Expenditure/Income 2024/25	Climate and the Environment	Health, Wellbeing and Leisure	Heritage, Culture and the Arts	Housing	Public Protection and	Strategy, Performance and Finance	Sustainable Economic Developmen	Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-2,834	-338	-1,859	-3,639	-778	-5,768	-1,289	0	-16,505
Dwelling Rent Income	0	0	0	-27,501	0	0	0	0	-27,501
Income on Joint Associates	0	0	0	0	0	0	0	-74	-74
Interest and Investment Income	0	0	0	0	0	0	0	-2,569	-2,569
Pension Interest Asset	0	0	0	0	0	0	0	-6,614	-6,614
Income from Council Tax	0	0	0	0	0	0	0	-12,058	-12,058
Income from Non Domestic Rates	0	0	0	0	0	0	0	-21,352	-21,352
Housing Benefit Subsidy	0	0	0	0	0	-18,961	0	0	-18,961
Government Grants and Contributions	-890	-223	-361	-1,703	-191	-621	-5,149	-14,218	-23,356
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-773	-773
Total Income	-3,724	-561	-2,220	-32,843	-969	-25,350	-6,438	-57,658	-129,763
Employee Expenses	3,936	447	1,183	6,681	2,704	8,808	2,384	0	26,143
Other Service Expenses	1,580	392	1,631	10,434	874	6,062	2,905	0	23,878
Revenue Expenditure funded from Capital Under Statute	0	1,016	0	1,210	122	0	3,095	0	5,443
Loss Allowance	0	0	0	0	0	0	0	71	71
Housing Benefit Expenditure	0	0	0	0	0	19,057	0	0	19,057
Expenditure on Joint Associates	0	0	0	0	0	0	0	79	79
Developers Contribution Payment	0	0	0	0	0	0	0	135	135
Depreciation, Amortisation and Impairment	408	-1,901	428	12,514	219	574	23	874	13,139
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	244	244
Interest Payments	0	0	0	0	0	0	0	3,691	3,691
Pension Interest Cost	0	0	0	0	0	0	0	7,090	7,090
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	14,830	14,830
Precepts and Levies	0	0	0	0	0	0	0	4,830	4,830
NBV of Disposal of Assets	0	0	0	0	0	0	0	896	896
Total Operating Expenses	5,924	-46	3,242	30,839	3,919	34,501	8,407	32,740	119,526
Surplus(-)/Deficit on Provision of Services	2,200	-607	1,022	-2,004	2,950	9,151	1,969	-24,918	-10,237

Expenditure/Income 2023/24	Climate and	Health,	Heritage,	Housing	Public	Strategy,	Sustainable	Corporate	Total
	the Environment	Wellbeing and Leisure	Culture and the Arts		Protection and	Performance and Finance	Economic Developmen	Amounts	
RESTATED	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Fees, Charges and Other Service Income	-2,410	-86	-1,422	-3,216	-654	-5,006	-1,313	0	-14,107
Dwelling Rent Income	0	0	0	-24,967	0	0	0	0	-24,967
Income on Joint Associates	0	0	0	0	0	0	0	-139	-139
Interest and Investment Income	0	0	0	0	0	0	0	-3,102	-3,102
Pension Interest Asset	0	0	0	0	0	0	0	-6,003	-6,003
Income from Council Tax	0	0	0	0	0	0	0	-11,362	-11,362
Income from Non Domestic Rates	0	0	0	0	0	0	0	-20,277	-20,277
Housing Benefit Subsidy	0	0	0	0	0	-18,351	0	0	-18,351
Government Grants and Contributions	-36	-726	-410	-1,116	-239	-554	-28,200	-11,724	-43,005
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-876	-876
Total Income	-2,446	-812	-1,832	-29,299	-893	-23,911	-29,513	-53,483	-142,189
Employee Expenses	3,520	400	1,068	6,179	2,398	8,198	2,379	0	24,142
Other Service Expenses	1,689	1,035	1,405	9,569	950	4,499	1,495	0	20,642
Revenue Expenditure funded from Capital Under Statute	0	521	0	754	46	0	30,306	0	31,627
Loss Allowance	0	0	0	0	0	0	0	244	244
Housing Benefit Expenditure	0	0	0	0	0	18,466	0	0	18,466
Expenditure on Joint Associates	0	0	0	0	0	0	0	156	156
Developers Contribution Payment	0	0	0	0	0	0	0	387	387
Depreciation, Amortisation and Impairment	778	2,891	93	18,059	191	2,987	21	0	25,020
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	360	360
Interest Payments	0	0	0	0	0	0	0	3,326	3,326
Pension Interest Cost	0	0	0	0	0	0	0	6,856	6,856
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	14,462	14,462
Precepts and Levies	0	0	0	0	0	0	0	4,519	4,519
NBV of Disposal of Assets	0	0	0	0	0	0	0	775	775
Total Operating Expenses	5,987	4,847	2,566	34,561	3,585	34,150	34,201	31,085	150,982
Surplus(-)/Deficit on Provision of Services	3,541	4,035	734	5,262	2,692	10,239	4,688	-22,398	8,793

11 ADJUSTMENTS BETWEEN ACCOUNTING BASIS AND FUNDING BASIS UNDER REGULATIONS

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

General Fund Balance

The General Fund is the statutory fund into which all the receipts of a Council are required to be paid into and which all liabilities of the Council are to be met from, 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 Balance therefore summarises the resources that the Council is statutorily empowered to spend on its services or on capital investment (or the deficit of resources that the Council is required to recover) at the end of the financial year. For housing authorities however, the balance is not available to be applied to funding HRA services.

Housing Revenue Account Balance

The Housing Revenue Account 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 or (where in deficit) that is required to be recovered from tenants in future years.

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. The balance shows the capital resources that have yet to be applied at the yearend.

Capital Grants Unapplied

The Capital Grants Unapplied Account (Reserve) 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.

Capital Receipts Reserve

The 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 the yearend.

2024/25 Usable Reserves	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Grants Unapplied	Capital Receipts in Reserve	Movement in Unusable Reserves
	£'000	£'000	£'000	£'000	£'000	£'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 (or from) the Pensions Reserve)	219	58	0	0	0	-277
Financial instruments (transferred to the Financial Instrument Adjustment Account)	4	0	0	0	0	-4
Pooled Investment (transferred to the Pooled Investment Adjustment Account)	-166					166
Council tax and NDR (transfers to (or from) Collection Fund)	-229	0	0	0	0	229
Holiday pay (transferred to the Accumulated Absences Reserve)	0	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account - CAA):	3,989	-11,576	0	-2,532	0	10,119
Total Adjustments to Revenue Resources	3,817	-11,518	0	-2,532	0	10,233
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	178	589	0	0	-2,237	1,470
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-10	0	0	10	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	9,969	-9,969	0	0	0
Statutory and voluntary provision for the repayment of debt (transfer from the CAA)	837	0	3,038	0	0	-3,875
Capital expenditure financed from revenue balances (transfer to the CAA)	1,983	0	0	0	0	-1,983
Total Adjustments between Revenue and Capital Resources	2,998	10,548	-6,931	0	-2,227	-4,388
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	3,413	-3,413
Use of the Major Repairs Reserve to finance capital expenditure	0	0	4,454	0	0	-4,454
Application of capital grants to finance capital expenditure	0	0	0	302	0	-302
Cash payments in relation to deferred capital receipts	0	0	0	0	-2,322	2,322
Total Adjustments to Capital Resources	0	0	4,454	302	1,091	-5,847
Total Adjustments	6,815	-970	-2,477	-2,230	-1,136	-2

2023/24 Usable Reserves	General Fund Balance	Housing Revenue Account	Major Repairs Reserve	Capital Grants Unapplied	Capital Receipts in Unusable Reserve	Movement Reserves
	£'000	£'000	£'000	£'000	£'000	£'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 (or from) the Pensions Reserve)	-231	-61	0	0	0	292
Financial instruments (transferred to the Financial Instrument Adjustment Account)	4	0	0	0	0	-4
Pooled Investment (transferred to the Pooled Investment Adjustment Account)	5					-5
Council tax and NDR (transfers to (or from) Collection Fund)	349	0	0	0	0	-349
Holiday pay (transferred to the Accumulated Absences Reserve)	0	0	0	0	0	0
Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to CAA):	-12,632	-12,800	0	775	0	24,657
Total Adjustments to Revenue Resources	-12,505	-12,861	0	775	0	24,591
Adjustments between Revenue and Capital Resources						
Transfer of non-current asset sale proceeds from revenue to the Capital Receipts	65	809	0	0	-874	0
Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	0	-17	0	0	17	0
Payments to the government housing receipts pool (funded by a transfer from the Capital Receipts Reserve)	0	0	0	0	0	0
Posting of HRA resources from revenue to the Major Repairs Reserve	0	10,363	-10,363	0	0	0
Statutory and voluntary provision for the repayment of debt (transfer from the CAA)	1,139	0	5,535	0	0	-6,674
Capital expenditure financed from revenue balances (transfer to the CAA)	4,474	299	0	0	0	-4,773
Total Adjustments between Revenue and Capital Resources	5,678	11,454	-4,828	0	-857	-11,447
Adjustments to Capital Resources						
Use of the Capital Receipts Reserve to finance capital expenditure	0	0	0	0	2,184	-2,184
Use of the Major Repairs Reserve to finance capital expenditure	0	0	10,047	0	0	-10,047
Application of capital grants to finance capital expenditure	0	0	0	2,115	0	-2,115
Cash payments in relation to deferred capital receipts	0	0	0	0	-112	112
Total Adjustments to Capital Resources	0	0	10,047	2,115	2,072	-14,234
Total Adjustments	-6,827	-1,407	5,219	2,890	1,215	-1,090

12 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 during the financial year.

	Balance as at Movement		Balance as at Movement		Balance as at 31st March 2025 £'000
	31st March 2023 £'000	in Year £'000	31st March 2024 £'000	in Year £'000	
	<u>General Fund for known pressures Reserves</u>				
Election Expenses	46	69	115	41	156
Insurance	90	17	107	17	124
ICT & Digital Services	95	15	110	159	269
Renewal and Repairs	2,413	50	2,463	-77	2,386
Building Control	83	-22	61	21	82
Domestic Homicide Review	10	0	10	51	61
Museum Purchases	46	13	59	2	61
Training Provision	282	0	282	112	394
Community Safety Fund	123	13	136	-3	133
Planning Costs	201	0	201	-10	191
Homelessness Fund	480	-370	110	562	672
Energy and Home Support	103	0	103	-103	0
Growth and Prosperity	127	-127	0	0	0
Emergency Planning Reserve	0	60	60	-26	34
Residential Food Waste	0	0	0	260	260
Mangement Carry Forward	1,208	-437	771	194	965
Mansfield Crematorium	160	-1	159	0	159
CSG/Enforcement Reserve	31	64	95	10	105
Flood Defence Reserve	250	0	250	-30	220
NNDR Volatility Reserve	500	0	500	-500	0
Community Initiative Fund	101	10	111	-10	101
MTFP Reserve	6,192	2,270	8,462	551	9,013
Asset Management Fund	500	-149	351	-351	0
Capital Projects Feasibility Fund	321	-99	222	55	277
Community Engagement Fund	79	-38	41	-41	0
Collection Fund Budget	1,075	303	1,378	-1,378	0
Theatre Centenary	15	3	18	1	19
Energy Efficiency East Midlands	0	0	0	99	99
Commercial Plan Invest to Save	200	0	200	0	200
Workforce Development Reserve	200	-30	170	-170	0
Community Lottery	12	6	18	3	21
Homes for Ukraine Fund	320	34	354	-5	349
Unapplied Revenue Grants and Contributions	870	108	978	-291	687
Total for known pressures Reserves	16,133	1,762	17,895	-857	17,038
Change Management	14,171	-2,185	11,986	1,801	13,787
Total General Fund Revenue	30,304	-423	29,881	944	30,825
<u>Capital Revenue Reserves</u>					
Capital Revenue Financing	516	752	1,268	2,022	3,290

Total General Fund Capital	516	752	1,268	2,022	3,290
Total General Fund Earmarked Reserves	30,820	329	31,149	2,966	34,115
Housing Revenue Reserves					
Insurance Fund	50	0	50	0	50
Staffing & Pay	100	0	100	-14	86
HRA Management Carry Forward	305	-249	56	177	233
Decent Homes Reserve	1,500	0	1,500	0	1,500
Unused Efficiency Savings	687	312	999	308	1,307
Service Improvements	1,856	-951	905	956	1,861
Regulatory Compliance/Modernisation	250	0	250	0	250
Health & Safety	367	0	367	-1	366
Total HRA Revenue	5,115	-888	4,227	1,426	5,653
Total General Fund and HRA Earmarked Reserves					
	35,935	-559	35,376	4,392	39,768

Renewal and Repairs - all sections of the Council who are responsible for assets contribute to this fund to ensure that planned maintenance is delivered in the future when it is due. For example buildings are redecorated every three years, software is upgraded as necessary. This flattens out the cost to ensure that tax levels do not fluctuate unnecessarily. All available funds are allocated to specific schemes.

Homeslessness Reserve - a reserve to support the delivery of services and identification of specific projects to tackle and prevent homelessness.

Management Carry Forward - a reserve for requests by management to transfer budgets not spent on a particular purpose into the next financial year for spending.

Medium Term Financial Plan (MTFP) - a reserve to mitigate the financial implications identified within the MTFP.

Unapplied Revenue Grants and Contributions - revenue grants which have not yet been used where the grant providers do not require the grants to be repaid if unused.

Change Management - a reserve for uncommitted funds held for future requirements and for support of transformational change.

Capital Provision – to support future capital projects.

Decent Homes Reserve - to support the challenge of the upcoming changes due to be proposed from Government regarding the improvement of the quality of social housing.

Unused Efficiency Savings - unallocated efficiency savings from the Council bringing social housing management services formerly provided by NSH back in-house.

Service Improvements - used for improvements identified for the service provision for tenants.

13 OTHER OPERATING INCOME AND EXPENDITURE

2023/24	2024/25
£'000	£'000
3,572 Parish Council Precepts	3,880
947 Levies	950
0 Net Gains(-)/losses on revaluation of assets held for sale	874
-99 Gains(-)/losses on the disposal of non-current assets	123
241 Loss Allowance	71
25 Mansfield Crematorium - Net Cost of Service	8
4,686 Total	5,906

14 FINANCING AND INVESTMENT INCOME AND EXPENDITURE

2023/24	2024/25
£'000	£'000
3,266 Interest payable and similar charges	3,691
914 Net interest on the net defined benefit liability (asset)	476
-3,102 Interest receivable and similar income	-2,569
360 Net (gains)/losses on financial assets at fair value through profit and loss	244
-8 Mansfield Crematorium - Financing and Investment Income and Expenditure	-3
1,430 Total	1,839

15 TAXATION AND NON-SPECIFIC GRANT INCOME AND EXPENDITURE

2023/24	2024/25
£'000	£'000
-11,362 Council tax income	-12,058
-5,816 Non-Domestic Rates income and expenditure	-6,522
-6,978 Non ring-fenced Government grants	-7,276
-39 Revenue Developers grants & contributions	-8
413 Capital Developers grants & contributions	-1,052
-4,732 Capital grants and contributions	-5,747
-28,514 Total	-32,663

16 OFFICIALS' EMOLUMENTS

Amounts payable to senior employees in 2024/25 are disclosed below.

	2023/24	2024/25
	£	£
<u>Chief Executive</u>		
Salary, Fees & Allowances	136,754	140,172
Expenses Allowances	499	346
Employer's Contribution to Pension	25,128	24,530
% Employee's Contribution to Pension	11.4%	11.4%
<u>Deputy Chief Executive & Director of Resources</u>		
Salary, Fees & Allowances	112,761	115,580
Expenses Allowances	70	0
Employer's Contribution to Pension	20,974	21,498
% Employee's Contribution to Pension	10.5%	10.5%
<u>Director of Customer Services & Organisational Development</u>		
Salary, Fees & Allowances	83,980	91,868
Expenses Allowances	99	0
Employer's Contribution to Pension	15,620	17,577
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Communities & Environment</u>		
Salary, Fees & Allowances	92,344	94,563
Expenses Allowances	87	0
Employer's Contribution to Pension	17,176	17,589
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Planning & Growth</u>		
Salary, Fees & Allowances	93,154	94,563
Expenses Allowances	100	92
Employer's Contribution to Pension	17,327	17,589
% Employee's Contribution to Pension	9.9%	9.9%
<u>Director of Housing, Health & Welbeing</u>		
Salary, Fees & Allowances	92,687	94,563
Expenses Allowances	94	162
Employer's Contribution to Pension	17,240	17,589
% Employee's Contribution to Pension	9.9%	9.9%
<u>Assistant Director Law & Democratic Services</u>		
Salary, Fees & Allowances	78,877	83,383
Expenses Allowances	0	95
Employer's Contribution to Pension	14,671	15,969
% Employee's Contribution to Pension	9.9%	9.9%

The number of exit packages with total cost per band and total cost of the compulsory and other redundancies are set out in the following table.

Exit Package Cost Band	No of Compulsory Redundancies		No of Other Agreed Departures		Total No of Exit Packages		Total Cost of Exit Packages	
	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24	2024/25	2023/24
							£'000	£'000
£0 to £20,000	0	0	9	3	9	3	46	8
£20,001 to £40,000	0	0	0	0	0	0	0	0
£40,001 to £60,000	0	0	0	0	0	0	0	0
£60,001 to £80,000	0	0	0	0	0	0	0	0
£80,001 plus	0	0	0	0	0	0	0	0
Total	0	0	9	3	9	3	46	8

The number of employees, including senior employees as disclosed above, whose remuneration, excluding pension contributions, was £50,000 or more in bands of £5,000 were:-

	Number of Employees 2024/25	Employees Included in 2024/25 leaving in same year	Number of Employees 2023/24
£50,000 to £54,999	12	0	6
£55,000 to £59,999	5	0	4
£60,000 to £64,999	5	0	5
£65,000 to £69,999	2	0	3
£70,000 to £74,999	5	0	5
£75,000 to £79,999	1	0	1
£80,000 to £84,999	1	0	1
£85,000 to £89,999	0	0	0
£90,000 to £94,999	4	0	3
£110,000 to £114,999	0	0	1
£115,000 to £119,999	1	0	0
£135,000 to £139,999	0	0	1
£140,000 to £145,999	1	0	0
Total	37	0	30

Bandings are removed where each financial year has no value.

17 RELATED PARTY TRANSACTIONS

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 an assessment of 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.

Most transactions with related parties are disclosed elsewhere in the Statement of Accounts as follows:

Party	Disclosure
• UK 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 the majority of its funding in the form of grants and prescribes the terms of many of the transactions the Council has with other parties.	Comprehensive Income and Expenditure Statement Cash Flow Statement
• Members of the council have direct control over the council's financial and operating policies.	Note 18 Members Allowances
• Precepts from other Local Authorities.	Collection Fund Accounts
• Arkwood Developments Ltd is a wholly owned subsidiary of the Council.	Group Accounts
• Active4Today Ltd is a wholly owned subsidiary of the Council.	Group Accounts
• RHH Newark Ltd is a 50% owned joint venture of the Council.	Group Accounts
• The Council has joint control of Mansfield Crematorium.	Note 37 Joint Crematorium Committee

During 2024/25 the following transactions occurred with companies and organisations in which Members, Officers and their close family members, had an interest.

	Receipts £'000	Payments £'000
Gilstrap	5	0
Social Action Hub	0	11

18 MEMBERS ALLOWANCES

2023/24	2024/25
£'000	£'000
110 Special Responsibility Payments	123
205 Basic Allowances	212
10 Travel and Subsistence	8
325 Total	343

19 GRANT INCOME

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

2023/24	2024/25
£'000	£'000
<u>Credited to Taxation and Non Specific Grant</u>	
-228 Revenue Support Grant	-244
-888 New Homes Bonus Grant	-327
-157 DCLG Grant	-26
-53 New Burdens Grant	-31
-4,560 S31 Grant Business Rates	-4,865
-45 Rural Services Delivery Grant	-52
-240 Drainage Board Grant	-119
-807 Funding Guarantee	-1,612
-39 Developers Contributions (Net of Payments)	-8
<u>Capital Related:</u>	
-610 Recycled Capital Housing Grant	0
413 Developers Contributions (Net of Payments)	-1,052
-508 Other Grants and Contributions	-676
-1,574 Towns Fund - Stodman Street Regeneration	-1,968
0 Shared Prosperity - Stodman Street Regeneration	-400
-1,222 DLHUC - Housing Fund	0
0 DEFRA - Food Waste (Capital)	-1,093
0 Infrastructure	-350
0 Towns Fund - Castle Gatehouse	-253
-818 Decarbonisation	-1,007
-11,336 Total	-14,083
<u>Credited to Services</u>	
-9,810 Housing Benefits Subsidy - Rent Allowances	-10,308
-8,541 Housing Benefits Subsidy - Rent Rebates	-8,653
-258 Housing Benefits Administration Grant	-260
-692 Shared Prosperity Grant	-1,316
-419 Homelessness Grant	-425
0 DEFRA - Food Waste (Revenue)	-260
0 Asylum Seekers Home Office Grant	-111
-149 Council Tax Hardship Grant	-224
0 MHCLG - Levelling up Ollerton	-233
-251 Arts Council - National Portfolio Organisation	-289
-173 Towns Fund - Cultural Heart	-79

-163 Towns Fund - Feasibility	-174
0 Towns Fund - Project Management	-104
-152 Heritage Lottery Fund - Gateway	0
-738 Other Revenue Grants and Contributions	-499
<u>Capital Related:</u>	
-644 Private Sector Disabled Facilities	-1,073
-808 Other Capital Grants and Contributions	-720
-6,000 SLR - Sherwood LEP	0
0 Developers Contributions (Net of Payments)	-437
0 SLR - NCC	-2,279
0 Rural Prosperity Fund	-655
-14,032 SLR - Newark LUF 1	0
-6,802 Town Fund - Contribution to IASI	0
-49,632 Total	-28,099

The Council has received a number of grants and contributions that have yet to be recognised as income as they have conditions attached to them that could require the monies or property to be returned to the giver. The balances at the year-end are as follows:

CURRENT LIABILITIES - GRANTS RECEIPTS IN ADVANCE

2023/24 £'000	2024/25 £'000
<u>Capital Related:</u>	
-4,076 Government	-4,744
-230 Other Third Parties	-996
-1,495 Section 106	-1,650
<u>Revenue Related:</u>	
-635 Government	-1,449
-17 Other Third Parties	-17
-8 Section 106	-8
-6,461 Total	-8,864

Section 106 of the Town and Country Planning Act 1990 relates to money paid by developers to Local Planning Authorities in order to offset the costs of the external effects of development.

LONG TERM LIABILITIES - GRANTS RECEIPTS IN ADVANCE

2023/24 £'000	2024/25 £'000
<u>Capital Related:</u>	
-8,039 Section 106	-8,162
<u>Revenue Related:</u>	
-166 Government	-186
-99 Section 106	-90
-55 Other Third Parties	-62
-8,359 Total	-8,500

20 AUDIT FEE

For 2023/2024 Newark and Sherwood District Council incurred the following fee in relation to the audit of the Statement of Accounts:

2023/24	2024/25
£'000 Fees Payable to Mazars LLP in respect of:	£'000
148 External Audit Services	163
5 Other Services	6
153 Total	169

In addition, audit fees of £40,010 (£31,039 2023/24) were paid which related to work undertaken in prior financial years.

21 PROPERTY PLANT AND EQUIPMENT

Movements in 2024/25

	Council Dwellings £'000	Land and Buildings £'000	Other Vehicles Plant Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Assets Under Construction £'000	Total £'000
Cost or Valuation								
At April 2024	346,518	84,653	14,834	448	179	0	9,583	456,215
Adjustments to Opening Balance for IFRS16 Leases	0	910	0	0	0	0	0	910
Gross Book Value at April 2024	346,518	85,563	14,834	448	179	0	9,583	457,125
Additions	14,426	1,077	2,506	0	0	155	5,845	24,009
Donations	0	0	0	0	0	0	0	0
Revaluation increases/decreases(-)to Revaluation Reserve	-532	-3,251	0	0	0	21	0	-3,762
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-6,748	2,804	0	0	0	-26	0	-3,970
Derecognition - Disposals	0	-5	-820	0	0	0	0	-825
Assets reclassified to(-)/from Held for Sale	-3,561	0	0	0	0	0	0	-3,561
Reclassifications - Other	2,691	-947	0	0	0	0	-2,141	-397
At 31 March 2025	352,794	85,241	16,520	448	179	150	13,287	468,619
Accumulated Depreciation & Impairment								
At April 2024	0	703	6,442	187	0	0	68	7,400
Depreciation charge	5,532	1,242	1,483	35	0	0	0	8,292
Depreciation written out to the Revaluation Reserve	-5,084	-771	0	0	0	0	0	-5,855
Depreciation written out to the Surplus/Deficit on the Provision of Services	-450	-42	0	0	0	0	0	-492
Derecognition - Disposals	0	0	-713	0	0	0	0	-713
Reclassifications	2	-14	0	0	0	0	12	0
At 31 March 2025	0	1,118	7,212	222	0	0	80	8,632
Net Book Value								
at 31 March 2025	352,794	84,123	9,308	226	179	150	13,207	459,987
at 31 March 2024	346,518	83,950	8,392	261	179	0	9,515	448,815

Comparative Movements in 2023/24	Assets Under Construction								Total £'000	
	Other		Vehicles			Surplus Assets				
	Council Dwellings £'000	Land and Buildings £'000	Plant Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Assets £'000	Construction £'000			
Cost or Valuation										
At April 2023	343,441	87,775	13,151	448	179	0	10,509	455,503		
Additions	11,018	4,049	2,147	0	0	0	6,216	23,430		
Donations	0	125	0	0	0	0	0	125		
Revaluation increases/decreases(-)to Revaluation Reserve	-4,130	-658	0	0	0	0	0	-4,788		
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-8,020	-9,487	0	0	0	0	0	-17,507		
Derecognition - Disposals	0	0	-651	0	0	0	0	-651		
Derecognition - Other						0		0		
Assets reclassified to(-)/from Held for Sale	103	0	0	0	0	0	0	103		
Reclassifications - Other	4,106	2,849	187	0	0	0	-7,142	0		
At 31 March 2024	346,518	84,653	14,834	448	179	0	9,583	456,215		
Accumulated Depreciation & Impairment										
At April 2023	0	821	5,867	152	0	0	0	6,840		
Depreciation charge	5,481	1,363	1,226	35	0	0	0	8,105		
Depreciation written out to the Revaluation Reserve	-5,124	-1,145	0	0	0	0	0	-6,269		
Depreciation written out to the Surplus/Deficit on the Provision of Services	-358	-267	0	0	0	0	0	-625		
Derecognition - Disposals	0	0	-651	0	0	0	0	-651		
Reclassifications	1	-69	0	0	0	0	68	0		
At 31 March 2024	0	703	6,442	187	0	0	68	7,400		
Net Book Value										
at 31 March 2024	346,518	83,950	8,392	261	179	0	9,515	448,815		
at 31 March 2023	343,441	86,954	7,284	296	179	0	10,509	448,663		

DEPRECIATION

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

- Council Dwellings - 2-75 years
- Other Land and Buildings - 9-75 years
- Vehicles, Plant, Furniture and Equipment - 3-25 years
- Infrastructure - 10-190 years
- Surplus - 20-98 years

CAPITAL COMMITMENTS

At 31 March 2025, the Council has entered into a number of contracts for the construction or enhancement of property, plant and equipment in 2024/25 and future years budgeted to cost £8.734m. Similar commitments at 31 March 2024 were £0.277m. The major commitments are:

- Stodman Street Redevelopment - £7.873m
- Yorke Drive Regeneration - £0.690m

NON-OPERATIONAL PROPERTY, PLANT AND EQUIPMENT (SURPLUS ASSETS)

The Council does not have material surplus assets.

REVALUATIONS

The Council carries out a rolling programme that ensures that all Property, Plant and Equipment required to be measured at fair value is revalued at least every five years. All 31 March 2025 valuations were carried out by the Council's appointed surveyors, Wilks Head and Eve, who are suitably qualified and experienced for this purpose. Valuations were carried out in accordance with the methodologies and bases for estimation set out in the professional standards of the Royal Institution of Chartered Surveyors. Plant and machinery is included implicitly in the valuation of the buildings. Properties regarded by the Council as operational were valued on the basis of open market value for the existing use or, where this could not be assessed because there was no market for the asset, the depreciated replacement cost. Properties regarded by the Council as non-operational have been valued on the basis of open market value.

The significant assumptions applied in estimating the fair values are:

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

The following statement shows the progress of the Council's rolling programme for the revaluation of non current assets.

	Council	Other	Vehicles	Infra-	Community	Assets			Total
	Dwellings	Land &	Plant &	Structure	Assets	Under	Surplus		
	Buildings	Equipment			Construction				
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Valued at Historical Cost	0	0	16,520	448	179	13,287	0	0	30,434
Valued at Current Value in:									
31 March 25	352,794	50,110	0	0	0	0	150	403,054	
31 March 24	0	14,675	0	0	0	0	0	0	14,675
31 March 23	0	4,599	0	0	0	0	0	0	4,599
31 March 22	0	9,131	0	0	0	0	0	0	9,131
31 March 21	0	5,358	0	0	0	0	0	0	5,358
	352,794	83,873	16,520	448	179	13,287	150	467,251	
Non Revaluation adjustments	0	1,368	0	0	0	0	0	0	1,368
Gross Book Value	352,794	85,241	16,520	448	179	13,287	150	468,619	

Note - non revaluation adjustments relates to all movements in Gross Book Value that don't relate to a revaluation i.e. acquisitions and disposals.

22 LEASES - DISCLOSURE AS LESSEE

In 2024/25, the Council applied IFRS 16 Leases as required by the Code of Practice for Local Authority Accounting in the United Kingdom. The main impact of the new requirements is that for arrangements previously accounted for as operating leases (ie without recognising the leased property as an asset and future rents as a liability) a right-of-use asset and a lease liability are to be brought into the Balance Sheet at 1 April 2024. Leases for items of low value (value less than £10,000) and leases that expire on or before 31 March 2025 are exempt from the new arrangements.

IFRS 16 has been applied retrospectively, but with the cumulative effect recognised at 1 April 2024. This means that right-of-use assets and lease liabilities have been calculated as if IFRS 16 had always applied but recognised in 2024/25 and not by adjusting prior year figures. However, some practical expedients have been applied as required or permitted by the Code:

- lease liabilities are measured at the present value of the remaining lease payments at 1 April 2024, discounted by the Council's incremental borrowing rate at that date.
- the weighted average of the incremental borrowing rates used to discount liabilities was the PWLB Annuity Certainty rate from 28/03/2024 which relates to the remaining term of the lease.
- accrued lease payments that were in the balance sheet on 31 March 2024 – any initial direct costs have been excluded.
- all leases were assessed as to whether they were onerous at 31 March 2024 and it was determined that there were none.

This has resulted in the following additions to the Balance Sheet:

- £440k Property, Plant and Equipment – land and buildings (right of-use assets)
- £432k Non-current creditors (lease liabilities)
- £8k Current creditors (lease liabilities)

In addition, three peppercorn leases (nil rental payments) have resulted in the recognition of right-of-use assets on the Balance Sheet as of 1 April 2024, which have been accounted for through government grants and donated assets.

- £470k Property, Plant and Equipment – land and buildings (donated right of-use assets)

The newly recognised lease liabilities of £440k compares with the operating lease commitments of £1,445k at 31 March 2024 disclosed in the notes to the 2023/24 financial statements. When these are discounted to their present value of £440k (using the relevant PWLB Annuity Certainty rate from 28/03/2024), there is no difference from the newly recognised lease liabilities due to no rent reviews happening during 2024/25.

Right-of-use assets

This table shows the change in the value of right-of-use assets, which all are part of Land and Buildings within PPE, held under leases by the Council:

2023/24 £'000	2024/25 £'000
2,152 Balance at 1 April	1,734
0 Adjustment to Opening Balance for IFRS16	910
150 Additions	179
-474 Revaluations	0
-94 Depreciation and amortisation	-83
0 Disposals	0
1,734 Balance at 31 March	2,740

Transactions Under Leases

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

2023/24 £'000	2024/25 £'000
Comprehensive income and expenditure statement	
160 *Interest expense on lease liabilities	176
0 Expense relating to short-term leases	0
38 Expenses relating to exempt leases of low-value items	44
0 Variable lease payments not included in the measure of lease liabilities	0
-179 Income from sub-letting right of use assets	-175
Cash Flow Statement	
339 Minimum lease payments	339

*The interest expense in 2023/24 only relates to those leases which were already treated as finance leases. In 2024/25 under the new accounting treatment for IFRS16 most former operating lease arrangements are now treated as finance leases.

Maturity analysis of lease liabilities

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

2023/24	2024/25
£'000	£'000
150 Not later than one year	169
656 Later than one year and not later than five years	736
4,058 Later than five years	4,264
4,864 Total	5,169

23 LEASES - DISCLOSURE AS LESSOR

Finance Leases

With effect from April 2015, under the Devolution agreement with Newark Town Council, the Council has leased Newark Market Place and the Arena toilets and retail unit, Tolney Lane, Newark to Newark Town Council. The leases are for a peppercorn rent and therefore there will be no lease payments receivable from these arrangements. The leases have been accounted for as finance leases and the asset values have transferred to Newark Town Council.

	Fair Value at inception of lease April 2015	Lease Term
Newark Market Place	£56,450	99 years
Arena toilets and retail unit, Tolney Lane, Newark	£209,186	25 years

The Council Sub lets the hotel asset on the Beaumont Cross site, on a finance lease with a remaining term of 21 years.

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

2023/24	2024/25
£'000	£'000
Finance Lease Debtor (net present value of minimum lease payments)	
118 • Current	136
4,225 • Non Current	4,234
2,373 Unearned Finance Income	2,040
6,716 Minimum Lease Repayments	6,410

The gross investment in the lease and the minimum lease payments will be received over the following periods:

2023/24		2024/25	
Payments the Lease	Gross Invest- ment in Lease	Payments the Lease	Gross Invest- ment in Lease
£'000	£'000	£'000	£'000
305	118 Not later than one year	305	136
1,221	527 Later than one year and not later than five years	1,221	601
5,189	3,697 Later than five years	4,884	3,633
6,715	4,342 Total	6,410	4,370

Operating Leases

The Council has granted leases in respect of a range of industrial units, lorry wash and other commercial land and buildings. A number of village halls are also included. All arrangements are accounted for as operating leases with the village halls being charged peppercorn rents. All the leases as lessor are land and buildings. The Council does not currently lease any vehicle, plant or equipment.

Aggregate rentals received by the Council in its capacity as lessor for 2024/25 was £1,390k (£1,370k 2023/24).

The total future lease commitments are:

2023/24	2024/25
£'000	£'000
946 Not later than one year	1,136
2,493 Later than one year and not later than five years	2,950
3,609 Later than five years	3,369
7,048 Total Operating Lease Costs	7,455

24 CASH AND CASH EQUIVALENTS

2023/24	2024/25
£'000	£'000
4 Cash held by the Council	3
955 Bank current accounts	913
14,997 Short-term deposits with Money Market Funds	28,621
15,956 Total Cash and Cash Equivalents	29,537

25 HERITAGE ASSETS

The following table shows the reconciliation of the carrying value of the heritage assets held by the Council.

	Museum Collection £'000	Other Assets £'000	Total Assets £'000
Cost or Valuation			
At 1 April 2024	3,450	110	3,560
Reclassifications from PPE	0	399	399
Revaluations	54	-384	-330
At 31 March 2025	3,504	125	3,629
Cost or Valuation			
At 1 April 2023	3,450	110	3,560
Additions	0	0	0
Revaluations	0	0	0
At 31 March 2024	3,450	110	3,560

Items held on the balance sheet for Heritage assets for both the museum collections and other heritage assets are revalued every five years, based on market value, supported by a specialist valuation. The last formal valuation was undertaken 17/03/23 by Golding, Young and Mawer an external firm of Chartered Auctioneer and Valuers. In the intervening periods, where insurance information is available, this will be considered to see if a change to the valuation is required.

The Council's heritage assets held on the Balance Sheet have been split into the following categories:

Museum Collection – The Council has an extensive museum collection comprising art, civil war artefacts, clocks, coins and tokens and other items of interest. The museum was established in 1912 and the majority of artefacts have been donated by local residents over the course of the years. All exhibits are either on display at the National Civil War Centre in Newark or held at the Council's resource centre; however, all items at the resource centre are available for viewing by appointment. The collection is the responsibility of the Heritage, Culture and Visitors Business Manager and is kept in a controlled environment to ensure minimal deterioration. Should any remedial conservation be required this is contracted out to specialist third parties on an as and when basis. Items are valued for insurance purposes at a minimum of every five years and held on the balance sheet at this value. The assets held within the museum collection are deemed to have indeterminate lives and as such are not depreciated.

A significant item of the collection is the Newark Torc, a complete Iron Age gold alloy neck ring which was purchased by a combination of council funding, grant funding and public donations in 2006. The torc is on display at the National Civil War Centre.

Other – other heritage assets held by the Council include various sculptures which have been commissioned and are on display in the Council's parks and gardens and the Chairman's chains of office. Items are valued on an insurance basis every five years and held on the balance sheet at this value.

The Council also owns heritage assets which are not shown on the Balance Sheet as detailed:

Newark Castle – the castle was built in the 12th century and is a scheduled ancient monument. The castle was partly destroyed at the end of the English Civil War but has a number of rooms which are open to the public as part of a guided tour and is sited in a public garden. The Council does not consider that reliable cost or valuation information can be obtained for the castle due to the age and state of the building. A fund is in place to cover the costs of any future repairs and renewals.

Queen's Sconce – this scheduled ancient monument is one of the few remaining earthworks from the English Civil War. It is distinctively star shaped and is considered an internationally important heritage feature, surrounded by open space and playing fields. The Council does not consider that reliable cost or valuation information can be obtained for the sconce due to the age and nature of the structure. A fund is in place to cover the costs of any future repairs and renewals.

26 ASSETS HELD FOR SALE

Strict requirements are identified in the Code regarding the classification of an asset as Held for Sale. If an asset does not meet these requirements then it would continue to be classified within the standard classification, either as Property Plant and Equipment or as Investment Property. The Council holds the following current assets with the intent of selling them within 12 months of the balance sheet date.

2023/24		2024/25
£'000		£'000
4,054 Balance outstanding at start of year		3,194
Assets newly classified as held for sale:		
3,610 Transfer from Property, Plant and Equipment		3,613
0 Revaluation losses		-874
Assets declassified as held for sale:		
-3,713 Transfer back to Property, Plant and Equipment		-52
-757 Assets Sold		-771
3,194 Balance outstanding at year-end		5,110

27 INTANGIBLE ASSETS

During 2024/2025 the Council's intangible assets consisted of computer software. These were considered to have significant long term value to justify inclusion within the Balance Sheet. They are amortised on a straight line basis over the estimated period of economic benefit to the Council which varies between 5 and 10 years depending on the particular system. The amortisation amount is charged to the relevant revenue service and is included within the (Surplus)/Deficit on Continuing Operations.

2023/24		2024/25
£'000		£'000
Balance at start of year:		
1,675 Gross carrying amounts		1,970
-1,299 Accumulated amortisation		-1,319
376 Net carrying amount at start of year		651
Movements:		
334 Purchases		270
0 Other disposals		0
-59 Amortisation for the period		-103
0 Reclassifications		0
651 Net carrying amount at end of year		818
Comprising:		
1,970 Gross carrying amounts		2,240
-1,319 Accumulated amortisation		-1,422
651 Net carrying amount at end of year		818

28 CAPITAL EXPENDITURE AND FINANCING

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

2023/24	2024/25
£'000	£'000
134,618 Opening Capital Financing Requirement	135,657
4,454 Opening Balance adjustment for Finance Lease Correction	0
0 Adjustments to Opening Balance for IFRS16 Leases	440
139,072 Revised Opening Capital Financing Requirement (CFR)	136,097
<u>Capital Investment:</u>	
23,555 Property, Plant and Equipment	24,009
0 Capital Loans and Shares	4,683
334 Intangible Assets	270
31,629 Revenue Expenditure Funded from Capital Under Statute	5,443
<u>Sources of Finance</u>	
-2,184 Capital Receipts	-3,413
-35,254 Government Grants and Contributions	-9,732
-21,495 Sums set aside from Revenue (inc MRP and finance leases)	-10,312
135,657 Closing Capital Financing Requirements	147,045
<u>Explanation of Movements in Year</u>	
3,257 Increase in underlying need to borrow (unsupported by Government financial assistance)	14,823
-6,672 Other Movements (MRP including finance leases)	-3,875
-3,415 Increase in Capital Financing Requirement	10,948
<u>Split on Capital Financing Requirement between General Fund and Housing Revenue Account</u>	
34,591 General Fund	37,408
101,066 Housing Revenue Account	109,637
135,657	147,045

29 ANALYSIS OF DEBTORS

The amounts due to the Council were:-

2023/24	2024/25
£'000	£'000
Amounts falling due within one year:-	
1,259 Trade Receivables	1,020
625 Prepayments	823
11,050 Other Receivable Amounts	16,474
-2,263 Less Loss Allowance	-2,214
10,671 Total Short Term Debtors	16,103
2,373 Other Entities and Individuals	3,232
2,373 Total Long Term Debtors	3,232
13,044 Total Debtors	19,335

DEBTORS FOR LOCAL TAXATION

The past due but not impaired amount for local taxation (council tax and non-domestic rates) within the total debtors figure is analysed below;

2023/24	2024/25
£'000	£'000
523 Council Tax	595
427 Non-Domestic Rates	299
950 Total Debtors for Local Taxation	894

30 ANALYSIS OF CREDITORS

The amounts owed by the Council were:-

2023/24	2024/25
£'000	£'000
Amounts falling due within one year:-	
10,729 Trade Payables	5,438
7,176 Other Payables	6,356
17,905 Short Term Creditors	11,794
0 Other Payables	0
0 Long Term Creditors	0
17,905 Total	11,794

31 PROVISIONS

2023/24	Non Domestic Rate Appeals	2024/25
£'000	£'000	£'000
354 Short Term Balance at 1 April	203	203
-388 Amounts used in year	-246	-246
237 Transfer from Long Term	348	348
203 Short Term Balance at 31 March	305	305
1,117 Long Term Balance at 1 April	377	377
-503 Increase/Decrease (-) in provisions made in year	287	287
-237 Transfer to Short Term	-348	-348
377 Long Term Balance at 31 March	316	316

New arrangements for the retention of business rates came into force on 1 April 2013 whereby local authorities have assumed the liability for refunding ratepayers who have successfully appealed against the rateable value of their properties on the rating list. This includes amounts that were paid over to Central Government in respect of 2012/2013 and prior years. Previously such amounts would not have been recognised as income by the authorities but would have been transferred to DLUHC. A provision has been made for the possible settlement of refunds, based on consideration of the type and history of appeals awarded in the past, and the length of time normally taken for the appeal process.

As the outcome of any appeals are determined by the Valuation Office Agency (VOA), it is uncertain when the claims will be settled. As there are still claims outstanding from 2017 it has been decided to classify the provision as long term. This provision relates to only the Council's share of the potential costs which is 40%.

32 USABLE RESERVES

Movements in the Council's usable reserves are detailed in the Movement in Reserves Statement.

33 UNUSABLE RESERVES

2023/24	2024/25
£'000	£'000
152,027 Revaluation Reserve	151,415
172,574 Capital Adjustment Account	178,256
-103 Financial Instruments Adjustment Account	-99
-11,842 Pensions Reserve	-8,245
-56 Crematorium Pension Reserve	-57
6,692 Deferred Capital Receipts Reserve	4,370
-1,516 Pooled Investment Adjustment Account	-1,682
342 Collection Fund Adjustment Account	113
-400 Accumulated Absences Account	-400
317,718 Total Unusable Reserves	323,671

REVALUATION RESERVE

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

- Revalued downwards or impaired and the gains are lost.
- Used in the provision of services and the gains are consumed through depreciation.
- Disposed of and the gains are realised.

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

2023/24	2024/25
£'000	£'000
153,332 Balance at 1 April	152,027
13,049 Upward revaluations of assets	16,645
-11,568 Downward revaluation of assets and impairment losses not charged to the Surplus/Deficit on the Provision of Services	-14,482
1,481 Surplus or deficit(-) on revaluation of non-current assets not posted to the Surplus or Deficit on the Provision of Services	2,163
-2,546 Difference between fair value depreciation and historical cost depreciation	-2,528
-240 Accumulated gains on assets sold or scrapped	-247
-2,786 Amount written off to the Capital Adjustment Account	-2,775
152,027 Balance at 31 March	151,415

CAPITAL ADJUSTMENT ACCOUNT

The Capital Adjustment Account absorbs the timing differences arising from the different arrangements for the consumption of non-current assets and for financing the acquisition, construction or enhancement of those assets under statutory provisions. The account is debited with the cost of acquisition, construction or enhancement as depreciation, impairment losses and amortisation are charged to the Comprehensive Income and Expenditure Statement. The account is credited with the amounts set aside by the Council as finance for the costs of acquisition, construction and enhancement.

The account contains accumulated gains and losses on Investment Properties and revaluation gains on Property, Plant and Equipment before 1 April 2007, the date the Revaluation Reserve was created to hold such gains.

2023/24		2024/25
£'000		£'000
168,648	Balance as at 1st April	172,574
0	Adjustments to Opening Balance for IFRS16 Leases	470
168,648	Revised Balance as at 1 April	173,044
Reversal of items relating to capital expenditure debited or credited to the CIES:		
-8,105	Charges for depreciation and impairment of non-current assets	-8,292
-16,879	Revaluation losses on Property, Plant and Equipment	-4,749
-59	Amortisation of intangible assets	-103
-365	Revaluation on Financial Instrument classed as capital	-78
-31,629	Revenue expenditure funded from capital under statute	-5,443
-758	Amounts of non-current assets written off on disposal or sale as part of the gain(-)/loss on disposal to the CIES	-884
-57,795	Total	-19,549
240	Adjusting amounts written out of the Revaluation Reserve	247
-57,555	Net written out amount of the cost of non-current assets consumed in the year	-19,302
Capital financing applied in the year:		
2,184	Use of Capital Receipts Reserve to finance new capital expenditure	3,413
10,047	Use of Major Repairs Reserve to finance new capital expenditure	4,454
33,139	Capital grants and contributions credited to the CIES that have been applied to capital financing	9,431
2,115	Applications of grants to capital financing from the Capital Grant Unapplied Account	302
769	Statutory provision for the financing of capital investment charged against the General Fund and HRA balances	837
0	Capital Long Term Debtor write down principal repayments	-1,470
5,906	Voluntary provision against General Fund and repayment of HRA debt	3,037
4,775	Capital expenditure charged against the General Fund and HRA balances	1,982
58,935	Total	21,986
2,546	Adjustment between Capital Adjustment Account and Revaluation Reserve for depreciation that relates to the revaluation balance rather than historic cost	2,528
172,574	Balance at 31 March	178,256

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

The Financial Instrument Adjustment Account absorbs the timing difference arising from the different arrangements for accounting for income and expenditure relating to certain financial instruments and for bearing losses or benefitting from gains per statutory provision. The Council uses the account to manage premiums paid on the early redemption of loans. Premiums are debited to the Comprehensive Income and Expenditure Statement when they are incurred but reversed out of the General Fund balance to this account in the Movement in Reserves Statement. Over time the expense is posted back to the General Fund balance in accordance with statutory arrangements for spreading the burden on the council tax payer.

2023/24		2024/25
£'000		£'000
-106 Balance at 1 April		-103
3 Differences between statutory debits/credits and amounts recognised as income and expenditure in relation to financial instruments		4
-103 Balance at 31 March		-99

PENSIONS RESERVE

The Pensions Reserve absorbs the timing differences arising from the different arrangements for accounting for post employment benefits and for funding benefits in accordance with statutory provisions. The Council accounts for post employment benefits in the Comprehensive Income and Expenditure Statement as the benefits are earned by employees accruing years of service, updating the liabilities recognised to reflect inflation, changing assumptions and investment returns on any resources set aside to meet the costs. However, statutory arrangements require benefits earned to be financed as the Council makes employer's contributions to pension funds or eventually pays any pensions for which it is directly responsible. The debit balance on the reserve therefore shows a substantial shortfall in the benefits earned by past and current employees and the resources the Council has set aside to meet them. The statutory arrangements will ensure that funding will have been set aside by the time the benefits come to be paid.

2023/24		2024/25
£'000		£'000
-19,731 Balance at 1 April		-11,842
8,181 Remeasurements of the net defined benefit liability/(asset)		18,677
0 Impact of asset ceiling		-15,357
-4,300 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES		-4,047
4,008 Employers pensions contributions and direct payments to pensioners payable in the year		4,324
-11,842 Balance at 31 March		-8,245

CREMATORIUM PENSION RESERVE

The total assets and liabilities of the Mansfield and District Joint Crematorium Pension Account are apportioned between Newark and Sherwood District Council, Ashfield District Council and Mansfield District Council. The balance held in the Crematorium Pension Account represents Newark and Sherwood District Council's proportion of the assets and liabilities of the scheme.

2023/24	2024/25
£'000	£'000
-268 Balance at 1 April	-107
165 Remeasurements of the net defined benefit liability/(asset)	166
0 Impact of asset ceiling	-219
-109 Reversal of items relating to retirement benefits debited or credited to the Surplus or Deficit on the Provision of Services in the CIES	-53
105 Employers pensions contributions and direct payments to pensioners payable in the year	73
-107 Balance at 31 March	-140
Balance split by Authority:	
-56 Newark and Sherwood District Council's proportion	-57
-50 Ashfield District Council's Proportion	-65
-1 Mansfield District Council's Proportion	-18
-107 Balance at 31 March	-140

DEFERRED CAPITAL RECEIPTS RESERVE

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

2023/24	2024/25
£'000	£'000
6,805 Balance at 1 April	6,692
0 Transfer of deferred capital receipt repayable credited as part of the gain(-)/loss on disposal to the CIES	
-113 Transfer to Capital Receipts Reserve	-2,322
6,692 Balance at 31 March	4,370

POOLED INVESTMENT FUNDS ADJUSTMENT ACCOUNT

The pooled investment fund adjustment account represents the fair value movement in the value of its investments that are measured at fair value through profit and loss. Under regulation 30k the fair value movement can continue to be reversed for all investments taken prior to 1 April 2024 until the period ending 31 March 2029. After that period the value of the movement will then be charged against the general fund balance.

2023/24	2024/25
£'000	£'000
-1,521 Balance at 1 April	-1,516
242 Upward revaluation of investments	112
-237 Downward revaluation of investments	-278
-1,516 Balance at 31 March	-1,682

COLLECTION FUND ADJUSTMENT ACCOUNT

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

2023/24	2024/25
£'000	£'000
-7 Balance at 1 April	342
349 Amount by which council tax and non-domestic rating income credited to the CIES is different from council tax and non-domestic rating income calculated for the year in accordance with statutory requirements	-229
342 Balance at 31 March	113

ACCUMULATED ABSENCES ACCOUNT

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

2023/24	2024/25
£'000	£'000
-400 Balance at 1 April	-400
400 Settlement or cancellation of accrual made at the end of the preceding year	400
-400 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	-400
-400 Balance at 31 March	-400

34 CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets or liabilities to disclose.

35 CASH FLOW STATEMENTS

A Cash Flow Statement - Adjustment To Net Surplus Or Deficit On The Provision Of Services For Non Cash Movements

2023/24	2024/25
£'000	£'000
-8,793 Net Surplus or Deficit(-) on the Provision of Services	10,237
Adjust net surplus or deficit on the provision of services for non-cash movements	
8,105 Depreciation of Property, Plant and Equipment	8,292
16,880 Impairment and downward valuations	4,749
59 Amortisation of Intangible Assets	103
365 Material impairment losses on Investments debited to surplus or deficit on the provision of services in year	78
-4 Adjustment for movements in fair value of investments classified as Fair Value through Profit & Loss a/c	166
56 Increase/Decrease(-) in interest Creditors	196
-292 Increase/Decrease(-) in Creditors	-345
-677 Increase(-)/Decrease in interest and dividend Debtors	238
2,310 Increase(-)/Decrease in Debtors	-2,102
-2 Increase(-)/Decrease in Inventories	19
292 Pension Liability	-278
-891 Increase/Decrease(-) in Provisions	42
758 Carrying amount of non-current assets and non-current Assets Held For Sale, sold or derecognised	884
26,959 Total	12,042
Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	
0 Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in associates, joint ventures and subsidiaries)	0
-32,605 Capital Grants credited to surplus or deficit on the Provision of Services	-11,963
0 Premiums or Discounts on the repayment of financial liabilities	0
-857 Proceeds from the sale of Property Plant and Equipment, Investment Property and Intangible Assets	-756
-33,462 Total	-12,719
-15,296 Net Cash Flows from Operating Activities	9,560

B Cash Flow Statement - Operating Activities

The cash flows for operating activities include the following items:

2023/24	2024/25
£'000	£'000
2,426 Interest received	2,807
-3,208 Interest paid	-3,427
-782 Total	-620

C Cash Flow Statement - Investing Activities

2023/24	2024/25
£'000	£'000
-20,693 Purchase of Property, Plant and Equipment, Investment Property and Intangible Assets	-32,214
0 Purchase of short-term and long-term Investments	-3,000
-100 Other payments for investing activities	-3,213
969 Proceeds from the sale of Property, Plant and Equipment, Intangible Assets and Finance Lease Receivables	3,079
20,000 Proceeds from short-term and long-term Investments	2,000
15,095 Other receipts from investing activities	14,376
15,271 Net cash flows from investing activities	-18,972

D Cash Flow Statement - Financing Activities

2023/24	2024/25
£'000	£'000
4,140 Cash receipts for short and long-term Borrowing	31,220
0 Other receipts from financing activities	0
-145 Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-135
-9,446 Repayments of short and long-term Borrowing	-6,884
-1,802 Other payments for financing activities	-1,208
-7,253 Net cash flows from financing activities	22,993

36 RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Non-cash changes					2024/25 31 March £'000	
	Financing		Other non-cash				
	2024/25 1 April £'000	Cash Flows £'000	Acquisition £'000	changes £'000			
Long-term borrowings	78,402	23,963	0	-29,009	73,356		
Short-term borrowings	7,059	373	0	29,009	36,441		
Lease Liabilities	4,865	-135	440	0	5,170		
Total Liabilities from financing activities	90,326	24,201	440	0	114,967		

37 JOINT CREMATORIUM COMMITTEE

The Council, along with Ashfield District Council and Mansfield District Council, operates the Mansfield and District Joint Crematorium.

The Council's share of income, expenditure, assets and liabilities in respect of the Joint Crematorium Committee is as follow;

2023/24		2024/25	
Total £'000	NSDC Share £'000 Statement	Total £'000	NSDC Share £'000
-2,039	-130 Gross Income	-1,993	-70
1,550	99 Gross Expenditure (includes surplus distribution)	1,389	49
-489	-31 Charged to Other Operating Income and Expenditure before Surplus Distribution	-604	-21
875	56 Surplus Distribution	875	30
386	25 Total Charged to Other Operating Income and Expenditure	271	9
-119	-8 Financing and Investment Income and Expenditure	-97	-3
267	17 Surplus (-) or Deficit on Provision of Services	174	6
-166	-11 Remeasurements of the Net Defined Benefit Liability (Asset)	52	2
101	6 Total Comprehensive Income and Expenditure	226	8

2023/24		2024/25	
Total £'000	NSDC Share £'000 Balance Sheet	Total £'000	NSDC Share £'000
2,300	257 Property, Plant and Equipment	2,136	251
2,300	257 Long Term Assets	2,136	251
292	27 Short Term Debtors	265	26
2,123	223 Cash and Cash Equivalents	2,070	222
2,415	250 Current Assets	2,335	248
-1,064	-92 Short Term Creditors	-981	-89
-1,064	-92 Current Liabilities	-981	-89
-107	-56 Pensions	-140	-57
-107	-56 Long Term Liabilities	-140	-57
3,544	359 Net Assets	3,350	353
Financed By:			
1,352	158 General and Capital Reserve	1,355	159
-107	-56 Pension Reserve	-140	-57
1,230	181 Capital Adjustment Account	1,146	178
1,069	76 Revaluation Reserve	989	73
3,544	359 Total Reserves	3,350	353

38 POST EMPLOYMENT BENEFITS

As part of the terms and conditions of employment of its officers and other employees, the authority offers retirement benefits. Although these benefits will not actually be payable until employees retire, the authority has a commitment to make the payments that need to be disclosed at the time that employees earn their future entitlement. The authority participates in the Local Government Pension Scheme, administered by Nottinghamshire County Council. This is a funded defined benefit final salary scheme, meaning the authority and employees pay contributions into a fund, calculated at a level intended to balance the pensions liabilities with investment assets.

The pension scheme is operated under the regulatory framework for the Local Government Pension Scheme and the governance of the scheme is the responsibility of the pensions committee of Nottinghamshire County Council. Day to day administration of the fund is undertaken by a team within the County Council. Where appropriate some functions are delegated to the Fund's professional advisors.

The cost of retirement benefits is recognised in the (Surplus)/Deficit on Continuing Operations when they are earned by employees rather than when the benefits are eventually paid as pensions. However, the charge required to be made against the council tax is based on the cash payable in the year, so the real cost of retirement benefit is reversed out of the Comprehensive Income and Expenditure Statement after the (Surplus)/Deficit on Provision of Services.

These transactions are as follows:-

2023/24	2024/25
£'000	£'000
Comprehensive Income and Expenditure Statement	
<u>Cost of Services</u>	
3,389 Current service cost	3,491
3 Past service costs	14
0 (Gain)/loss from settlements	0
<u>Financing and Investment Income and Expenditure</u>	
854 Net interest expense	476
61 Administration costs	68
4,307 Total charged to Surplus/Deficit on Provision of Services	4,049
<u>Remeasurement of the net defined benefit liability</u>	
4,579 Return on plan assets	-1,515
2,371 Changes in financial assumptions	19,880
2,035 Changes in demographic assumptions	382
-794 Experience gains/(losses)	-64
0 Impact of asset ceiling	-15,365
8,191 Total charged to Other Comprehensive Income and Expenditure	3,318
12,498 Total charged to Comprehensive Income and Expenditure Statement	7,367
Movement in Reserves Statement	
-292 Reversal of net charges made for retirement benefits	278
Actual amount charged against the General Fund Balance	
Employers' contributions payable to scheme (including release of prepaid contributions)	4,327

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 General Fund and Housing Revenue Account the amounts required by statute as described in the accounting policies note.

Funding Arrangements

The LGPS Regulations require that a full actuarial valuation of the Fund is carried out every three years. The purpose of this is to establish that the Nottinghamshire Council Pension Fund is able to meet its liabilities to past and present contributors and to review the employer contribution rates.

The latest full triennial valuation of the Fund was carried out by Barnet Waddingham, the Fund's actuary, as at 31 March 2022 in accordance with the Funding Strategy Statement of the Fund and Regulation 36 of the Local Government Pension Scheme (Administration) Regulations 2008. The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2023 to 31 March 2026 as required under Regulation 62 of the Regulations.

The results were published in the triennial valuation report dated 30 March 2023, with the funding level increased from 93% at the 2019 valuation. This report details the fund assumptions and employer contribution rates for the three years from 2023/24.

The triennial valuation undertaken as at 31 March 2022 covers the three financial years to 2025/26. The actuary's market value of the scheme's assets at 31 March 2022 was £6.62bn and the Actuary assessed the smoothed value of the funded obligation at £6.50bn. This indicates a net surplus of £9m, which equates to a funding level of 100% (2019 deficit: £405m and 93%).

Assets and liabilities in relation to retirement benefits

Pension Assets and Liabilities Recognised in Balance Sheet

Assets	2024/25 £'000	2023/24 £'000	2022/23 £'000	2021/22 £'000	2020/21 £'000
Present value of liabilities	-132,421	-147,460	-144,926	-213,553	-216,468
Fair value of assets	139,484	135,562	125,128	128,654	121,222
Net liability	7,063	-11,898	-19,798	-84,899	-95,246
Impact of asset ceiling	-15,365	0	0	0	0
Net Liability	-8,302	-11,898	-19,798	-84,899	-95,246

Reconciliation of present value of the scheme liabilities:

2023/24 £'000	2024/25 £'000
144,926 1st April	147,460
3,389 Current service cost	3,491
6,861 Interest cost	7,093
1,199 Contributions by scheme participants	1,290
<i>Remeasurement (gains)/losses</i>	
-2,035 Changes in demographic assumptions	-382
-2,371 Changes in financial assumptions	-19,880
794 Other	64
3 Past service cost	14
-5,306 Benefits paid	-6,729
147,460 31st March	132,421

Reconciliation of fair value of the scheme assets:

2023/24 £'000	2024/25 £'000
125,128 1st April	135,562
6,008 Interest income	6,617
<i>Remeasurement gain/(loss)</i>	
4,579 Return on plan assets	-1,515
0 Other	0
4,015 Contributions from employer	4,327
1,199 Contributions from scheme participants	1,290
-5,306 Benefits paid	-6,729
-61 Administration costs	-68
0 Settlement Paid	0
135,562 31st March	139,484

Reconciliation of change in impact of asset ceiling

2023/24 £'000	2024/25 £'000
0 Opening Impact of asset ceiling	0
0 Interest on impact of asset ceiling	0
0 Actuarial losses/(gains)	15,365
0 Closing impact of asset ceiling	15,365

Explanation of the Asset Ceiling

The accounting standards state that if an employer has an accounting surplus, it should only be recognised to the extent that it is able to recover the surplus either through reduced contributions in the future, or through refunds. The present value of such economic benefits is commonly referred to as the "asset ceiling".

Basis for estimating assets and liabilities

The following tables exclude the Councils portion of Mansfield Crematorium pension liability due to materiality. Liabilities have been assessed on an actuarial basis using the projected unit method, an estimate of the pensions that will be payable in future years dependent on assumptions about mortality rates, salary levels etc. The scheme liabilities have been assessed by Barnett Waddingham LLP, an independent firm of actuaries, the estimates for the County Council Fund being based on the latest full valuation of the scheme as at 31st March 2022.

The principal assumptions used by the actuary have been:

2023/24 £'000	2024/25 £'000
Mortality Assumptions	
Longevity at 65 for current pensioners	
20.4 Men	20.4
23.3 Women	23.3
Longevity at 65 for future pensioners	
21.7 Men	21.7
24.7 Women	24.7
3.25% Rate of inflation – Retail Price Index	
3.90% Rate of increase in salaries	3.90%
2.90% Rate of increase in pensions (CPI)	2.90%
4.90% Rate for discounting scheme liabilities	5.80%
Take up of option to convert annual pension into retirement	
50% Lump Sum	50%
10% Take up of option to pay 50% contributions for 50% benefits	10%

The estimation of the defined benefit obligations is sensitive to the actuarial assumptions set out in the table above. The sensitivity analysis below has 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.

Impact on the defined benefit obligation	Adjustment	Increase in assumption £'000	Decrease in assumption £'000
Discount Rate	+/- 0.1%	-1,831	1,875
Salary Increase	+/- 0.1%	122	-121
Pension Increase	+/- 0.1%	1,805	-1,763
Mortality Age	+/- 1 year	4,702	-4,518

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

2023/24		2024/25	
£'000		Quoted	Unquoted
Equity Investment			
23,289	UK investment	20,854	0
58,678	Overseas investment	51,440	0
4,340	Private equity investment	0	4,855
86,307			77,149
Gilts			
3,246	UK fixed interest	11,580	0
3,246			11,580
Other Bonds			
0	UK corporates	2,563	0
6,724	Overseas corporates	6,408	0
6,724			8,971
Property			
14,409		0	14,296
8,160	Cash/Credit/Unit Trust	0	7,595
6,894	Inflation-linked pooled fund	0	9,647
9,799	Infrastructure	0	10,219
135,539		92,845	46,612
			139,457

Projected Pension Expense for the Year to 31 March 2026

	Year to 31-Mar-26
	£'000
Projection for Year to 31 March 2026	
Service cost	2,596
Net Interest on the defined liability (asset)	352
Administration expenses	68
Total	3,016
Employer contributions	4,255

Note that these figures exclude the capitalised cost of any early retirements or augmentations which may occur after 31 March 2025. These projections are based on the assumptions as at 31 March 2025.

Virgin Media Legal Case

The Government Actuaries Department is reviewing historic amendments to the LGPS, following a Court case in June 2023 and a Court of Appeal ruling in July 2024 which decided that certain rule amendments were invalid in absence of the actuarial certification (potentially including cases where such a confirmation cannot now be located). The view of HM Treasury is that the relevant amendments in the LGPS would have been made by legislation – and therefore would remain valid until revoked or repealed by subsequent legislation, or declared void by a court. On the 5 June the DWP announced plans to introduce legislation to address issues arising from the case. The impact of the ruling on LGPS liabilities is not known and no adjustments to reflect the impact of the ruling have been made to the financial statements for the year. Management will continue to monitor the developments and consider the impact on the LGPS liabilities.

39 FINANCIAL INSTRUMENTS – RISK AND RISK MANAGEMENT

Disclosure of nature and extent of Risk arising from Financial Instruments

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

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

Overall Procedures for Managing Risk

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

The Council complies with CIPFA's Code of Practice on Treasury Management and Prudential Code for Capital Finance in Local Authorities, both revised in December 2017.

In line with the Treasury Management Code, the Council approves a Treasury Management Strategy before the commencement of each financial year. The Strategy sets out the parameters for the management of risks associated with financial instruments. The Council also produces Treasury Management Practices specifying the practical arrangements to be followed to manage these risks.

The Treasury Management Strategy includes an Investment Strategy in compliance with the Ministry for Housing, Communities and Local Government Guidance on Local Government Investments. This Guidance emphasises that priority is to be given to security and liquidity, rather than yield. The Council's Treasury Management Strategy and its Treasury Management Practices seek to achieve a suitable balance between risk and return or cost.

Credit Risk: Treasury Investment

The Council manages credit risk by ensuring that treasury investments are only placed with organisations of high credit quality as set out in the Treasury Management Strategy. These include commercial entities with a minimum long-term credit rating of A-, the UK government, other local authorities, and organisations without credit ratings upon which the Council has received independent investment advice. Recognising that credit ratings are imperfect predictors of default, the Council has regard to other measures including credit default swap and equity prices when selecting commercial entities for investment.

A limit of £15m of the total portfolio is placed on the amount of money that can be invested with a single counterparty (other than the UK government). For unsecured investments in banks, building societies and companies, a smaller limit of £5m applies. The Council also sets limits on investments in certain sectors. No more than £15m in total can be invested for a period longer than one year.

A summary of the credit quality of the Council's investments at 31 March 2025 is shown below:

2023/24		2024/25	
Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000	Fair Value through Profit & Loss £'000	Investments (Amortised Cost) £'000
0	9,910 AAA	0	22,528
0	0 AA+	0	0
0	0 AA	0	0
0	0 AA-	0	0
0	5,000 A+	0	9,000
0	5,000 A	0	5,000
0	0 A-	0	0
0	2,000 BBB+	0	0
15,024	0 N/A	14,780	0
15,024	21,910 Total	14,780	36,528

Credit Risk: Amounts arising from Expected Credit Losses

The loss allowance for investments at amortised cost during the year are as follows:

Investment at Amortised Cost	Principal Amount £'000	Historic Risk of Default	Lifetime Expected Credit Losses – not credit impaired £
<u>Money Market Funds</u>			
Deutsche	535	0.000%	0
Invesco	11,835	0.000%	0
CCLA	2,240	0.000%	0
Northern Trust	7,608	0.000%	0
Goldmans Sachs	310	0.000%	0
<u>Other Investments</u>			
Lloyds Call Account	6,000	0.000%	6
Santander UK Plc - 180 day notice a/c	5,000	0.000%	7
Close Brothers	3,000	0.021%	643
Total	36,528		656

Please note that we are currently using Historic Default Rates from 1990-2024 for Fitch, 1983-2024 for Moody's and 1981-2024 for S&P. Under IFRS 9 please be aware that the Code does not recognise a loss allowance where the counterparty is central government or a local authority since relevant statutory provisions prevent default. For these instruments, the Expected Credit Loss will be nil.

Due to the immaterial amount calculated on the lifetime expected credit losses the transaction has not been reflected within the accounts.

The loss allowance requirements do not apply to financial assets classified as 'fair value through profit or loss', as current market prices are considered to be an appropriate reflection of credit risk, with all movements in fair value (including those relating to credit risk) impacting on the carrying amount and being posted to the Surplus or Deficit on the Provision of Services as they arise.

Credit Risk: Trade Receivables

The following analysis summarises the Council's potential maximum exposure to credit risk on other financial assets based on experience of default.

	Amount at 31st March	Historical Experience	Adjustment for Market 31st March	Estimated Maximum Exposure to Default		Estimated Maximum Exposure to Default 31st March 2024
				2025	2025	
				£'000	%	
Trade Receivables	1,022		4.8	4.8		49
	1,022					49
						60

The following analysis summarises the Council's trade receivables, by due date. Only those receivables meeting the definition of a financial asset are included. The Council does not generally allow credit to its trade debtors, such that £0.813m of the £1.022m balance is past its due date for payment. The past due amount can be analysed by age as follows:

	2023/24 £'000	2024/25 £'000
Debtor Analysis		
260 Up to 30 days		491
33 31 to 60 days		98
1 61 to 90 days		4
792 Greater than 90 days		220
1,086 Total		813

Community Infrastructure Levy and section 106 receivables have payment terms of 90 days before recovery action is taken. £0.060m of the £0.220m debt which is over 90 days old relates to these debtors.

Collateral – During the reporting period the Council held no collateral as security.

Liquidity Risk

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

The Council has ready access to redeem funds invested from the money market to cover any day to day cash flow need, and the Public Works Loan Board provides access to longer term borrowing funds. The Council is also required to provide a balanced budget through the Local Government Finance Act 1992, which ensures sufficient monies are raised to cover annual expenditure. There is, therefore, no significant risk that it will be unable to raise finance to meet its commitments under financial instruments. This risk is managed by maintaining a spread of fixed rate loans and ensuring that no more than 15% of the Council's borrowing matures in any one financial year.

The maturity analysis of financial instruments is as follows:

2023/24						2024/25		
Liabilities	Assets	Net		Liabilities	Assets	Net		
£'000	£'000	£'000	Time to Maturity (years)	£'000	£'000	£'000		
3,565	21,910	18,345	Not over 1	32,941	36,528	3,587		
5,041	0	-5,041	Over 1 but not over 2	3,044	0	-3,044		
18,136	10,985	-7,151	Over 2 but not over 5	16,137	10,819	-5,318		
7,856	0	-7,856	Over 5 but not over 10	6,811	0	-6,811		
47,365	4,039	-43,326	Over 10	47,364	3,961	-43,403		
3,500	0	-3,500	Uncertain date*	3,500	0	-3,500		
85,463	36,934	-48,529	Total	109,797	51,308	-58,489		

* The Council has £3.5m (2023/24: £3.5m) of “Lender’s option, borrower’s option” (LOBO) loans where the lender has the option to propose an increase in the rate payable; the Council will then have the option to accept the new rate or repay the loan without penalty. Due to current low interest rates, in the unlikely event that the lender exercises its option, the Council is likely to repay these loans. The maturity date is therefore uncertain.

Liquidity Risk: Refinancing and Maturity risk

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

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

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

Market Risk: Interest Rate Risk

Interest Rate Risk – The Council is exposed to interest rate movements on its borrowings and investments. Movements in interest rates have a complex impact on the Council, depending on how variable and fixed interest rates move across differing financial instrument periods. For instance, a rise in variable and fixed interest rates would have the following effects:

- Borrowings at variable rates – the interest expense charged to the Comprehensive Income and Expenditure Statement will rise.
- Borrowings at fixed rates – the fair value of the borrowing will fall.
- Investments at variable rates – the interest income credited to the Comprehensive Income and Expenditure Statement will rise.
- Investments at fixed rates – the fair value of the assets will fall.

Investments measured at amortised cost and loans borrowed are not carried at fair value, so changes in their fair value will have no impact on the Comprehensive Income and Expenditure Statement. However, changes in interest payable and receivable on variable rate borrowings and investments will be posted to the Surplus or Deficit on the Provision of Services. Movements in the fair value of fixed rate investments measured at fair value will be reflected in Other Comprehensive Income or the Surplus or Deficit on the Provision of Services as appropriate.

The Treasury Management Strategy aims to mitigate these risks by setting upper limits on its net exposures to fixed and variable interest rates.

If all interest rates had been 1% higher (with all other variables held constant) the financial effect would be:

	£'000
Increase in interest payable on variable rate borrowings	0
Increase in interest receivable on variable rate investments	-448
Impact on Surplus or Deficit on the Provision of Services	-448
Decrease in fair value of fixed rate borrowings liabilities (no impact on the Surplus(-) or Deficit on the Provision of Services or Other Comprehensive Income and Expenditure)	5,599

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

Market Risk: Price Risk

The Council, excluding the pension fund, does not generally invest in equity shares or marketable bonds.

However, it does have shareholdings to the value of £4m in Arkwood Developments Ltd (100% Council owned). Whilst these holding are generally illiquid, the Council is exposed to gains or losses arising from movements in the price of the shares.

The shares in this company are not traded in an active market and fair value has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on the net assets in the company's latest audited accounts.

The £4m shares are all classified at fair value through profit or loss, however as the transaction is a classed as capital all pricing movements will be reversed to the Capital Adjustment Account to remove impact on the tax payer. The carrying value as at 31 March 2025 is £3.961m.

The Council also holds £12.5m in the CCLA property fund and diversified income fund that has a carrying value as at 31 March 2025 of £10.818m. However, any movements in price will not impact on the General Fund Balance as regulations are currently in force to remove the impact of the fair value movements on the tax payer.

40 FINANCIAL INSTRUMENTS – BALANCES

The following categories of financial instrument are carried in the balance sheet:

	Long Term		Current	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Financial Assets				
Investments				
Principal at amortised cost	0	0	8,000	7,000
Accrued Interest	0	0	191	249
Fair Value through Profit and Loss	14,780	15,024	0	0
Total Financial Assets	14,780	15,024	8,191	7,249
Cash and Cash Equivalents				
Cash (including bank accounts)	0	0	928	974
Cash equivalents at amortised cost	0	0	28,528	14,910
Accrued interest	0	0	93	87
Total Cash and Cash Equivalents	0	0	29,549	15,971
Loans and Receivables				
Trade Debtors	0	0	1,022	1,258
Other Debtors	7,466	6,598	2,444	1,001
Loans	0	0	0	0
Total Loans and Receivables	7,466	6,598	3,466	2,259
Total	22,246	21,622	41,206	25,479

	Long Term		Current	
	2024/25 £'000	2023/24 £'000	2024/25 £'000	2023/24 £'000
Financial Liabilities				
Principal sum borrowed at Amortised cost	73,357	78,401	36,440	7,062
Accrued Interest	0	0	999	803
Fair Value through Profit and Loss	0	0	0	0
Total Financial Liabilities	73,357	78,401	37,439	7,865
Trade Creditors	0	0	3,915	9,206
Other Creditors	248	221	276	277
Finance Lease Liability	5,000	4,714	169	150
Provisions	0	0	0	0
Total Non-Financial Liabilities	5,248	4,935	4,360	9,633
Total	78,605	83,336	41,799	17,498

Note – Fair value has been measured by:

- Direct reference to published price quotations in an active market; and/or
- Estimating using a valuation technique.

41 FINANCIAL INSTRUMENTS – GAINS/LOSSES

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

	Financial Liabilities		Financial Assets	
	2024/25	2023/24	2024/25	2023/24
	£'000	£'000	£'000	£'000
Net gains/losses on:				
• Financial assets measured at fair value through profit and loss via Surplus or Deficit on Provision of Services	0	0	244	360
Total Net (Gains) / Losses	0	0	244	360
Interest expense	3,568	3,239	0	0
Interest Payable and Similar Charges	3,568	3,239	0	0
Interest income	0	0	-2,543	-3,052
Interest and Investment Income	0	0	-2,543	-3,052

42 FINANCIAL INSTRUMENTS – FAIR VALUES

Basis for recurring fair value measurements:

- 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 – 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.

Fair Value of Financial Assets

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

Financial assets measured at fair value	Input Level in Fair Value Hierarchy	Valuation technique used to measure fair value	2024/25 £'000	2023/24 £'000
<i>Fair Value through Profit and Loss</i>				
Equity shareholdings in Arkwood Developments Ltd	Level 3	Net Assets valuation (see * below)	3,961	4,039
CCLA Property Fund	Level 1	Unadjusted quoted prices in active markets for identical shares	5,941	5,829
CCLA Diversified Income Fund (DIF)	Level 1	Unadjusted quoted prices in active markets for identical shares	4,877	5,155
Total			14,779	15,023

***Equity Shareholding in Arkwood Developments Ltd**

The Council's shareholding in Arkwood Developments Ltd – the shares in this company are not traded in an active market and fair value of £3.961m has been based on valuation techniques that are not based on observable current market transactions or available market data. The valuation has been made based on an analysis of the net assets in the company's latest audited accounts.

History of Fair Value Movements of Financial Assets

	Opening Principal 1.4.24	In Year Principal Movement	Closing Principal 31.3.25	Opening Fair Value Adj 1.4.24	In year Movement £'000	Closing Fair Value Adj 31.3.25	Carrying Value 31.3.25
	£'000	£'000	£'000	£'000		£'000	£'000
						£'000	
Equity in Arkwood Developments Ltd	4,000	0	4,000	39	-78	-39	3,961
CCLA Property Fund	7,000	0	7,000	-1,171	112	-1,059	5,941
CCLA Diversified Income	5,500	0	5,500	-345	-278	-623	4,877
Total	16,500	0	16,500	-1,477	-244	-1,721	14,779

Transfers between Levels of the Fair Value Hierarchy

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

Changes in the Valuation Technique

There has been no change in the valuation technique used during the year for the financial instruments.

Reconciliation of Fair Value Measurements for Financial Assets Carried at Fair Value Categorised within Level 3 of the Fair Value Hierarchy for Financial Assets

	2024/25 £'000	2023/24 £'000
Opening balance	4,039	4,404
Transfers into Level 3	0	0
Transfers out of Level 3	0	0
<i>Total gains or loss (-) for the period:</i>		
• Included on line Financing and Investment Income and Expenditure within the Surplus or Deficit on the Provision of Services	-78	-365
• Included in Other Comprehensive Income and Expenditure	0	0
Additions	0	0
Disposals	0	0
Closing Balance	3,961	4,039

Gains and losses included in the Surplus or Deficit on the Provision of Services for the current and the previous year relate to the unquoted shares in Arkwood Developments Ltd.

The Fair Values of Financial Assets and Financial Liabilities that are not measured at Fair Value (but for which Fair Value Disclosures are required)

Except for the financial assets carried at fair value (described in the table above), all other financial liabilities and financial assets represented by amortised cost and long-term debtors and creditors are carried on the balance sheet at amortised cost. Their fair value can be assessed by calculating the present value of the cash flows that take place over the remaining life of the instruments, using the following assumptions:

- For loans from the Public Works Loan Board (PWLB) and other loans payable, premature repayment rates from the PWLB have been applied to provide the fair value under PWLB debt redemption procedures.
- For loans receivable prevailing the benchmark market rates have been used to provide the fair value.
- No early repayment or impairment is recognised.
- Where an instrument has a maturity of less than 12 months or is a trade or other receivable, the fair value is taken to be the carrying amount or the billed amount.

The fair values calculated are as follows:

Fair values of financial liabilities:	2024/25		2023/24	
	Fair Value Level	£'000	Fair Value	£'000
<i>Financial Liabilities held at amortised cost:</i>				
Public Works Loans Board	2	83,000	67,673	68,992
Non PWLB debt	2	27,798	13,601	17,274
Total		110,798	81,274	86,266
				70,321
<i>Liabilities for which fair value is not disclosed:</i>				
Short-term creditors		4,191	4,191	9,483
Long term Creditors		248	248	221
Finance Lease Liabilities		5,169	5,169	4,864
Total		9,608	9,608	14,568
Total Liabilities		120,406	90,882	100,834
				84,889

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

The fair value for financial liabilities and financial assets that are not measured at fair value included in Levels 2 and 3 in the table above have been arrived at using a discounted cash flow analysis with the most significant inputs being the discount rate detailed above.

The fair value for financial liabilities and financial assets that are not measured at fair value can be assessed by calculating the present value of the cash flows that will take place over the remaining term of the instruments, using the assumptions detailed above, primarily for financial liabilities the fair value is arrived at by applying the discounted cash flow calculations based on the PWLB premium/discount calculations.

	Fair values of financial assets:		2024/25		2023/24	
	Fair Value	Balance Sheet	£'000	£'000	£'000	£'000
	Level		£'000	£'000	£'000	£'000
<i>Financial assets held at amortised cost:</i>						
Long term investments	2	0	0	0	0	0
Total		0	0	0	0	0
<i>Assets for which fair value is not disclosed:</i>						
Short term Debtors		3,466	3,466	2,259	2,259	
Long term Debtors		7,466	7,466	6,598	6,598	
Short term investments		8,191	8,191	7,249	7,249	
Cash and Cash Equivalents		29,549	29,549	15,971	15,971	
Total		48,672	48,672	32,077	32,077	
Total Assets		48,672	48,672	32,077	32,077	

HOUSING REVENUE ACCOUNT

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

2023/24		2024/25
£'000		Note
<u>Income</u>		
-24,967 Dwelling Rent		-27,501
-119 Garages		-122
-32 Shops		-30
-25,118 Gross Rental Income		-27,653
<u>Expenditure</u>		
-1,137 Charges for Services and Facilities		-1,451
-1,550 Contributions towards Expenditure		-1,233
-27,805 Total Income		-30,337
<u>Expenditure</u>		
6,804 Supervision and Management		6,824
5,860 Repairs and Maintenance		6,748
1,180 Rents, Rates, Taxes and Other Charges		1,439
111 Revenue Expenditure Funded by Capital		98
Depreciation of non current assets		
5,481 On dwellings		5,524
303 On other assets		314
0 Amortisation of non current assets		20
0 Impairment of non current assets		0
Revaluation of non current assets		
7,660 On dwellings		6,297
130 On other assets		247
6 Debt Management Expenses		14
27,535 Total Expenditure		27,525
0 HRA share of other amounts included in the whole authority net expenditure of continuing operations but not allocated to specific services		3
185 HRA Share of Corporate and Democratic Core		176
-85 Net Cost of HRA Services as included in the whole authority		-2,633
<u>Comprehensive Income and Expenditure Statement</u>		
-34 (Gain)/Loss on sale of HRA non current assets		10
190 Net Interest on the Net Defined Benefit Liability		3,508
3,879 Interest Payable and Similar Charges		115
-99 HRA Interest and Investment Income		-97
86 Loss Allowance		171
0 Revenue grants and contributions		-17
-1,642 Capital grants and contributions		-1,513
2,295 Surplus(-)/Deficit for the year on HRA Services		-456

MOVEMENT ON THE HOUSING REVENUE ACCOUNT STATEMENT

2023/24	2024/25
£'000	£'000
-7,115 HRA Balance brought forward including HRA Earmarked Reserves	-6,227
2,295 Surplus(-)/Deficit on the HRA Income and Expenditure Statement	-456
<i>Adjustments between Accounting Basis and Funding Basis under Regulations:</i>	
<i>Adjustments to the Revenue Resources</i>	
-61 Pensions costs (transferred to (or from) the Pensions Reserve)	58
-12,800 Reversal of entries included in the Surplus or Deficit on the Provision of Services in relation to capital expenditure (these items are charged to Capital Adjustment Account):	-11,576
<i>Adjustments between Revenue and Capital Resources</i>	
809 Transfer of non-current asset sale proceeds from revenue to the Capital Receipts Reserve	589
-17 Administrative costs of non-current asset disposals (funded by a contribution from the Capital Receipts Reserve)	-10
299 Capital expenditure funded by the Housing Revenue Account	0
10,363 Posting of HRA resources from revenue to the Major Repairs Reserve	9,969
-1,407 Total Adjustments between Accounting Basis and Funding Basis under the legislative framework	-970
888 Increase(-)/Decrease in year in the HRA	-1,426
-6,227 HRA Balance carried forward, including HRA Earmarked Reserves	-7,653

H1 HOUSING STOCK

The Council was responsible for managing an average of 5,567 dwellings during 2024/25 (5,553 2023/24). The stock was made up as follows:

Total 2023/24	Pre 1945	1945- 1964	1965- 1974	Post 1975	Total 2024/25
No	No	No	No	No	No
<u>Traditional/Non Traditional Houses and Bungalows</u>					
2,082 1 - 2 Bedrooms	71	790	497	746	2,104
1,897 3+ Bedrooms	373	1,083	258	175	1,889
<u>Flats</u>					
1,545 Low Rise (1-2 storeys)	19	690	434	402	1,545
29 Medium Rise (3-5		4	9	16	29
5,553 Total	463	2,567	1,198	1,339	5,567

H2 HOUSING REVENUE ACCOUNT ASSETS

The total Balance Sheet valuations of land, houses and other property within the HRA are as follows:-

2023/24	2024/25
£'000	£'000
346,519 Dwellings	352,794
8,279 Other Land and Buildings	7,963
0 Investment Properties	0
5,223 Assets Under Construction	5,391
0 Surplus Assets	0
87 Community Assets	87
229 Infrastructure Assets	197
1,834 Vehicle, Plant and Equipment	1,934
362,171 Total HRA Property, Plant and Equipment	368,366
217 Intangible Assets	428
107 Assets Held for Sale	3,080
362,495 Total HRA Assets on Balance Sheet	371,874

The vacant possession value of dwellings within the authority's HRA (values in accordance with the guidance) is shown below. The difference between the vacant possession value and the Balance Sheet value of dwellings within the HRA show the economic cost to the government of providing council housing at less than market rents.

2023/24	2024/25
£'000	£'000
825,043 Dwellings	839,986
825,043 Total	839,986

The council dwellings valuations have been arrived at using a valuation report prepared by the Council's appointed surveyors, Wilks Head and Eve. The valuation was carried out as at the 31 March 2025. The values have been applied to council houses on a beacon property base whereby similar properties in similar areas are all given the same value. Property valuations have moved in line with the current domestic property market.

H3 MOVEMENTS ON THE MAJOR REPAIRS RESERVE

2023/24	2024/25
£'000	£'000
13,244 Balance Brought Forward 1st April	8,025
Transfers to Reserve re Depreciation	
5,481 Dwellings	5,524
303 Non Dwellings	314
0 Amortisation of non current assets	20
Transfers to the HRA:	
4,468 HRA Revenue Contribution	4,111
111 Additional transfer to Reserve	0
-5,535 Repayment of Debt	-3,038
-10,047 Amounts used to finance Capital Expenditure	-4,454
8,025 Balance Carried Forward 31st March	10,502

H4 CAPITAL EXPENDITURE AND FINANCING

	2023/24	2024/25
	£'000	£'000
74 Structural Maintenance		515
1,240 Roofing Works		1,013
170 Asbestos and Fire Safety		167
1,728 Kitchens and Bathrooms		2,188
108 Garage Forecourts		45
249 External Works		387
631 Electrical Works		622
998 Disabled Facilities Provision		1,118
767 Heating Systems		1,338
1,489 Energy Efficiency Works		1,843
131 Environmental Works		133
382 Building Safety		105
4,460 Affordable Housing		6,491
1,608 Other works		1,910
14,035 Total		17,875
<u>Financing</u>		
0 Borrowing		11,609
10,047 Major Repairs Reserve		4,454
893 Government Grants		1,007
750 Contributions		505
299 Capital Revenue Financing		0
2,046 Capital Receipts		300
14,035 Total		17,875

H5 CAPITAL RECEIPTS

	2023/24	2024/25
	£'000	£'000
0 Land and Other Property		2,350
809 Sold Council Houses through Right to Buy		589
-17 Less administration costs on sale of Council Houses		-10
792 Total		2,929
0 Reallocation of Receipts		0
0 Less amount paid to Government Pool		0
792 Total		2,929

Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 as amended, the Council has to make a payment to the Secretary of State in respect of housing capital receipts. The amount payable is dependent on a number of factors:

- Sale price net of discount.
- Debt value assumed for the property under the self-financing settlement.
- Value of the authority's actual debt attributable to the property.
- The respective values of the authority's and Government's share capital.
- The number of properties sold in each quarter.

The Council has signed an agreement allowing it to retain additional Right to Buy receipts to fund new or acquired affordable housing.

H6 DEPRECIATION CHARGES

The total depreciation charge for land, houses and other property within the authority's HRA are as follows:

2023/24	2024/25
£'000	£'000
5,481 Council Houses	5,524
303 Other Assets	314
5,784 Total	5,838

H7 REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Revenue Expenditure Funded from Capital under Statute is created when expenditure has been incurred on items that are not capitalised as fixed assets and have been financed from capital resources. Revenue Expenditure Funded from Capital under Statute is written down to the Housing Revenue Account over an appropriate period, usually in the same year in which the expenditure has been incurred.

The total amount of Revenue Expenditure Funded from Capital under Statute totals £0.098m for 2024/25 (£0.111m in 2023/24).

H8 IMPAIRMENT CHARGES

During the financial year 2024/25 there were no material impairment charges.

H9 RENT ARREARS

The total amount of rent arrears as at 31st March 2025 was £1,008,091 (2023/24 £691,045). Included in the loss allowance is the amount of £476,363 (2023/24 £347,909) relating to rent arrears.

H10 CONTRIBUTIONS TOWARDS EXPENDITURE

The income of £1,233,067 (£1,550,250 in 2023/24) primarily relates to contributions:

- to the Housing Revenue Account (HRA) capital programme for associated staff costs;
- for electricity generated by the photovoltaic (PV) panels on HRA properties; and
- to the HRA from the General Fund for the upkeep of communal amenities.

COLLECTION FUND

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

2023/24		2024/25		
		Domestic Rates £'000	Council Tax £'000	Total £'000
<u>Amounts required by statute to be credited to the collection fund</u>				
-40,527	Income from Business Ratepayers	-45,885	0	-45,885
-98,164	Council Tax	0	-104,414	-104,414
-3,135	Transitional Protection Payment	-1,045	0	-1,045
-510	Transfers from General Fund - council tax	0	-324	-324
Contributions towards previous year's estimated collection fund deficit:				
-141	Newark and Sherwood District Council	0	-117	-117
-856	Nottinghamshire County Council	0	-731	-731
-131	Nottinghamshire Police & Crime Commissioner	0	-114	-114
-44	Nottinghamshire Fire and Rescue	0	-38	-38
0	Central Government - non-domestic rates	0	0	0
-143,508	Total Income	-46,930	-105,738	-152,668
<u>Amounts required by statute to be debited to the collection fund</u>				
Council Tax Precepts and Demands:				
72,034	Nottinghamshire County Council	0	76,858	76,858
11,250	Nottinghamshire Police & Crime Commissioner	0	12,000	12,000
3,743	Nottinghamshire Fire and Rescue	0	3,922	3,922
7,905	Newark and Sherwood District Council	0	8,286	8,286
3,573	Parishes	0	3,881	3,881
Non Domestic Rates:				
21,178	Payable to Government	22,674	0	22,674
16,942	Newark and Sherwood District Council	18,139	0	18,139
3,812	Nottinghamshire County Council	4,081	0	4,081
424	Nottinghamshire Fire and Rescue	453	0	453
Contributions towards previous year's estimated collection fund surplus:				
219	Payable to Government	505	0	505
175	Newark and Sherwood District Council	404	0	404
39	Nottinghamshire County Council	91	0	91
0	Nottinghamshire Fire and Rescue	10	0	10
4	Nottinghamshire Police & Crime Commissioner	0	0	0
0	Transitional Payment Protection	0	0	0
169	Costs of Collection	170	0	170
15	Interest Payments on Refunds	23	0	23
1,197	Provision for Uncollectable Debts	392	729	1,121
-2,228	Provision for Appeals	105	0	105
1,008	Renewable Energy Retention	1,185	0	1,185
141,459	Total Expenditure	48,232	105,676	153,908
-2,049	Net Surplus(-)/Deficit for year	1,302	-62	1,240
1,376	Fund Balance as at 1st April - Surplus(-)/Deficit	-1,997	1,324	-673
-673	Fund Balance as at 31st March - Surplus(-)/Deficit	-695	1,262	567

C1 ACCOUNTING POLICIES

- (a) Revenue Support Grant is paid directly to all billing and precepting authorities and will be included within Taxation and Non Specific Grant Income on the Comprehensive Income and Expenditure Statement.
- (b) Parish precepts are paid from the General Fund of billing authorities and will be included within Other Operating Expenditure on the Comprehensive Income and Expenditure Statement.
- (c) The year-end deficit of £1.262m on the Council Tax collection fund is distributed between billing and precepting authorities on the basis of estimates, made on 15 January, of the year-end balance.
- (d) The year end surplus of £0.695m on the Non Domestic Rate collection fund is distributed between billing and precepting authorities on the basis of prescribed shares between central government and precepting authorities.

C2 INCOME FROM BUSINESS RATES

Under the arrangements regarding Business Rates, the Council collects non-domestic rates for its area, which are based on rateable values multiplied by a standard multiplier, for 2024/25 this was set at 54.6p (2023/24: 51.2p). In 2024/25 the small business rating multiplier was set at 49.9p, where it applies. The system for funding Local Authority expenditure changed in 2013/14 with a share of the proceeds of Non-Domestic Rate income being retained by billing and precepting authorities.

The non-domestic rateable value at the 31st March 2025 was £115,568,645 (31st March 2024: £114,882,214).

C3 COUNCIL TAX

Council Tax is set by calculating the Council Tax base, and then dividing this into the precepts levied by the district, county, parish councils, Nottinghamshire Fire Authority and Nottinghamshire Police Authority. The tax base is the amount that setting a Council Tax of £1 for Band D properties (the standard band) would raise in revenue. The methodology and the factors taken into consideration are complex and are reported in detail when the tax base is set by the Council in December or January.

The Council Tax base for 2024/2025 is as follows:

Band	Adjusted for Discounts, Disabled				2023/24	
	Total Dwellings	Relief and Exemptions	Ratio	Band D Equivalents	Band D Equivalents	
A-	-	60.34	5/9	33.52	29.59	
A	23,996	17,283.99	6/9	11,522.66	11,506.71	
B	8,759	7,175.37	7/9	5,580.84	5,515.70	
C	9,476	8,299.32	8/9	7,377.17	7,328.77	
D	6,505	5,977.36	9/9	5,977.36	5,868.98	
E	4,492	4,194.43	11/9	5,126.53	5,025.67	
F	2,796	2,636.00	13/9	3,807.55	3,797.94	
G	1,512	1,428.30	15/9	2,380.50	2,377.00	
H	131	107.75	18/9	215.50	211.00	
Total	57,667	47,162.86		42,021.63	41,661.36	
Estimate of Additional Properties to be added during the year				723.85	339.61	
Collection Adjustment				- 213.73	- 210.01	
Council Tax Base				42,531.75	41,790.96	

GROUP ACCOUNTS

The Council is required under the Local Government Act 2003 to produce a set of Group accounts where it has subsidiaries, joint ventures or associates. The criteria for deciding if the Council has such relationships is laid down by the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 based on International Financial Reporting Standards (referred to within these accounts as "the Code"). The Code has been developed to bring Council accounts in line with the International Financial Reporting Standards (IFRS) which other reporting bodies have to comply with and to assist users of the accounts to understand better the Council's overall financial position.

The Council has undertaken a review of all its relationships with other bodies and is required to consolidate its accounts with Active4Today Ltd, Arkwood Developments Ltd and RHH Newark Ltd.

Active4Today Ltd is a wholly owned subsidiary of the authority. Active4Today Ltd manages and operates the Council's leisure services including leisure centres and sports development activities. The General Fund includes a £0.080m management fee paid to Active4Today Ltd. The management agreement came into effect on 1 June 2015.

Acitve4Today Ltd produces a set of accounts with a year end of 31 March. The accounts for 2024/25, which have been consolidated here, have been produced by Active4Today's external accountant under the Financial Reporting Standard for Smaller Entities and have been audited by Active4Today's auditors and have been given an unqualified audit opinion. Active4Today's auditors for 2024/25 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Consolidation adjustments have been made to align these accounts with the Code of Practice on Local Authority Accounting in the United Kingdom 2024/25. Active4Today Ltd publishes an Annual Report which may be viewed at their offices at Newark Sports and Fitness Centre, Bowbridge Road, Newark on Trent, Notts, NG24 4DH. The company is limited by guarantee and does not have any share capital.

Arkwood Development Ltd is a wholly owned subsidiary of the Council. The purpose of Arkwood is to build new housing developments in the district which can then be sold at market value.

Arkwood Development Ltd produce a set of company accounts with a year end of 31 March. The accounts for 2024/25, which have been consolidated here, have been audited by Arkwood's auditors and have been given an unqualified audit opinion. Arkwood's auditors for 2024/25 are Wright Vigar Ltd, 15 Newland, Lincoln, Lincolnshire, LN1 1XG. Arkwood Development Ltd publish an Annual Report which may be viewed at their offices at Castle House, Great North Road, Newark, Notts, NG24 1BY. The company does have share capital, all of which is owned by the Council.

RHH Newark Ltd is a 50% owned joint venture of the Council. The principal activity of the company is the development of the former Robin Hood Hotel site on Beumont Cross, Lombard Street, Newark.

RHH Newark Ltd prepares its financial statements with a year end of 31 March. The Council holds a 50% shareholding in the company, and accordingly, 50% of the company's results for the financial year 2024/25 have been consolidated into the Council's group accounts. The company has issued share capital, of which the Council owns half.

ACCOUNTING POLICIES

The following notes detail any variations from the accounting policies used by the Council and should be read in conjunction with the relevant notes within the Council's accounts. The consolidation has been done on a merger basis as Active4Today Ltd and Arkwood are 100% owned by NSDC and RHH Newark are 50% owned by NSDC.

TAXATION

Active4Today Ltd, Arkwood and RHH Newark are all subject to a charge for taxation which is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Except where otherwise required full provision is made without discounting in respect of all timing differences which have arisen but not reversed by the Balance Sheet date, except as otherwise required by IAS 12.

GOING CONCERN

The Council is satisfied that the consolidated entities are going concerns and the Group financial statements for 2024/25 have been prepared on this basis accordingly.

GROUP COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT

RESTATED 2023/24			2024/25		
Gross Expend- iture	Gross Income	Net Expend- iture	Gross Expend- iture	Gross Income	Net Expend- iture
5,987	-2,441	3,546	Climate and the Environment	5,924	-3,715
4,347	-812	3,535	Health, Wellbeing and Leisure	-126	-559
4,383	-4,387	-4	Health, Wellbeing and Leisure - Active4today	4,069	-4,418
2,566	-1,832	734	Heritage, Culture and the Arts	3,241	-2,220
34,560	-29,299	5,261	Housing	30,839	-32,843
5,110	-4,676	434	Housing - Arkwood	1,882	-4,239
3,580	-868	2,712	Public Protection and Community Safety	3,919	-941
34,148	-23,489	10,659	Strategy, Performance & Finance	35,357	-24,977
34,201	-29,513	4,688	Sustainable Economic Development	8,407	-6,437
128,882	-97,317	31,565	Cost of Services	93,512	-80,349
5,691	-1,005	4,686	Other Operating Income and Expenditure Note G1	5,875	-843
10,130	-9,109	1,021	Financing and Investment Income and Expenditure Note G1	10,899	-9,187
0	-20	-20	Financing and Investment Income and Expenditure Note G1 - Arkwood	58	-23
20	0	20	Financing and Investment Income and Expenditure Note G1 - A4T	-6	0
14,850	-43,364	-28,514	Taxation and Non Specific Grant Income Note G1	14,965	-47,628
159,573	-150,815	8,758	Surplus (-) or Deficit on Provision of Services	125,303	-138,030
9	0	9	Corporation Tax - A4T	9	0
-121	0	-121	Corporation Tax - Arkwood	-26	0
159,461	-150,815	8,646	Group Surplus(-)/Deficit	125,286	-138,030
		-1,835	Surplus(-) or Deficit on Revaluation of Non Current Assets		-1,788
		-8,192	Remeasurements of the Net Defined Benefit Liability (Asset)		-3,318
		-531	Remeasurements of the Net Defined Benefit Liability (Asset) - Active4today		23
		-10,558	Other Comprehensive Income and Expenditure		-5,083
		-1,912	Total Comprehensive Income and Expenditure		-17,827

GROUP MOVEMENT IN RESERVES

Movement in reserves during 2024/25

	A4T Arkwood RHH Council										A4T Arkwood Council				Total Reserves
	General Fund Balance £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	General Fund Reserves £'000	Reserves £'000	Housing Revenue Account £'000	Housing Revenue Reserves £'000	Major Repairs Reserve £'000	Capital Receipts Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2024	1,500	590	38	10	31,149	2,000	4,227	8,025	11,157	159	58,855	-32	376	315,327	374,526
Adjustments to Opening Balance for Leases	0	0	0	0	0	0	0	0	0	0	0	0	0	470	470
Revised at 31 March 2024	1,500	590	38	10	31,149	2,000	4,227	8,025	11,157	159	58,855	-32	376	315,797	374,996
Total Comprehensive Income and Expenditure	9,859	0	0	0	0	456	0	0	0	0	10,315	-23	-376	7,833	17,749
Adjustment between Group Accounts and Authority accounts	0	155	-77	0	0	0	0	0	0	0	78	0	0	0	78
Adjustment between accounting basis & funding basis under regulations	-6,893	-55	0	0	0	970	0	2,477	2,230	1,136	-135	55	0	80	0
Net Increase/Decrease(-) before Transfers to	2,966	100	-77	0	0	1,426	0	2,477	2,230	1,136	10,258	32	-376	7,913	17,827
Transfers to/from(-) Earmarked Reserves	-2,966	0	0	0	2,966	-1,426	1,426	0	0	0	0	0	0	0	0
Dividends Issued	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2024/25	0	100	-77	0	2,966	0	1,426	2,477	2,230	1,136	10,258	32	-376	7,913	17,827
Balance at 31 March 2025	1,500	690	-39	10	34,115	2,000	5,653	10,502	13,387	1,295	69,113	0	0	323,710	392,823

Movement in reserves during 2023/24

	A4T Arkwood RHH Council								A4T Arkwood Council					Total Reserves	
	General Fund Balance £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	Earmarked Reserves £'000	General Fund Reserves £'000	Housing Revenue Account Earmarked Reserves £'000	Housing Revenue Account Earmarked Reserves £'000	Capital Receipts Reserve £'000	Capital Grants Unapplied £'000	Major Repairs Reserve £'000	Total Usable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Unusable Reserves £'000	Total Reserves £'000
Balance at 31 March 2023	1,500	451	404	10	30,820	2,000	5,115	13,244	14,047	1,374	68,965	-571	21	304,199	372,614
Total Comprehensive Income and Expenditure	-6,133	0	0	0	0	-2,295	0	0	0	0	-8,428	531	355	9,673	2,131
Adjustment between Group Accounts and Authority accounts	0	147	-366	0	0	0	0	0	0	0	-219	0	0	0	-219
Adjustment between accounting basis & funding basis under regulations	6,462	-8	0	0	0	1,407	0	-5,219	-2,890	-1,215	-1,463	8	0	1,455	0
Net Increase/Decrease(-) before Transfers to	329	139	-366	0	0	-888	0	-5,219	-2,890	-1,215	-10,110	539	355	11,128	1,912
Transfers to/from(-) Earmarked Reserves	-329	0	0	0	329	888	-888	0	0	0	0	0	0	0	0
Transfer to Unusable Reserves	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Increase/Decrease(-) in 2023/24	0	139	-366	0	329	0	-888	-5,219	-2,890	-1,215	-10,110	539	355	11,128	1,912
Balance at 31 March 2024	1,500	590	38	10	31,149	2,000	4,227	8,025	11,157	159	58,855	-32	376	315,327	374,526

GROUP BALANCE SHEET

31 March 2024 £'000	31 March 2025 £'000
452,732 Property, Plant & Equipment	469,634
3,560 Heritage Assets	3,629
651 Intangible Assets	818
10,985 Long Term Investments	10,819
21 Long Term Debtors	19
4,225 Long Term Finance Lease Debtor	4,234
472,174 TOTAL LONG TERM ASSETS	489,153
7,240 Short Term Investments	8,182
413 Inventories	394
10,719 Short Term Debtors	16,638
2,267 Assets Held For Sale	3,080
17,527 Cash and Cash Equivalents	29,701
38,166 TOTAL CURRENT ASSETS	57,995
-7,335 Short Term Borrowings	-36,540
-18,032 Short Term Creditors	-13,141
-203 Provisions Short Term	-305
-6,461 Grants Receipts in Advance	-8,864
-32,031 TOTAL CURRENT LIABILITIES	-58,850
-377 Provisions Long Term	-316
-4,714 Long Term Finance Lease	-5,000
-78,403 Long Term Borrowing	-73,357
-11,930 Pensions Liability	-8,302
-8,359 Grants Receipts in Advance	-8,500
-103,783 TOTAL LONG TERM LIABILITIES	-95,475
374,526 TOTAL NET ASSETS	392,823
58,855 Usable Reserves	69,113
315,671 Unusable Reserves	323,710
374,526 TOTAL RESERVES	392,823

GROUP CASH FLOW STATEMENT

2023/24	31 March 2025 £'000
-8,646 Net Surplus/Deficit(-) on the Provision of Services	12,744
28,085 Adjustment to Surplus or Deficit on the Provision of Services for Non-Cash Movements	17,244
-33,827 Adjust for Item Included in the Net Surplus or Deficit on the Provision of Services that are Investing and Financing Activities	-12,719
-14,388 Net Cash Flows from Operating Activities	17,269
15,270 Investing Activities	-24,501
-7,441 Financing Activities	19,406
-6,559 Net Increase or Decrease(-) in Cash and Cash Equivalents	12,174
24,086 Cash and Cash Equivalents at the Beginning of the Reporting Period	17,527
17,527 Cash and Cash Equivalents at the End of the Reporting Period	29,701

GROUP ACCOUNT NOTES

G1 GROUP EXPENDITURE AND FUNDING ANALYSIS

RESTATED 2023/24			2024/25		
Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustment between the Funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement	Net Expenditure Chargeable to the General Fund & HRA Balances	Adjustment between the Funding & Accounting Basis	Net Expenditure in the Comprehensive Income & Expenditure Statement
£'000	£'000	£'000	£'000	£'000	£'000
2,863	683	3,546 Climate and the Environment	2,502	-293	2,209
621	2,914	3,535 Health, Wellbeing and Leisure	380	-1,065	-685
24	-28	-4 Health, Wellbeing and Leisure - Active4today	-300	-49	-349
664	70	734 Heritage, Culture and the Arts	624	397	1,021
-12,750	18,011	5,261 Housing	-14,408	12,404	-2,004
434	0	434 Housing - Arkwood	-2,357	0	-2,357
2,602	110	2,712 Public Protection and Community Relations	2,867	111	2,978
7,886	2,773	10,659 Strategy, Performance & Finance	9,205	1,175	10,380
1,508	3,180	4,688 Sustainable Economic Development	2,100	-130	1,970
0	0	0 Sustainable Economic Development - RHH Newark	0	0	0
3,852	27,713	31,565 Net Cost of Services	613	12,550	13,163
-2,935	-19,872	-22,807 Other Income and Expenditure (OIES)	-7,397	-18,522	-25,919
-20	0	-20 OIES - Arkwood	35	0	35
0	20	20 OIES - A4T	0	-6	-6
9	0	9 Corporation Tax - A4T	9	0	9
-121	0	-121 Corporation Tax - Arkwood	-26	0	-26
785	7,861	8,646 Surplus(-)/Deficit	-6,766	-5,978	-12,744
General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total	General Fund & Earmarked Reserve	HRA & Earmarked Reserve	Total
£'000	£'000	£'000	£'000	£'000	£'000
-33,184	-7,115	-40,299 Opening Balance	-33,287	-6,227	-39,514
-103	888	785 Surplus(-) or Deficit on Balances in Year	-5,340	-1,426	-6,766
0	0	0 Consolidation Adjustment	2,352	0	2,352
-33,287	-6,227	-39,514 Closing Balance at 31 March	-36,275	-7,653	-43,928
Closing Balances Split by Reserve:					
-1,500	-2,000	-3,500 Working Reserve	-1,500	-2,000	-3,500
-31,787	-4,227	-36,014 Earmarked Reserve	-34,777	-5,653	-40,430
-33,287	-6,227	-39,514 Closing Balance at 31 March	-36,277	-7,653	-43,930

G2 NOTE TO THE EXPENDITURE AND FUNDING ANALYSIS

Adjustments between Funding and Accounting Basis 2024/25

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts	Net change for the				Total
	Adjustment for Capital Purposes (Note 1) £'000	Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Adjustments £'000	
Climate and the Environment	-162	-131	0		-293
Health, Wellbeing and Leisure	-1,051	-14	0		-1,065
Health, Wellbeing and Leisure - Active4toC	0	-49	0		-49
Heritage, Culture and the Arts	429	-32	0		397
Housing	12,610	-206	0		12,404
Public Protection and Community Relation	201	-90	0		111
Strategy, Performance & Finance	1,447	-272	0		1,175
Sustainable Economic Development	-56	-74	0		-130
Net Cost of Services	13,418	-868	0		12,550
Other income and expenditure from the Expenditure and Funding Analysis	-19,455	544	389		-18,522
Other Income and Expenditure	0	-6	0		-6
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	-6,037	-330	389		-5,978

Adjustments between Funding and Accounting Basis 2023/24

Adjustments from General Fund to arrive at the Comprehensive Income and Expenditure Statement amounts RESTATEMENT	Net change for the				Total
	Adjustment for Capital Purposes (Note 1) £'000	Pensions Adjustment (Note 2) £'000	Other Differences (Note 3) £'000	Adjustments £'000	
Climate and the Environment	778	-95	0		683
Public Protection and Community Relation	173	-63	0		110
Health, Wellbeing and Leisure	2,924	-10	0		2,914
Health, Wellbeing and Leisure - Active4toC	0	-28	0		-28
Heritage, Culture & the Arts	93	-23	0		70
Housing	18,170	-159	0		18,011
Strategy, Performance & Finance	2,988	-215	0		2,773
Sustainable Economic Development	3,239	-59	0		3,180
Net Cost of Services	28,365	-652	0		27,713
Other income and expenditure from the Expenditure and Funding Analysis	-20,428	915	-359		-19,872
Other Income and Expenditure	0	20	0		20
Difference between General Fund surplus or deficit and Comprehensive Income and Expenditure Statement Surplus or Deficit on the Provision of Services	7,937	283	-359		7,861

Note 1 Adjustments for Capital Purposes

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 – adjustments 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 ie Minimum Revenue Provision and other revenue contributions are deducted from other income and expenditure as these are not chargeable under generally accepted accounting practices.
- Taxation and non-specific grant income and expenditure – capital grants are adjusted for income not chargeable under generally accepted accounting practices. Revenue grants are adjusted from those receivable in the year to those receivable without conditions or for which conditions were satisfied throughout the year. 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.

Note 2 Net Change for the Pensions Adjustments

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

- For services this represents 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
- For Financing and investment income and expenditure – the net interest on the defined benefit liability is charged to the CIES.

Note 3 Other Differences

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

- For Financing and investment income and expenditure the other differences column recognises adjustments to the General Fund for the timing differences for premiums and discounts.
- The charge under Taxation and non-specific grant income and expenditure represents the difference between what is chargeable under statutory regulations for council tax and NDR that was projected to be received at the start of the year and the income recognised under generally accepted accounting practices in the Code. This is a timing difference as any difference will be brought forward in future Surpluses or Deficits on the Collection Fund.

G3 EXPENDITURE AND INCOME ANALYSED BY NATURE

Expenditure/Income 2024/25	Climate and the Environment		Health, Wellbeing and Leisure		Heritage, Culture and the Arts		Public Protection & Community Relations		Strategy, Performance and Finance		Sustainable Economic Development		Corporate Amounts	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		
Fees, Charges and Other Service Income	-2,834	-4,855	-1,859	-7,878	-778	-5,767	-1,288	0	0	0	0	0	-25,259	
Dwelling Rent Income	0	0	0	-27,501	0	0	0	0	0	0	0	0	-27,501	
Income on Joint Associates	0	0	0	0	0	0	0	0	0	0	0	-74	-74	
Interest and Investment Income	0	-49	0	0	0	0	0	0	0	0	0	-2,592	-2,641	
Pension Interest Asset	0	0	0	0	0	0	0	0	0	0	0	-6,614	-6,614	
Income from Council Tax	0	0	0	0	0	0	0	0	0	0	0	-12,058	-12,058	
Income from Non Domestic Rates	0	0	0	0	0	0	0	0	0	0	0	-21,352	-21,352	
Housing Benefit Subsidy	0	0	0	0	0	-18,961	0	0	0	0	0	-18,961		
Government Grants and Contributions	-890	-223	-361	-1,703	-191	-621	-5,149	-14,218	-14,218	-14,218	-14,218	-23,356		
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	-773	-773	
Adjustment for Group Transactions	9	150	0	0	28	372	0	0	0	0	0	0	559	
Total Income	-3,715	-4,977	-2,220	-37,082	-941	-24,977	-6,437	-57,681	-57,681	-57,681	-57,681	-138,030		
Employee Expenses	3,936	2,878	1,183	7,131	2,704	8,808	2,384	0	0	0	0	0	29,024	
Other Service Expenses	1,580	2,369	1,630	11,939	874	6,062	2,905	0	0	0	0	0	27,359	
Revenue Expenditure funded from Capital Under Statute	0	1,016	0	1,210	122	0	3,095	0	0	0	0	0	5,443	
Loss Allowance	0	0	0	0	0	0	0	0	0	0	0	71	71	
Housing Benefit Expenditure	0	0	0	0	0	19,057	0	0	0	0	0	0	19,057	
Expenditure on Joint Associates	0	0	0	0	0	0	0	0	0	0	0	79	79	
Developers Contribution Payment	0	0	0	0	0	0	0	0	0	0	0	135	135	
Depreciation, Amortisation and Impairment	408	-1,901	428	12,514	219	1,448	23	0	0	0	0	0	13,139	
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	0	0	0	0	166	166	
Interest Payments	0	0	0	0	0	0	0	0	0	0	0	3,737	3,737	
Pension Interest Cost	0	0	0	0	0	0	0	0	0	0	0	7,096	7,096	
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	0	0	0	0	14,830	14,830	
Precepts and Levies	0	0	0	0	0	0	0	0	0	0	0	4,830	4,830	
NBV of Disposal of Assets	0	0	0	0	0	0	0	0	0	0	0	896	896	
Corporation Tax	0	0	0	0	0	0	0	0	0	0	0	-17	-17	
Adjustment for Group Transactions	0	-419	0	-73	0	-18	0	0	0	0	0	-49	-559	
Total Operating Expenses	5,924	3,943	3,241	32,721	3,919	35,357	8,407	31,774	31,774	31,774	31,774	125,286		
Surplus(-)/Deficit on Provision of Services	2,209	-1,034	1,021	-4,361	2,978	10,380	1,970	-25,907	-25,907	-25,907	-25,907	-12,744		

Expenditure/Income 2023/24	Strategic Objectives								Corporate Amounts	Total
	Climate and the Environment £'000	Health, Wellbeing and Leisure £'000	Heritage, Culture and the Arts £'000	Housing £'000	Protection and Community Relations £'000	Strategy, Performance and Finance £'000	Sustainable Economic Development £'000			
RESTATEMENT										
Fees, Charges and Other Service Income	-2,410	-5,030	-1,422	-7,892	-654	-5,007	-1,313	0	-23,728	
Dwelling Rent Income	0	0	0	-24,967	0	0	0	0	-24,967	
Income on Joint Associates	0	0	0	0	0	0	0	-139	-139	
Interest and Investment Income	0	0	0	0	0	0	0	-3,122	-3,122	
Pension Interest Asset	0	0	0	0	0	0	0	-6,003	-6,003	
Income from Council Tax	0	0	0	0	0	0	0	-11,362	-11,362	
Income from Non Domestic Rates	0	0	0	0	0	0	0	-20,277	-20,277	
Housing Benefit Subsidy	0	0	0	0	0	-18,351	0	0	-18,351	
Government Grants and Contributions	-36	-726	-410	-1,116	-239	-554	-28,200	-11,724	-43,005	
Proceeds from Disposal of Assets	0	0	0	0	0	0	0	-876	-876	
Adjustment for Group Transactions	5	557	0	0	25	423	0	5	1,015	
Total Income	-2,441	-5,199	-1,832	-33,975	-868	-23,489	-29,513	-53,498	-150,815	
Employee Expenses	3,520	400	1,068	6,179	2,398	8,198	2,379	0	24,142	
Other Service Expenses	1,689	5,803	1,405	14,752	950	4,500	1,495	0	30,594	
Revenue Expenditure funded from Capital Under Statute	0	521	0	754	46	0	30,306	0	31,627	
Loss Allowance	0	0	0	0	0	0	0	244	244	
Housing Benefit Expenditure	0	0	0	0	0	18,466	0	0	18,466	
Expenditure on Joint Associates	0	0	0	0	0	0	0	156	156	
Developers Contribution Payment	0	0	0	0	0	0	0	387	387	
Depreciation, Amortisation and Impairment	778	2,891	93	18,059	191	2,987	21	0	25,020	
Revaluation on Financial instruments to fair value	0	0	0	0	0	0	0	-5	-5	
Interest Payments	0	0	0	0	0	0	0	3,345	3,345	
Pension Interest Cost	0	0	0	0	0	0	0	6,856	6,856	
Non Domestic Rates Tariff & Deficit	0	0	0	0	0	0	0	14,462	14,462	
Precepts and Levies	0	0	0	0	0	0	0	4,519	4,519	
NBV of Disposal of Assets	0	0	0	0	0	0	0	775	775	
Corporation Tax	0	0	0	0	0	0	0	-112	-112	
Adjustment for Group Transactions	0	-885	0	-74	-5	-3	0	-48	-1,015	
Total Operating Expenses	5,987	8,730	2,566	39,670	3,580	34,148	34,201	30,579	159,461	
Surplus(-)/Deficit on Provision of Services	3,546	3,531	734	5,695	2,712	10,659	4,688	-22,919	8,646	

G4 PROPERTY PLANT AND EQUIPMENT

Movements in 2024/25		Other		Vehicles		Comm		Assets Under		Assets Under Construction £'000	Total £'000
		Council Dwellings £'000	Land and Buildings £'000	Plant Equipment £'000	Infrastructure Assets £'000	Community Assets £'000	Surplus Assets £'000	Construction £'000			
Cost or Valuation											
At April 2024		346,518	84,653	14,834	448	179	2,904	10,596	460,132		
Adjustments to Opening Balance for IFRS16 Leases		0	910	0	0	0	0	0	0	910	
Gross Book Value at April 2024		346,518	85,563	14,834	448	179	2,904	10,596	461,042		
Additions		14,426	1,077	2,506	0	0	155	12,236	30,400		
Donations		0	0	0	0	0	0	0	0	0	
Revaluation increases/decreases(-)to Revaluation Reserve		-391	-3,251	0	0	0	21	0	0	-3,621	
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services		-6,748	2,804	0	0	0	-900	0	0	-4,844	
Derecognition - Disposals		0	-5	-820	0	0	0	0	0	-825	
Consolidation Adjustment		0	0	0	0	0	0	2,352	2,352		
Assets reclassified to(-)/from Held for Sale		-5,841	0	0	0	0	0	0	0	-5,841	
Reclassifications - Other		4,830	-947	0	0	0	0	-4,280	-397		
At 31 March 2025		352,794	85,241	16,520	448	179	2,180	20,904	478,266		
Accumulated Depreciation & Impairment											
At April 2024		0	703	6,442	187	0	0	68	7,400		
Depreciation charge		5,532	1,242	1,483	35	0	0	0	8,292		
Depreciation written out to the Revaluation Reserve		-5,084	-771	0	0	0	0	0	-5,855		
Depreciation written out to the Surplus/Deficit on the Provision of Services		-450	-42	0	0	0	0	0	-492		
Derecognition - Disposals		0	0	-713	0	0	0	0	-713		
Reclassifications		2	-14	0	0	0	0	12	0		
At 31 March 2025		0	1,118	7,212	222	0	0	80	8,632		
Net Book Value											
at 31 March 2025		352,794	84,123	9,308	226	179	2,180	20,824	469,634		
at 31 March 2024		346,518	83,950	8,392	261	179	2,904	10,528	452,732		

Comparative Movements in 2023/24								
	Council Dwellings £'000	Other Land and Buildings £'000	Vehicles			Surplus Assets £'000	Assets Under Construction £'000	Total £'000
			Plant Equipment £'000	Infrastructure Assets £'000	Community Assets £'000			
Cost or Valuation								
At April 2023	343,441	87,775	13,151	448	179	3,232	13,448	461,674
Additions	11,018	4,049	2,147	0	0	0	10,061	27,275
Donations	0	125	0	0	0	0	0	125
Revaluation increases/decreases(-)to Revaluation Reserve	-3,562	-330	0	0	0	-328	0	-4,220
Revaluation increases/decreases(-) to Surplus/Deficit on the Provision of Services	-8,020	-9,487	0	0	0	0	0	-17,507
Derecognition - Disposals	0	0	-651	0	0	0	0	-651
Derecognition - Other	0	0				0	0	0
Assets reclassified to(-)/from Held for Sale	-6,236	-328	0	0	0	0	0	-6,564
Reclassifications - Other	9,877	2,849	187	0	0	0	-12,913	0
At 31 March 2024	346,518	84,653	14,834	448	179	2,904	10,596	460,132
Accumulated Depreciation & Impairment								
At April 2023	0	821	5,867	152	0	0	0	6,840
Depreciation charge	5,481	1,363	1,226	35	0	0	0	8,105
Depreciation written out to the Revaluation Reserve	-5,124	-1,145	0	0	0	0	0	-6,269
Depreciation written out to the Surplus/Deficit on the Provision of Services	-358	-267	0	0	0	0	0	-625
Derecognition - Disposals	0	0	-651	0	0	0	0	-651
Reclassifications	1	-69	0	0	0	0	68	0
At 31 March 2024	0	703	6,442	187	0	0	68	7,400
Net Book Value								
at 31 March 2024	346,518	83,950	8,392	261	179	2,904	10,528	452,732
at 31 March 2023	343,441	86,954	7,284	296	179	3,232	13,448	454,834

G5 ASSETS HELD FOR SALE

Strict requirements are identified in the Code regarding the classification of an asset as Held for Sale. If an asset does not meet these requirements then it would continue to be classified within the standard classification, either as Property Plant and Equipment or as Investment Property. The Council holds the following current assets with the intent of selling them within 12 months of the balance sheet date.

2023/24	2024/25
£'000	£'000
1,298 Balance outstanding at start of year	2,267
Assets newly classified as held for sale:	
7,045 Transfer from Property, Plant and Equipment	5,893
0 Revaluation losses	0
Assets declassified as held for sale:	
-481 Transfer back to Property, Plant and Equipment	-52
-5,595 Assets Sold	-5,028
2,267 Balance outstanding at year-end	3,080

G6 DEBTORS

The amounts due to the Group were:-

2023/24	2024/25
£'000	£'000
Amounts falling due within one year:-	
759 Trade Receivables	936
625 Prepayments	823
11,598 Other Receivable Amounts	17,093
12,982 Total	18,852
-2,263 Less Loss Allowance	-2,214
10,719 Total Short Term Debtors	16,638
21 Other Entities and Individuals	19
21 Total Long Term Debtors	19
10,740 Total Debtors	16,657

G7 CASH AND CASH EQUIVALENTS

2023/24	2024/25
£'000	£'000
4 Cash held by the Council	3
5 Cash in transit	376
2,521 Bank current accounts	691
14,997 Short-term deposits with Money Market Funds	28,631
17,527 Current Assets	29,701

G8 CASH FLOW STATEMENTS

A Cash Flow Statement - Adjustment To Net Surplus Or Deficit On The Provision Of Services For Non Cash Movements

2023/24	2024/25
£'000	£'000
-8,646 Net Surplus or Deficit(-) on the Provision of Services	12,744
Adjust net surplus or deficit on the provision of services for non-cash movements	
8,105 Depreciation of Property, Plant and Equipment	8,292
16,880 Impairment and downward valuations	4,750
59 Amortisation of Intangible Assets	103
-833 Increase/Decrease(-) in Creditors	1,394
10 Increase(-)/Decrease in interest Debtors	10
2,574 Increase(-)/Decrease in Debtors	-1,823
779 Increase(-)/Decrease in Inventories	19
284 Pension Liability	-333
758 Carrying amount of non-current assets, sold or derecognised	4,624
-531 Other non-cash items charged to the net surplus or deficit on the provision of services	208
28,085 Adjust for items included in the net surplus or deficit on the provision of services that are investing or financing activities	17,244
-365 Proceeds from short-term (not considered to be cash equivalents) and long-term investments (includes investments in joint ventures and subsidiaries)	0
-32,605 Capital Grants credited to surplus or deficit on the Provision of Services	-11,962
-857 Proceeds from the sale of non-current assets	-757
-33,827 Sub-Total	-12,719
-14,388 Net Cash Flows from Operating Activities	17,269

B Cash Flow Statement - Investing Activities

2023/24	2024/25
£'000	£'000
-20,693 Purchase of Property, Plant and Equipment and Intangible Assets	-38,603
0 Purchase of short-term and long-term Investments	-3,000
-100 Other payments for investing activities	0
969 Proceeds from the sale of Property, Plant and Equipment and Intangible Assets	728
20,000 Proceeds from short-term and long-term Investments	2,000
15,094 Other receipts from investing activities	14,374
15,270 Net cash flows from investing activities	-24,501

C Cash Flow Statement - Financing Activities

2023/24	2024/25
£'000	£'000
0 Cash receipts for short and long-term Borrowing	27,000
0 Other receipts from financing activities	0
-145 Cash payments for the reduction of the outstanding liabilities relating to Finance Leases	-135
-5,494 Repayments of short and long-term Borrowing	-6,251
-1,802 Other payments for financing activities	-1,208
-7,441 Net cash flows from financing activities	19,406

GLOSSARY OF TERMS

PLEASE NOTE: This glossary provides an explanation of terms, not precise definitions. It should not be used as a substitute for the more detailed and specific definitions given in statute, codes of practice and technical guidance. It should be used in conjunction with explanations provided within and supporting the accounting statements.

ACCOUNTING POLICIES

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

- Recognising
- Selecting measurement bases for, and
- Presenting assets, liabilities, gains, losses and changes to reserves.

Accounting policies do not include estimation techniques.

Accounting policies define the process whereby transactions and other events are reflected in financial statements. For example, an accounting policy for a particular type of expenditure may specify whether an asset or loss is to be recognised, the basis on which it is to be measured, and where in the revenue account or Balance Sheet it is to be presented.

ACCRUALS

Sums included in the final accounts of the Council to cover income or expenditure attributable to the accounting period for which payments have not been received/made in the financial year. Local authorities accrue for both revenue and capital expenditure.

ADMINISTRATIVE BUILDINGS

Buildings that either have a shared use or are not charged directly to a service. The costs relating to all such buildings are allocated to the users of the buildings on some appropriate basis (usually the floor area occupied by each user).

AMORTISATION

The measure of the consumption or other reduction in the useful life of an intangible asset, charged annually to service revenue accounts.

ARMS LENGTH MANAGEMENT COMPANY

The Council is the sole shareholder of this company that it created solely for the purpose of managing its Housing stock.

BALANCES

Surplus of income over expenditure that may be used to finance expenditure. Balances can be earmarked in the accounts for specific purposes. Those that are not, represent resources set aside for such purposes as general contingencies and cash flow management.

BALANCE SHEET

A statement of the recorded assets, liabilities and other balances at a specific date at the end of an accounting period.

BILLING AUTHORITIES

Those authorities that set the Council Tax and collect the Council Tax and Non-Domestic Rates.

CAPITAL ADJUSTMENT ACCOUNT

This provides a balancing mechanism between the different rates at which assets depreciated under the Code and are financed through the capital controls system. It should be noted that this account and the Revaluation Reserve are matched by fixed assets within the Balance Sheet - they are not resources available to the Council, and are therefore termed Unusable Reserves.

CAPITAL CHARGES

Annual charges to service revenue accounts to reflect the cost of fixed assets used in the provision of services.

CAPITAL EXPENDITURE

Spending that produces or enhances an asset, like land, buildings, roads, vehicles, plant and machinery. Definitions are set out in Section 40 of the Local Government and Housing Act 1989. Any expenditure that does not fall within the definition must be charged to a revenue account.

CAPITAL PROGRAMME

The capital projects a Council proposes to undertake over a set period of time. The usual period covered by a capital programme is three to five years.

CAPITAL RECEIPTS

The proceeds from the sale of fixed assets such as land and buildings. Capital receipts can be used to repay any outstanding debt on fixed assets or to finance new capital expenditure within rules set down by Government. Capital receipts cannot, however, be used to finance revenue expenditure.

CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY (CIPFA)

The professional accountancy body concerned with local authorities and the public sector.

COLLECTION FUND

The Collection Fund is a statutory fund set up under the provisions of the National Local Government Finance Act 1988. It includes the transactions of the charging Council in relation to Non-Domestic Rates and Council Tax and illustrates the way in which the fund balance is distributed to Central Government, preceptors and the General Fund.

COMMUNITY ASSETS

These are assets that the Council intends to hold in perpetuity, that have no determinable useful life and that may have restrictions on their disposal. Examples of community assets are parks and historic buildings not used in the direct provision of services. It also covers items of Civic Regalia.

CONTINGENT LIABILITIES

Potential losses for which a future event will establish whether a liability exists and for which it is inappropriate to set up a provision in the accounts.

COUNCIL TAX

The main source of local taxation to local authorities. Council Tax is levied on households within its area by the billing Council and the proceeds are paid into its Collection Fund for distribution to precepting authorities and for use by its own General Fund.

COUNCIL TAX BASE

The council tax base of an area is equal to the number of band "D" equivalent properties. It is calculated by counting the number of properties in each of the eight Council Tax bands and then converting this into an equivalent number of band "D" properties (e.g. a band "H" property pays twice as much Council Tax as a band "D" property and therefore is equivalent to two band "D" properties). For the purpose of calculating Formula Grant, the Government assumes a 100% collection rate. For the purpose of calculations made by a local Council of the basic amount of Council Tax for its area for each financial year, the Council makes an estimate of its collection rate and reflects this in the tax base.

CURRENT EXPENDITURE

Expenditure on running costs such as that in respect of employees, premises and supplies and services.

DEFERRED CAPITAL RECEIPTS

Amounts derived from the sale of assets that will be received in instalments over agreed periods of time. These arise mainly from mortgages on the sale of council houses.

DEFERRED CREDITORS

This term applies to the monies owed by the Council more than 12 months from the Balance Sheet date.

DEPRECIATION

Charges reflecting the wearing out, consumption or other reduction in the useful life of a fixed asset.

EARMARKED RESERVES

These are reserves set aside for a specific purpose or a particular service, or type of expenditure.

EMOLUMENTS

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

EXTERNAL AUDIT

The independent examination of the activities and accounts of local authorities to ensure that the accounts have been prepared in accordance with legislative requirements and proper practices, to ensure that the Council has proper arrangements in place for securing financial resilience and to challenge how it secures economy, efficiency and effectiveness in its use of resources.

FEES AND CHARGES

Income raised by charging users of services for the facilities. For example, Councils usually make charges for the use of leisure facilities, car parks and the collection of trade refuse etc.

FINANCE LEASE

Arrangement whereby the lessee is treated as owner of the leased asset and is required to include such assets within fixed assets on the Balance Sheet.

FINANCIAL INSTRUMENT

Contracts which give rise to a financial asset of one organisation and a financial liability.

FINANCIAL INSTRUMENT ADJUSTMENT ACCOUNT

An account that holds the accumulated difference between the financing costs included in the Comprehensive Income and Expenditure Account and the accumulated financing costs required in accordance with regulations to be charged to the General Fund Balance.

FINANCIAL REPORTING STANDARD (FRS)

A statement of accounting practice issued by the Accounting Standards Board.

FINANCIAL YEAR

The Council's financial year commences on 1 April and ends on 31 March the following year.

GAAP

Generally Accepted Accounting Principles is the standard framework of guidelines for financial accounting. It includes the standards, conventions and rules accountants follow in recording and summarising transactions and in the preparation of financial statements.

GENERAL FUND

The main revenue fund of a billing Council. Day to day spending on services is met from this Fund. Spending on the provision of council housing must be charged to a separate Housing Revenue Account.

GROSS EXPENDITURE

The total cost of providing Council services before taking into account income from government grants and fees and charges for services.

HERITAGE ASSETS

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

HOUSING BENEFIT

Financial help given to Council's or private tenants whose income is below prescribed amounts. The Government finances approximately 100% of the cost of benefits to non HRA tenants ("rent allowances") and HRA tenants (through the rent rebate element of housing subsidy).

HOUSING REVENUE ACCOUNT

A Council's statutory account covering revenue income and expenditure on the housing services relating to its housing stock.

IMPAIRMENT

Impairment occurs when the value of an asset has reduced. This can be either as a result of a general fall in prices or by a clear consumption of economic benefits such as by physical damage to the asset.

INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Accounting standards adopted from 1 April 2010 for Local Government entities.

INFRASTRUCTURE ASSETS

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

INTERNAL AUDIT

An independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. It objectively examines, evaluates and reports on the adequacy of internal control as a contribution to the proper economic, efficient and effective use of resources. Every Council is required to maintain an adequate and efficient internal audit. A review of the effectiveness of the internal audit function of a Council has to be considered and approved by the Council's Members each year.

INVESTMENTS

Deposits with approved institutions, usually for less than one year.

LONG TERM DEBTORS

Amounts due to the Council more than one year after the Balance Sheet date.

MINIMUM REVENUE PROVISION (MRP)

The minimum annual provision from revenue towards a reduction in a Council's overall borrowing requirement.

NON DOMESTIC RATE (NDR)

The Council collects Non Domestic Rates for its area based on local rateable values, multiplied by a national uniform rate. The total amount, less certain relief's and deductions, including Council Tax benefit, is shared between Central Government (50%), District Councils (40%), County Council (9%) and Fire Authority (1%).

NET EXPENDITURE

Gross expenditure less gross income.

NON-OPERATIONAL ASSET

Fixed assets held by the Council but not directly used or consumed in the delivery of its services. This would include properties and land that are Held For Sale or Surplus.

OPERATIONAL ASSET

Fixed assets held by the Council and used or consumed in the delivery of its services.

OPERATIONAL LEASE

An arrangement whereby the risks and rewards of ownership of the leased asset remain with the leasing company, or lessor.

PENSION FUND

An employees' pension fund maintained by a Council, or a group of authorities, in order to make pension payments on retirement of participants. It is financed from contributions from the employing Council, the employee and investment income.

PRECEPT

The levy made by precepting authorities on billing authorities, requiring the latter to collect income from council taxpayers on their behalf.

PRECEPTING AUTHORITIES

Those authorities that are not billing authorities (i.e. do not collect Council Tax or NDR) and precept upon the billing Council, which then collects it on their behalf. Nottinghamshire County Council, Nottinghamshire Police and Crime Commissioner, Nottinghamshire Fire and Rescue Authority and Parish Councils all precept upon Newark and Sherwood District Council.

PROVISIONS

Sums set aside to meet future expenditure where a specific liability is known to exist but that cannot be measured accurately.

PUBLIC WORK LOANS BOARD (PWLB)

A Government body that meets part of the Council's loan finance for capital purposes.

RELATED PARTIES

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

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

Examples of related parties of an Council include:

- UK Central Government;
- Local authorities and other bodies precepting or levying demands on the Council Tax;
- Its subsidiary and associated companies;
- Its joint ventures and joint venture partners;
- Its Members;
- Its Senior Officers.

For individuals identified as related parties, the following are also presumed to be related parties:

- Members of close family, or the same household;
- Partnerships, companies, trusts and other entities in which the individual, or a member of their close family or the same household, has a controlling interest.

REVALUATION RESERVE

This records unrealised revaluation gains arising since 1st April 2007 from holding assets. It should be noted that this reserve and the Capital Adjustment Account are matched by fixed assets within the Balance Sheet. They are not resources available to the Council and are therefore termed 'Unusable'.

REVENUE EXPENDITURE FUNDED FROM CAPITAL UNDER STATUTE

Expenditure of a capital nature for which there is no tangible asset acquired by the Council. This would include capital grants or renovation grants to private persons.

REVENUE SUPPORT GRANT (RSG)

This funding is the Government grant provided by the Ministry of Housing, Communities and Local Government's (MHCLG) that is based on the Government's assessment as to what should be spent on local services. The amount provided by the MHCLG is fixed at the beginning of each financial year, and is announced as part of the Comprehensive Spending Review.

SOFT LOANS

A "soft loan" is where a loan has been made for policy reasons, rather than as a financial instrument. These loans may be interest free or at rates below prevailing market rates. Commonly, such loans are made to local organisations that undertake activities that the Council considers will have benefit to the local population.

STATEMENT OF ACCOUNTS

Local authorities are required to prepare, in accordance with proper practices, a Statement of Accounts in respect of each financial year, which contains prescribed financial statements and associated notes. Members of the Council must approve the Statement by 30 September following the end of the financial year.

STATEMENT OF RECOMMENDED PRACTICE (CODE)

The accounts have been produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice.

TOTAL COST

The total cost of a service or activity includes all costs that relate to the provision of the service (directly or bought in) or to the undertaking of the activity. Gross total cost includes employee costs, expenditure relating to premises and transport, supplies and services, third party payments, transfer payments, support services and depreciation charges. This includes an appropriate share of all support services and overheads that need to be apportioned.

TRADING SERVICES

Services that are, or are generally intended to be, financed mainly from charges levied on the users of the service.

USABLE CAPITAL RECEIPTS

Amounts available to finance capital expenditure in future years.

USABLE RESERVES

Amounts set aside in the accounts for future purposes that fall outside the definition of provisions. They include general balances and reserves that have been earmarked for specific purposes. Expenditure is not charged directly to a reserve, but to the appropriate service revenue account.

UNUSABLE RESERVES

Represent gains and losses yet to be realised and which are not available to support services.



NEWARK &
SHERWOOD
DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT 2024 / 2025



SERVING PEOPLE, IMPROVING LIVES

1. Scope of responsibility

Newark and Sherwood District Council is responsible for ensuring that the Authority's own and (with the addition of Active4Today Ltd and Arkwood Developments Ltd) its group business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Newark and Sherwood District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

2. The purpose of the governance framework

The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled. The framework also includes activities through which the authority accounts to, engages with, and leads the communities that it serves. It enables the authority to monitor and assess the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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

3. The governance framework

The District Council has adopted a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable. The Constitution is subject to periodic review and change either through national legislation or local decision, and the Governance Framework may be amended accordingly (<https://www.newark-sherwooddc.gov.uk/constitution/>).

Within the Constitution (Part H), the Council has approved and adopted a Code of Corporate Governance (the Code), which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government, which was revised in 2016. The Code was also reviewed during 2016 to ensure it complied with the requirements of the revised Framework. The Code is due to be reviewed and updated by the Council's Audit & Governance Committee during 2025/26.

The Code recognises that effective governance is achieved through the 7 core principles as identified in the Framework. These are:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B.** Ensuring openness and comprehensive stakeholder engagement
- C.** Defining outcomes in terms of sustainable economic, social and environmental benefits
- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes
- E.** Developing the entity's capacity, including the capacity of its leadership and the individuals within it
- F.** Managing risks and performance through robust internal control and strong public financial management
- G.** Implementing good practices in transparency, reporting and audit to deliver effective accountability

The Code sets out how the Council demonstrates that its governance structures comply with these 7 core principles.

The Annual Governance Statement explains how the Council has complied with the Code annually; and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 which require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

The Council approved a revised Community Plan at its meeting on 20 May 2025. Further information about how the Community Plan is developed and the process to revise the plan can be found at section 4. The performance monitoring framework for the revised Community Plan commenced on 1 April 2025. During 2024/25 the Council facilitated policy and decision-making through a Cabinet system. Cabinet meetings are open to the public except where exempt or confidential matters are being considered. Cabinet Members with Portfolio responsibility have authority to take delegated decisions outside Cabinet meetings; these are published on the Council's Decision Register. In addition, the Council's Constitution gives delegated authority for senior officers of the Council to make decisions in certain specified circumstances. Significant or 'Key' proposals are published on the Council's Forward Plan for 28 days before the decision is taken.

This system of Governance was adopted on 17th May 2022. This system of governance is comprised of:

The Cabinet – which is made up of the Leader, Deputy Leader and a Cabinet of additional Councillors appointed by the Leader. Cabinet Members are responsible for the portfolio of services/functions allocated to them by the Leader. The Cabinet comprises 8 portfolio holders including the Leader and Deputy Leader. The leader of the Council's largest opposition group is a Cabinet Member with voting rights but without portfolio.

Policy and Performance Improvement Committee – comprises 15 Members and is politically balanced. This provides the Overview and Scrutiny function but also has a wider role in policy development and performance review.

The Tenant Engagement Board – comprises of the Portfolio Holder for Housing, four tenant representatives (Local Influence Network Chairs), and three representatives from Policy and **Performance Improvement Committee** – This provides a tenant voice on the Council's housing services and performance as well as making recommendations. The group also has oversight of housing regulation under the remit of Housing Assurance Board to ensure the Council is fully compliant in health and safety and regulation.

Audit and Governance Committee – comprises 12 Members and is politically balanced. This Committee provides those charged with Governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the Council's financial reporting and governance processes. It is also responsible for promoting and maintaining high standards of conduct by Members and Co-opted Members of the Council.

The aim and priorities identified by Full Council in changing to the Cabinet System were: -

- » Faster political decision-making, with greater clarity and transparency about who is accountable for what;
- » More effective involvement of elected members and tenants in policy development and performance review, both in relation to the Council's activities and that of its partners;
- » More effective political and managerial oversight of how all the various parts of the Council are working together and their impact on the community;
- » More engagement with, and involvement of, key partners in our governance arrangements;
- » More support to enable elected members to maximise their role as community leaders/champions;
- » Less duplication of effort; less wasted resources

These were distilled by the Council into a set of principles to underpin the design of the new

Inclusion	Ownership	Transparent and Agile	Challenge Performance	Modern and Accessible	Connected
<ul style="list-style-type: none"> • Members feeling involved and well-informed • Members are able to contribute 	<ul style="list-style-type: none"> • The Executive operates as a team, but • Individual members of the Executive take ownership and accountability for their portfolios 	<ul style="list-style-type: none"> • Agile, clear and appropriate decision-making • Swift where it needs to be • Transparent • The 'right' decisions being made at the 'right' level by the 'right' portfolio 	<ul style="list-style-type: none"> • Purposeful, constructive and challenging performance review • Open to external outlook and input 	<ul style="list-style-type: none"> • Modern • Bureaucracy light • Accessible and easy to understand 	<ul style="list-style-type: none"> • Linked up to locality • Connected Cabinet and Performance Review

arrangements: -

The District Council has a cross-service Risk Management Group that meets regularly to identify and evaluate all significant risks. Strategic, Corporate and Operational Risk Registers are in place and appropriate staff have been trained in the assessment, management and monitoring of risks. In addition to this, a Fraud Risk Register is in place and a refresh was presented to the Audit and Governance Committee at its meeting in April 2025.

Through reviews by external auditors, external agencies, internal auditors, and its performance team the District Council ensures the economic, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to the principles of economy, efficiency and effectiveness.

Services are delivered by trained and experienced officers. All posts have a detailed job description and person specification. Training needs are identified through the Performance Appraisal Scheme, which was reviewed and updated in 2022.

Risk management policies and procedures are in place with the objective of ensuring that the risks facing the authority in achieving its objectives are evaluated, regularly reviewed and mitigation strategies developed.

The statutory role of Monitoring Officer was undertaken by the Assistant Director Legal and Democratic Services for the 2024/25 financial year. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and the s151 Officer, the Monitoring Officer will report to the Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. The standards of behaviour for members and employees are defined through Codes of Conduct and the Code of Corporate Governance. The Council also has an Anti-Fraud and Corruption Strategy and a Whistleblowing Policy that enables concerns to be raised confidentially by employees or persons doing business with the Council. A complaints system is also operated by the Council to enable comments on services to be received and investigated and this is assessed against the relevant Ombudsman Effective Complaints Handling Code.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. The Director of Resources post is combined with the Deputy Chief Executive position and has the s151 Officer responsibilities attached to it. The s151 Officer is responsible for the proper administration of the Council's financial affairs including maintenance of financial records, presentation of statutory accounts and budgets, provision of effective internal audit and financial advice to Council. The s151 Officer has a key role in helping the organisation balance local service needs with corporate interests whilst ensuring compliance with all financial, statutory and constitutional requirements. The s151 Officer has a statutory duty to report to Full Council and the District Auditor (after consultation with the Head of Paid Service and the Monitoring Officer) if they feel that there is likely to be any item of unlawful expenditure or an unbalanced budget.

Governance responsibilities in respect of the Council's wholly owned companies (Active 4 Today and Arkwood Developments Ltd) are discharged through the Executive Shareholder Committee which is committee of the Cabinet. This body is responsible for receiving both companies' Business Plans and performance monitoring reports, together with business cases for future housing developments (in respect of Arkwood Developments Ltd).

The s151 Officer acts on behalf of the Council as the Accountable Body to the £25m Newark Towns Fund. As Accountable Body the Council is responsible for the proper use and administration of Towns Fund funding, all of which falls under the annual audit of the Council's accounts. The Council has responsibility for ensuring a Local Assurance Framework is in place which meets the standards set out by Government, and that decisions are made in accordance with it. The Local Assurance Framework, adopted by the Council's Policy and Finance Committee in June 2021, sets out how the Newark Towns Fund Board will effectively undertake its role in relation to good governance and allocation of the public funds it is responsible for. External Consultants provide consultancy support to each of the project sponsors and provide assurance support to the Council's s151 Officer.

A similar arrangement to the above is in place regarding £20m of Levelling up funding that was awarded to the Council in respect of the Southern Link Road. A monitoring board has been established consisting of officers of the Council, together with representatives from the developer- Urban and Civic, National Highways and Nottinghamshire County Council. The Council is responsible for the proper administration of the funding, and has, through the project, employed an independent quantity surveyor in order to ensure claims of grant from the developer are accurate and proportionate and can be approved by the Council's s151 Officer. A further similar agreement

is in place in respect of £7m of funding from the D2N2 Local Enterprise Partnership in relation to the development of the Southern Link Road. An agreement is in place which releases funds through to the developer once agreed project outputs and targets are met, and have been approved by the Council's s151 Officer.

The Council is also accountable body for three other significant grants:-

- The Long Term Plan for Towns Fund which the Council has been allocated £20m. This fund will bring together community leaders, business people and local bodies to forge their town's future together. This fund will be administered in a similar way to the Towns Fund whereby a new Town Board will be established which will be responsible for ensuring good governance and the allocation of public funds.
- The Levelling Up Fund 3 (LUF3). The Council has been allocated £20m for the regeneration of Ollerton Town Centre, the development of high-tech industrial units at Clipstone, the redevelopment of the site owned by the Clipstone Miners welfare Trust and the extension and improvement of the visitor centre at Vicar Water in Clipstone.
- UK Shared Prosperity Fund (which includes the Rural England Prosperity Fund) is managed and delivered by NSDC as the Accountable Body for the funding, with input from a variety of key stakeholders. In total the Council will receive £4.18m over the 2022 to 2025 period. Prior to receipt of funding, the council's Cabinet agreed delegated authority to the S151 Officer, in consultation with the Portfolio Holder for Sustainable Economic Development to approve interventions and projects funded through the scheme, which has included in-house activities, commissioned services and various grant schemes/funding calls for external organisations.

In addition to engagement with a number of existing key partner/working groups throughout delivery, the Newark and Sherwood Community Partnership supports the scheme governance by meeting every 6 months to provide high level and overarching and strategic input into the development of the UKSPF/REPF programme. This includes updates on progress, and input into local investment priorities/themes and approaches to scheme delivery and is made up of a number of key community partners as well as within the business and skills sectors.

Any grant opportunities or funding calls delivered through the programme are managed and delivered internally to avoid any potential conflicts of interest with funding applicants. Appropriate internal Officers form a grant panel led by the Programme Manager, where applications are scored and appraised against a pre-approved scoring matrix. The criteria and scoring matrix for funding is approved by the Portfolio Holder and S151 Officer prior to the application process, and all individual grant awards following appraisal are approved by the S151 Officer in consultation with the Portfolio Holder.

The District Council communicates with its community and stakeholders through various means. The Council's website has been designed to ensure information is up to date, accurate, easy to find and adheres to new government accessibility legislation. In addition, a system in which the Council can email regular newsletters to particular demographic groups is in place. Upon implementation the system was used to improve internal communication, with staff newsletters going out every two weeks. Then a resident facing newsletter was introduced with newsletters going out containing important and key information once a month. We have continued to grow and use social media to communicate important messaging but still consider the importance of a positive press release system to be a high priority – the number of media releases issued grew during this year also. The processes and systems within the centralised communications team mean that work is becoming more proactive as opposed to reactive thus gaining better coverage for the District Council. Other channels are also regularly used include the local radio, local and national media outlets, digital communication channels and digital advertising, door to door communication, television advertising and POS in strategic locations. For tenants specifically, there is a tenant involvement

framework consisting of four Local Influence Networks for Sherwood, Newark Rural villages and for Building Safety. These are complemented by a menu of opportunities for engagement with our 5,500 tenants and an annual tenant report containing key activities and performance.

Full Council appoints a non-voting Independent Member to the Audit and Governance Committee. This appointment supplements the elected Members of the Committee by bringing further technical and analytical skills and independence to aide in the scrutiny of reports. This together with a training programme for the members of the Committee, which will be tabled at the meeting in July 2024, will continue the development of the Committee to ensure that it continues to meet its roles and responsibilities.

4. Review of effectiveness

Newark and Sherwood District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Directors within the authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Manager's annual report, the External Auditor's annual audit and inspection report together with comments made by the External Auditors and other review agencies and inspectorates. Business managers are required to provide assurance to the s151 officer that service areas are compliant with the Council's governance arrangements.

The process that has been applied in maintaining and reviewing the effectiveness of the system of internal control includes:

The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution through Audit & Governance Committee which may meet in the form of a working party for in depth reviews, and makes recommendations for amendment to Full Council. In 2024/25 the Audit & Governance Committee undertook an in-depth review of certain aspects of the Constitution. It recommended changes to Full Council to clarify Full Council Procedure Rules for the Council's annual budget setting. The balance of its recommendations will be reported to Full Council in 2025-6 including a review of the Council's arrangements for petitions, Full Council motions, combining of Licensing and General Purposes Committees, review of arrangements for Audit & Governance Committee, membership of the Planning Policy Board and review of the Council's land Acquisitions and Disposals Policy. An annual review is included in the Committee's Work Programme for 2025/26.

Overview and Scrutiny - During 2024/25 the overview & scrutiny function was undertaken through the Policy and Performance Improvement Committee. Any Member of the Council can ask for an item to be included on the agenda for the Committee, and all Cabinet and Portfolio Holder decisions, and the Forward Plan, are circulated to all Members for transparency and awareness. The Committee has the ability to set up working groups to undertake in depth scrutiny, performance review and policy development.

Internal Audit - is responsible for reviewing the quality and effectiveness of systems of internal control. The internal audit function was carried out by TIAA (UK) Ltd during 2024/25. Public Sector Internal Audit Standards (Standards) require an External Quality Assessment (EQA) at least every five years. The Standards aim to promote quality and effectiveness in the internal audit profession across both public and private sectors. They re-affirm how important having a robust, independent and objective internal audit is to the success of the Council and its governance framework. Our current Internal Auditors TIAA (UK) Ltd were last assessed in December 2022 with the outcome of their EQA stating that they 'generally conform' with all areas of the Public Sector Internal Audit Standards and IIA/IPPF. There were no recommended improvements.

An annual audit plan is approved by the s151 Officer together with the Business Manager for Financial Services and the Senior Leadership Team and reported to the Audit and Governance

Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Chief Officer and Business Manager. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by Business Managers. The Audit and Governance Committee receives executive summaries of all internal audit reports and is advised of progress in implementing recommendations. Internal Audit reports are considered by the Council's Senior Leadership Team. The Head of Internal Audit issues an annual opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework. For the 2024/25 financial year, the opinion of the Head of Internal Audit is that the Council is that, for the areas reviewed during the year, Newark and Sherwood District Council has reasonable and effective risk management, control and governance processes in place. Two internal audits report gave limited assurance in relation to Business Continuity and Equality, Diversity and Inclusion. (none during 2023/24).

The Community Plan is the key direction setting document used to outline the ambitions and vision of the Council for a four-year term, as well as setting out the Council's values and purpose. As the name suggests, our communities and residents must be at the heart of our Community Plan and to do this we must listen to their views and consider these views when shaping the future of the district.

To do this, we conduct a district wide Resident Survey which takes place once every 4 years. Our current Community Plan (2023-2027) was informed by the results of the 2022 Resident Survey. It was our first resident survey conducted online and 4,577 residents took part over May and June 2022. Paper copies were available on request too and the survey was promoted via social media, the Council's E-newsletter, leaflets and messages on bus stops. A representative survey was also carried out to allow us to recognise any bias in the open survey. A specialist company asked 780 residents to fill out the survey which represented the district in terms of age, gender, ethnicity, geography and council tenancy. We also consulted with specific groups through workshops and events/visits.

There have been some changes in the views of residents since 2018 and the 2022 survey found that more people are getting in touch with the Council. This is likely because of the effects of the global pandemic as the Council has administrated lots of grants and provided various types of support. In terms of other resident priorities, the regeneration of town centres and high streets is more important than in 2018 as are health services. Residents still prioritise clean and green streets, as they did in 2018, but there were also some new themes around better recycling facilities, especially kerbside services, and an appetite for clear, consistent and timely communication from the Council. Several priority areas raised by residents in the survey are already within the Council's work programme. For example, resident emphasis on the importance of keeping streets and public areas clean and tidy, validates the Cleaner, Safer, Greener agenda. Alongside this, Council tenants are also surveyed via the Survey of Tenants and Residents around the performance and satisfaction with housing services. In 2023-24, the new Tenant Satisfaction Measures are being implemented as a result of the Charter for Social Housing Tenants to make sure the tenants' voice and influence on housing services is prioritised and heard by housing authorities and private registered landlords.

In 2024 a Resident Survey 'temperature check' was commissioned, and this was aligned with the Local Government Association (LGA) project 'Are you being served?'. As such, the same resident satisfaction questions and guidance were asked to enable us to benchmark against these national and regional results whilst also providing a familiar and proven method of interaction.

This was designed to be a small scale, interim check in with residents at the halfway point from having conducted the last district wide Resident Survey. As a result, 123 residents took part in the survey, which was conducted primarily via the telephone and through face-to-face events. The consultation captured how residents view the Council, their feelings within their local area and satisfaction with services. The results of the consultation were reported to the Policy and Performance Improvement Committee in October 2024 and the results of which can be found [here](#).

Revised Community Plan 2025 – In September 2024 Portfolio Holders, Chairs and Vice Chairs began the process to review the Community Plan. The purpose of reviewing the Community Plan was to understand which actions have been completed and embedded within everyday operations, enabling those to be removed from the plan which allowed the outstanding actions to be clearly visible. This visibility then allowed the Administration to inwardly challenge whether what was outstanding was still a priority and account for any emerging priorities which had arisen since the development of the plan.

The headline changes that were implemented as a result of this process included the 8 Community Plan objectives being reduced down to 7 Community Plan ambitions. The number of actions contained within the Community Plan were reduced down to a total of 61, spread across the 7 ambitions. The full report on the process to refresh the Community Plan was presented to Cabinet in April 2025 and can be found [here](#). It will be presented to Full Council for approval in 2025/26.

Corporate Peer Challenge – The Local Government Association (LGA) has a membership which comprises 315 of the 317 councils in **England** and includes district, county, metropolitan and unitary authorities along with London boroughs and the City of London Corporation. The LGA operate a peer challenge programme which supports continuous improvement by providing effective insight, guidance and challenge to enable continuous improvement, as well as assurance to local leaders and residents.

It is considered good practice to undertake a peer challenge every 5 years. The Council took part in a Peer Challenge in 2016 and as such arranged to take part in another Corporate Peer Challenge in Summer 2024, this was delayed until Autumn 2024 due to the general election taking place in July 2024.

The process consists of a team of local authority peers who look at our approach across five core elements detailed below, as well any other specific challenge we may wish to highlight.

1. Local priorities and outcomes
2. Organisational and place leadership
3. Governance and culture
4. Financial planning and management
5. Capacity for improvement.

The Peer team hold up a mirror to the organisation, acting as critical friends and let us know how we are doing. A Peer Challenge celebrates what we are doing well so we can build on it as well as making recommendation where we could improve. The team are able to consider how we perform referencing a wide range of experience of what 'good' looks like in other local authorities.

The report acknowledges that the Council makes a 'real and tangible difference on citizens lives' through the delivery of its core functions and praises the "great positive, supportive and welcoming culture, with staff going the extra mile to support each other and the communities they serve". The Council's relatively strong financial position is recognised along with what are described as "well and effectively run services" that are performing consistently above national benchmarks. The Council was found to be highly regarded by its external partners with the organisational leadership of the Council being strong, respected and approachable.

While the ambitious, energetic nature of the Council was something to be valued, the Peers raised reservations about a "lack of clear prioritisation from Councillors" and the tendency to take on responsibilities that properly fell to other organisations. It was acknowledged that this was in part

the result of a lack of understanding given the large number of new Councillors but carried the risk of over-stretching officers and placing a strain on the Council's capacity to deliver its core services.

The report comments throughout on the performance of the Council and as such offers recommendations on how the Council can develop. These include officer practices such as a review of the appraisal mechanism and enhanced updates around the recruitment & retention project in addition to a number of suggested improvements to the Council's governance arrangements. These areas are in addition to the formal recommendations and will be an area for discussion at the action plan development meetings.

Highlighted below are the recommendations made by the Peer Challenge team with the full detail being available at section 3 of the report which is available [here](#).

1. Review and prioritise the 2023-2027 Community Plan.
2. Review Audit, Governance, Overview and Scrutiny functions of the council to maximise councillor engagement and council productivity.
3. Ensure councillors understand the longer-term budget pressures.
4. Establish an ongoing councillor development programme.
5. Continue to foster the positive culture of the organisation.
6. Consider agreeing a Team Charter amongst the Joint Administration.

In response to the recommendations, a working group was formed which drew together senior members and the remit of the working group is to discuss the report's findings and agree on an action plan that can respond to any areas that require development which as of April 2025 is an ongoing process and is due to be finalised in May 2025. A future report will be brought back to Cabinet, PPIC and Audit and Governance to deliver the action plan and discuss next steps.

In 2024/25 The Council undertook a Member Survey to ask for feedback from Members about their understanding of the services provided by the Council, the Council's priorities, their role within the governance of the Council, their role as a councillor, the level of support provided, development opportunities and information they receive, relationships between both Members and Officers, and Member conduct. The feedback received was reported to Audit & Governance Committee and Officers were tasked with developing an action plan. Member training was delivered in relation to the Councillor Code of Conduct and Equality, Equity, Diversity and Inclusion. The procedure for dealing with Code of Conduct complaints was reviewed by Audit & Governance Committee and updated.

CIPFA Financial Management Code of Practice – The Chartered Institute of Public Finance & Accountancy (CIPFA) has introduced a Financial Management Code (FM Code). This sets out, the standards of financial management for local authorities.

The FM Code is designed to support good practice in financial management and to assist local authorities to demonstrate their financial sustainability.

Local government finance in the UK is governed by legislation, regulation and professional standards. The general financial management of a local authority, however, has not, until now, been supported by a professional code. The FM Code has been introduced because of the exceptional financial pressures faced by local authorities in recent years which have revealed concerns about fundamental weaknesses in financial management and the ability of some organisations to maintain services in the future.

All 17 of the standards have been reviewed by the S151 officer during May 2025 and it was felt that all 17 standards are now at Green status. There was one standard that was allocated amber status during the 2024 review in relation to "The financial management style of the authority supports financial sustainability". which the action was completed and is now business as usual.

5. Governance Actions

Significant governance issue

Issue	Action	Responsible Officer	Completion Date
Long Term Financial Sustainability of the Council The approval of the Medium Term Financial Plan in March 2024 identified that by 2027/28 there will be a shortfall in funding of £1.627m. The use of the MTFP mitigates the impact of the annual shortfalls over the MTFP period, which equates to annual shortfalls of circa £3m 2026/27.	The revision of the MTFP approved in March 2025 showed that over the four year period to 2028/29 the Council is fully funded, subject to delivering on a number of efficiency initiatives. The Council will continue to monitor progress against these and report to Members at appropriate points.	Deputy Chief Executive/Director of Resources and S151 Officer & Business Manager – Financial Services	Complete and going forward will be reported to Members as appropriate
No overall control Council - in 2024-5 no single political group or informal coalition held more than 50% of seats on the Council	Officers will continue to communicate with the political leadership and other political groups to progress the Council's priorities, ensuring there is a structure of informal meetings to support and prepare for formal meetings.	Chief Executive and Senior Leadership Team	Ongoing

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for proper governance arrangements to be in place. We will undertake ongoing monitoring of the implementation of any improvements that were identified in our review of effectiveness and as part of our next annual review.

Conclusion

The Council has assessed the governance arrangements in place throughout 2024/25 and whilst it is considered that the current arrangements provide a satisfactory level of assurance, work is continuously underway to ensure that the arrangements remain fit for purpose in an ever changing external environment.

Signed

JOHN ROBINSON

PAUL PEACOCK

John Robinson
Chief Executive,
Newark and Sherwood District Council
23 January 2026

Councillor Paul Peacock
Leader of Newark and
Sherwood District Council
23 January 2026

Independent auditor's report to the members of Newark & Sherwood District Council

Report on the audit of the financial statements

Opinion on the financial statements

We have audited the financial statements of Newark & Sherwood District Council ('the Council') and its fully owned subsidiaries and its joint ventures, RHH Newark. ('the Group') for the year ended 31 March 2025, which comprise the Council and Group Comprehensive Income and Expenditure Statement(s), the Council and Group Movement in Reserves Statement(s), the Council and Group Balance Sheet(s), the Council and Group Cash Flow Statement(s), and the Housing Revenue Account and the Collection Fund 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 Council and the Group as at 31st March 2025 and of the Council's and the Group's expenditure and income for the year then ended; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. 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 Council and Group 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

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

Based on the work we have performed, and taking into account the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Council'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 Director of Resources 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 Director of Resources 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 or a material misstatement of the other information. 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.

Responsibilities of the Director of Resources for the financial statements

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Director of Resources 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, and for being satisfied that they give a true and fair view. The Director of Resources is also responsible for such internal control as the Director of Resources determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Director of Resources is required to comply with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25 and prepare the financial statements on a going concern basis, on the assumption that the functions of the Council will continue in operational existence for the foreseeable future. The Director of Resources is responsible for assessing each year whether or not it is appropriate for the Council and Group to prepare its accounts on the going concern basis and disclosing, as applicable, matters related to going concern.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

Based on our understanding of the Council and Group, we considered that non-compliance with the following laws and regulations might have a material effect on the financial statements: employment regulation, health and safety regulation, data protection, and corruption and anti-bribery.

To help us identify instances of non-compliance with these laws and regulations, and in identifying and assessing the risks of material misstatement in respect to non-compliance, our procedures included, but were not limited to:

- gaining an understanding of the legal and regulatory framework applicable to the Council and Group, the environment in which it operates, and the structure of the Council and Group, and considering the risk of acts by the Council and Group which were contrary to the applicable laws and regulations, including fraud;
- inquiring with management and the Audit & Accounts Committee, as to whether the Council and Group is in compliance with laws and regulations, and discussing their policies and procedures regarding compliance with laws and regulations;
- inspecting correspondence, if any, with relevant licensing or regulatory authorities;
- reviewing relevant meeting minutes in the year;
- communicating identified laws and regulations throughout our engagement team and remaining alert to any indications of non-compliance throughout our audit; and
- considering the risk of acts by the Council and Group which were contrary to applicable laws and regulations, including fraud.

We also considered those laws and regulations that have a direct effect on the preparation of the financial statements, such as the Local Government Act 2003 (and associated regulations made under section 21), the Local Government Finance Acts of 1988, 1992 and 2012, and the Accounts and Audit Regulations 2015 and 'the Local Government and Housing Act 1989'.

In addition, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting journal entries to manipulate financial performance, management bias through judgements and assumptions in significant accounting estimate, and significant one-off or unusual transactions.

Our audit procedures in relation to fraud included but were not limited to:

- making enquiries of management, Head of Internal Audit and the Audit & Accounts Committee on whether they had knowledge of any actual, suspected or alleged fraud;
- gaining an understanding of the internal controls established to mitigate risks related to fraud;
- discussing amongst the engagement team the risks of fraud; and
- addressing the risks of fraud through management override of controls by performing journal entry testing.

There are inherent limitations in the audit procedures described above and the primary responsibility for the prevention and detection of irregularities including fraud, rests with both management and the Audit & Accounts Committee.

As with any audit, there remained a risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We are also required to conclude on whether the Director of Resources use of the going concern basis of accounting in the preparation of the financial statements is appropriate. We performed our work in accordance with Practice Note 10: Audit of financial statements and regularity of public sector bodies in the United Kingdom, (Revised 2024) and Supplementary Guidance Note 01, issued by the National Audit Office in November 2024.

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 the Newark & Sherwood District Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources

Matter on which we are required to report by exception

We are required to report to you if, in our view, we are not satisfied that the Council 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 this respect.

Responsibilities of the Council

The Council is responsible for putting in place proper arrangements to secure economy, efficiency, and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

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

We are required under Section 20(1)(c) of the Local Audit and Accountability Act 2014 to satisfy ourselves that the Council 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 Council's arrangements for securing economy, efficiency, and effectiveness in its use of resources are operating effectively.

We have undertaken our work in accordance with the Code of Audit Practice, having regard to the guidance issued by the Comptroller and Auditor General in November 2024.

Matters on which we are required to report by exception under the Code of Audit Practice

We are required by the Code of Audit Practice to report to you if:

- we issue a report in the public interest under section 24 of the Local Audit and Accountability Act 2014;
- we make a recommendation under section 24 of the Local Audit and Accountability Act 2014; or
- we exercise any other special powers of the auditor under sections 28, 29 or 31 of the Local Audit and Accountability Act 2014.

We have nothing to report in these respects.

Use of the audit report

This report is made solely to the members of Newark & Sherwood District Council, as a body, in accordance with part 5 of the Local Audit and Accountability Act 2014 and 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 members of the Council 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 members of the Council, as a body, for our audit work, for this report, or for the opinions we have formed.

Delay in certification of completion of the audit

We cannot formally conclude the audit and issue an audit certificate until we have received confirmation from the NAO that the group audit of the Whole of Government Account has been completed and that no further work is required to be completed by us.

MARK SURRIDGE

Mark Surridge

Key Audit Partner
For and on behalf of Forvis Mazars LLP (Local Auditor)
3 Chamberlain Square, Birmingham B3 3AX

23 January 2026