



**Castle House
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NG24 1BY**

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2 December 2025

**Chair: Councillor S Michael
Vice-Chair: Councillor N Allen**

Members of the Committee:

**Councillor S Crosby
Councillor D Darby
Councillor J Hall
Councillor J Lee**

**Councillor C Penny
Councillor M Shakeshaft
Councillor T Wendels**

MEETING:	Audit & Accounts Committee
DATE:	Wednesday, 10 December 2025 at 6.00 pm
VENUE:	Civic Suite, Castle House, Great North Road, Newark, NG24 1BY
<p>You are hereby requested to attend the above Meeting to be held at the time/place and on the date mentioned above for the purpose of transacting the business on the Agenda as overleaf.</p> <p>If you have any queries please contact Karen Langford on Karen.langford@newark-sherwooddc.gov.uk.</p>	

AGENDA

	<u>Page Nos.</u>
1. Notification to those present that the meeting will be recorded and streamed online	
2. Apologies for Absence	
3. Declarations of Interest from Members and Officers	
4. Minutes of the meeting held on 15 October 2025	3 - 8
5. Strategic Risk Management	9 - 37
6. A Review of the Risk Management Strategy and Policy	To Follow
7. Audit and Accounts (Governance) Committee Annual Report	38 - 43
8. Internal Audit Progress Report 2025/26	44 - 64
9. Treasury Management Mid-Year Report 2025/26	65 - 76
10. Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2026 as at 30 September 2025	77 - 82
11. Update on the LGA Newark and Sherwood District Council Cyber 360 Report	83 - 84
12. Work Programme for Audit and Accounts Committee	85 - 86
13. Exclusion of the Press and Public	
To consider resolving that, under section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in part 1 of Schedule 12A of the Act.	
14. LGA Newark and Sherwood District Council Cyber 360 Report	87 - 90
15. Date of next Meeting - 4 March 2026	

Note – Fire Alarm Evacuation

In the event of an alarm sounding please evacuate the building using the nearest fire exit in the Civic Suite. You should assemble at the designated fire assembly point located in the rear car park and remain there until the Fire Service arrive and advise it is safe to return into the building

NEWARK AND SHERWOOD DISTRICT COUNCIL

Minutes of the Meeting of **Audit & Accounts Committee** held in the Civic Suite, Castle House, Great North Road, Newark, NG24 1BY on Wednesday, 15 October 2025 at 6.00 pm.

PRESENT: Councillor S Michael (Chair)
Councillor N Allen (Vice-Chair)

Councillor J Hall, Councillor T Wendels and C Richardson - Co-optee

APOLOGIES FOR ABSENCE: Councillor S Crosby, Councillor D Darby, Councillor J Lee, Councillor C Penny and Councillor M Shakeshaft

12 NOTIFICATION TO THOSE PRESENT THAT THE MEETING WILL BE RECORDED AND STREAMED ONLINE

Other than the Council recording in accordance with usual practice, there were no declarations of intention to record the meeting.

13 DECLARATIONS OF INTEREST FROM MEMBERS AND OFFICERS

That no Member or Officer declared any interest pursuant to any statutory requirement in any matter discussed or voted upon at the meeting.

14 MINUTES OF THE MEETING HELD ON 2 JULY 2025

AGREED that the minutes from the meeting held on 2 July 2025 be approved as a correct record and signed by the Chair.

14a CHANGE IN COMMITTEE MEMBERSHIP

The Chair advised Members that in accordance with Committee Procedure Rule 6.5 Councillor Freeman and Councillor Shakeshaft are swapping their memberships on the Audit & Accounts Committee and Governance, General Purposes & LGR Committee (Cllr Freeman going onto Governance, General Purposes & LGR and Cllr Shakeshaft going onto Audit & Accounts) with effect from the date of this meeting.

15 EXTERNAL AUDITORS ANNUAL AUDIT REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditors Annual Audit Report for Newark and Sherwood District Council for 2024/25.

The representative from Mazars, Ellie West presented the External Auditors report and who had joined the meeting in person.

The Committee were advised of the progress with no issues to note.

AGREED (unanimously) that:

- a) Members received and noted the External Auditors Final Annual Audit Report

for 2024/25; and

- b) Members noted the adjustments to the audited financial statements set out in the report.

16 EXTERNAL AUDITORS DRAFT AUDIT COMPLETION REPORT

The Committee considered the report from the Business Manager for Financial Services presenting the External Auditors Draft Audit Completion Report for Newark and Sherwood District Council for 2024/25.

The representative from Mazars, Ellie West presented this report.

The Committee were advised of the progress, with no change to the audit memorandum.

AGREED (unanimously) that:

- a) Members received and noted the External Auditors Draft Annual Audit Completion Report for 2024/25; and
- b) Members noted the adjustments to the draft audited financial statements set out in the report.

17 APPROVAL OF THE STATEMENT OF ACCOUNTS

The Committee considered the report from the Assistant Business Manager for Financial Services to obtain approval of the Council's Statutory Accounts for the financial year ended 31 March 2025.

There is a legal requirement that the Statement of Accounts for the Council receive approval by an appropriate Committee by the 27 February 2026 following the end of the financial year to which the Accounts relate and In accordance with the Council's Constitution and the remit of this Committee, the Statement of Accounts is therefore brought to this Committee for approval.

AGREED (unanimously) that:

- (a) Members approved the Annual Governance Statement for the financial year ended 31 March 2025;
- (b) Members approved the Draft Audited Statement of Accounts for the financial year ended 31 March 2025;
- (c) Members gave delegation to the Deputy Chief Executive/Director of Resources - S151 Officer and the Chairman to sign a revised set of accounts if required as per paragraph 3.5;
- (d) Members gave delegation for the Deputy Chief Executive/Director of Resources - S151 Officer and the Chairman to sign the Management Letter of

Representation as per paragraph 3.8; and

- (e) Members gave delegation to the Leader of the Council and the Chief Executive to sign the Annual Governance Statement as per paragraph 3.10.

18 INTERNAL AUDIT PROGRESS REPORT 2025/26

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA) having joined the meeting through Teams and Livestreamed alongside colleague Fiona Roe, providing a summary of Internal Audit work undertaken during 2025/26 against the agreed audit plan.

The Audit Plan for 2025/26 was tabled at the Audit & Governance Committee in February 2025 and throughout the year reports on the progress made and changes to the plan are taken to the now named Audit & Accounts Committee.

AGREED (unanimously) that the Audit & Accounts Committee considered and commented upon the latest internal audit progress report and noted its content.

19 COUNTER-FRAUD ACTIVITIES FROM 1 APRIL 2025 TO 30 SEPTEMBER 2025

The Committee considered the report from the Business Manager for Financial Services to inform Members of counter-fraud activity undertaken since the last update reported on 16 April 2025.

The role of the Audit & Accounts Committee is to provide assurance to the Council that its anti-fraud arrangements are operating effectively, counter-fraud activity reports are brought to the Committee twice a year. These reports detail the number of cases detected, amounts lost, the outcome of cases and amounts recovered, together with any other counter fraud work that has been undertaken.

AGREED (unanimously) that Members noted the report.

20 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTTURN REPORT TO 31 MARCH 2026 AS AT 30 JUNE 2025

The Committee considered the report from the Business Manager for Financial Services to update Members with the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.

The report also showed performance against the approved estimates of revenue expenditure and income.

The Business Manager for Financial Services informed Members this report refers to Quarter 1 which has already been considered at Policy & Performance Improvement Committee (PPIC) and Cabinet.

AGREED (unanimously) to:

- (a) note the General Fund projected favourable outturn variance of £0.303m;
- (b) note the Housing Revenue Account projected unfavourable outturn variance of £0.409m to the Major Repairs Reserve;
- (c) note the Capital Programme revised budget and financing of £55.240m; and
- (d) note the Prudential indicators at Appendix A.

21 UPDATE ON THE LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 REPORT

The Committee considered the report from the Business Manager for ICT & Digital Services presented the updated results of the LGA Newark and Sherwood District Council Cyber 360 Report.

The Local Government Association piloted Cyber 360 (C360s) peer reviews with several Local Authorities to ensure Cyber and information Security governance and culture is being understood and adequately resourced. However, the Cyber 360 Action Plan is not in the public area of this open report for security reasons and is held in the exempt version of the report.

AGREED (unanimously) that Members reviewed, commented upon and noted the update on the LGA Newark and Sherwood District Council Cyber 360 Report.

22 WORK PROGRAMME FOR AUDIT AND ACCOUNTS COMMITTEE

The Committee received the Work Programme from the Business Manager for Financial Services for consideration.

AGREED (unanimously) that the Work Programme be noted.

23 EXCLUSION OF THE PRESS AND PUBLIC

AGREED (unanimously) that under section 100A(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in Part 1 of Schedule 12A of the Act.

24 LGA NEWARK AND SHERWOOD DISTRICT COUNCIL CYBER 360 REPORT

The Committee considered the exempt report from the Business Manager for ICT & Digital Services providing an update on the LGA Newark and Sherwood District Council Cyber 360 Report.

25 DATE OF NEXT MEETING - 10 DECEMBER 2025

Chair

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted



Report to: Audit & Accounts Committee Meeting 10 December 2025

Director Lead: Matthew Finch – Communities and Environment

Lead Officer: Richard Bates – Safety, Risk and Insurance Manager.

Report Summary	
Report Title	Strategic Risk Management
Purpose of Report	To provide an overview of the councils current 2025/26 strategic risk register allowing members to review strategic risk management arrangements and performance.
Recommendations	Members of the Committee are asked to note the report and to highlight any issues of concern relating to the Strategic Risk Register.
Reason for Recommendation	To ensure Committee members are aware of the status of the Council's strategic risks.

1.0 Background

- 1.1 Risk Management is the process of identification and management of risks faced by the Council, which have the potential to significantly prevent it from achieving its key/agreed objectives. Proactively identifying potentially significant risks and implementing suitable control strategies help prevent these risks from being realised, or if this is not possible, to mitigate the risk to a tolerable level.
- 1.2 Strategic risks are those risks that have the potential to halt or significantly interfere with the ability of the Council to achieve its core objectives, priorities and/or ambitions. Those risks that have the potential to halt or interfere with the ability of business units to achieve their specific operational service priorities are detailed with the operational risk register.
- 1.3 The contents of the Strategic Risk Register were reported to Members in April 2025. The content of the current risk register has not changed since this last report and continues to have 9 strategic risks. As detailed within the April report SR503 was refocused and given a new title focussing on delivering housing growth targets.

- 1.4 The table below identifies content of the 2025/26 risk register, as agreed by SLT.

2025/26 Strategic Register- Effective from 1st April 25		
Risk Code and Title		Risk Owner
SR501	Financial Sustainability- General Fund	Sanjiv Kohli
SR502	Financial Sustainability- HRA	Sanjiv Kohli & Suzanne Shead
SR503	Failure to achieve housing growth targets	Matt Lamb
SR504	Contract/Supply Failure	Deborah Johnson & Suzanne Shead
SR505	Workforce	Deborah Johnson
SR506	Corporate Governance	Deborah Johnson
SR507	Data Management Security	Sanjiv Kohli
SR508	Environment	Matthew Finch
SR509	Statutory Compliance Management	Sanjiv Kohli & Suzanne Shead

- 1.5 All 9 strategic risks identified within the 25/26 register are pre-existing and therefore are fully developed and have established action plans. The current risk register has been appended to this report in full.
- 1.6 All strategic risk identified above are owned by a member of SLT. Risk owners, with the assistance of lead officers and Safety and Risk Manager meet on a quarterly basis to review and develop the risk.
- 1.7 All strategic risks continue to be reported to SLT, via our agreed assurance process on a quarterly basis. The purpose of this process is for SLT to consider those risks identified as red, failing or not reviewed during the previous quarter.

1.8 Strategic Risk Performance

Risk Score and Travel

The following table illustrates the current individual risk scores for each of the strategic risks, within the agreed corporate risk matrix and their risk score travel, since reported to the Audit & Governance Committee in April 2025.

Likelihood	4 Certain				
	3 Very likely		SR504=	SR503= SR505= SR509 =	SR507↑
	2 Likely			SR501= SR502= SR506= SR508=	
	1 Remote				
		1 Minor/ trivial	2 Moderate	3 Severe	4 Critical
		Impact			
Green Risks - Generally acceptable and require only monitoring with no further action.					
Yellow Risks - Present a higher level of risk /failure. They require an action plan that identifies how the risk is to be mitigated, managed or if possible, eliminated.					
Red Risks - These risks present the highest risk of failure/loss and therefore require the greatest level of management.					
Risk Travel (2024)					
=	Risk score has remained static				
↓	Risk score has decreased				
↑	Risk score has increased				
→	Risk change, however, score remains the same				

- 1.9 Strategic risks SR503, SR505, SR507 and SR509 are currently all identified as red risks. Whilst every reasonable effort will be made to reduce these risks to a level that ensures compliance with the corporate risk appetite, it should be noted that the very nature of strategic risks are complex and influenced by many outside factors/controls. Some actions can be very long term and in other cases the ability to reduce the risk further may not be within the control of the council.

- 1.10 During the previous period 1 strategic risks has experienced a change to their risk score. Details of this change is listed below:

- a) SR507 Data Management Security: Impact increased from 3 (Severe) to 4(Critical) in May 2025. This increase was due to recent cyber-attacks at the time.

The table below compares the current risk score with the risk score reported to the previous Audit and Governance committee.

Risk Code and Title		Current Risk Score	Previous Risk Score
SR501	Financial Sustainability- General Fund	6	6
SR502	Financial Sustainability- HRA	6	6
SR503	Failure to achieve housing growth targets	9	9
SR504	Contract/Supply Failure	6	6
SR505	Workforce	6	6
SR506	Corporate Governance	6	6
SR507	Data Management Security	12	9
SR508	Environment	6	6
SR509	Statutory Compliance Management	9	9

1.11 Actions and Mitigation

All strategic risks have identified actions. The purpose of these actions is to mitigate the risk to a tolerable level. Actions and due dates are determined by the risk owner and their progress is monitored at quarterly reviews.

- 1.12 All 9 strategic risks identified within the 25/26 register have fully developed and established action plans.

- 1.13 The table below identifies the number of actions in progress, completed and outstanding for each strategic risk.

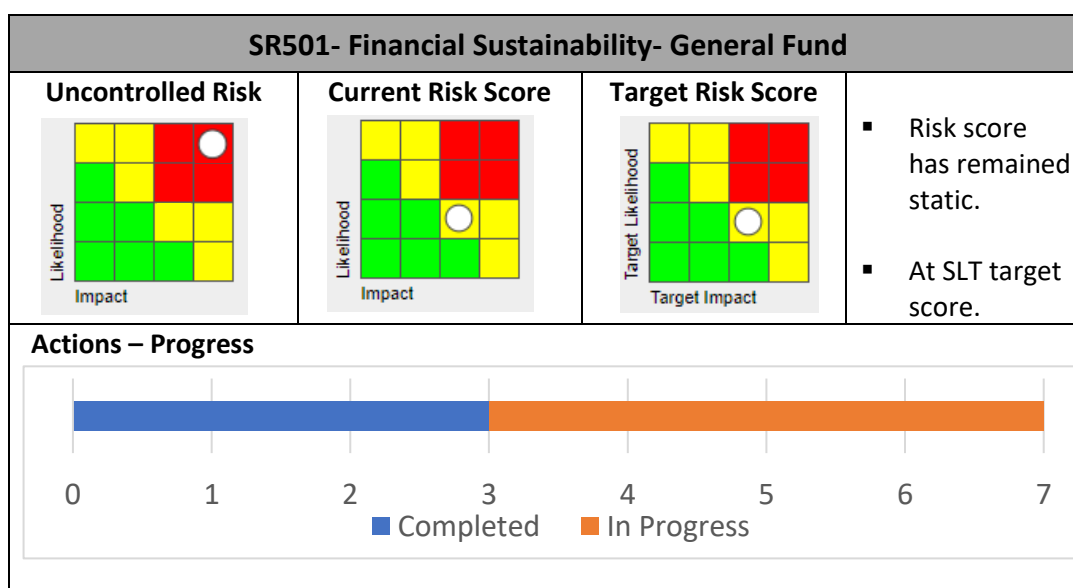
Risk	Actions		
	In Progress	Completed	Overdue
SR501- Financial Sustainability GF	4	3	-
SR502- Financial Sustainability HRA	12	11	-
SR503- Failure to achieve housing growth targets	7	1	-
SR504- Contract/Supply Failure	6	14	-
SR505- Workforce	11	6	-
SR506- Corporate Governance	7	6	-
SR507- Data Management Security	16	7	-
SR508- Environment	10	16	-
SR509- Statutory Compliance Management	14	11	-
Total	87	75	-

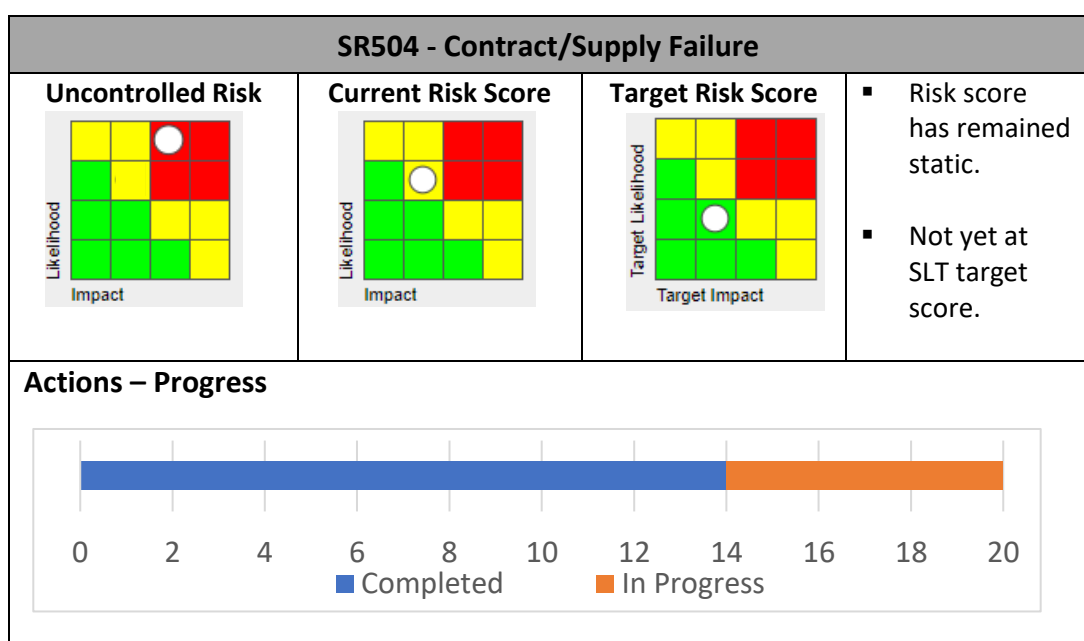
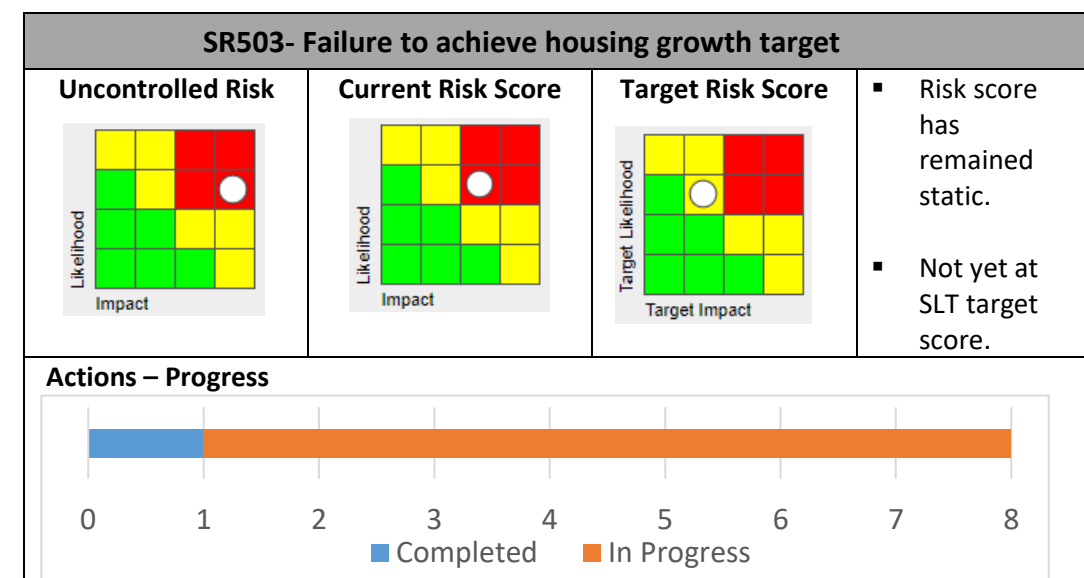
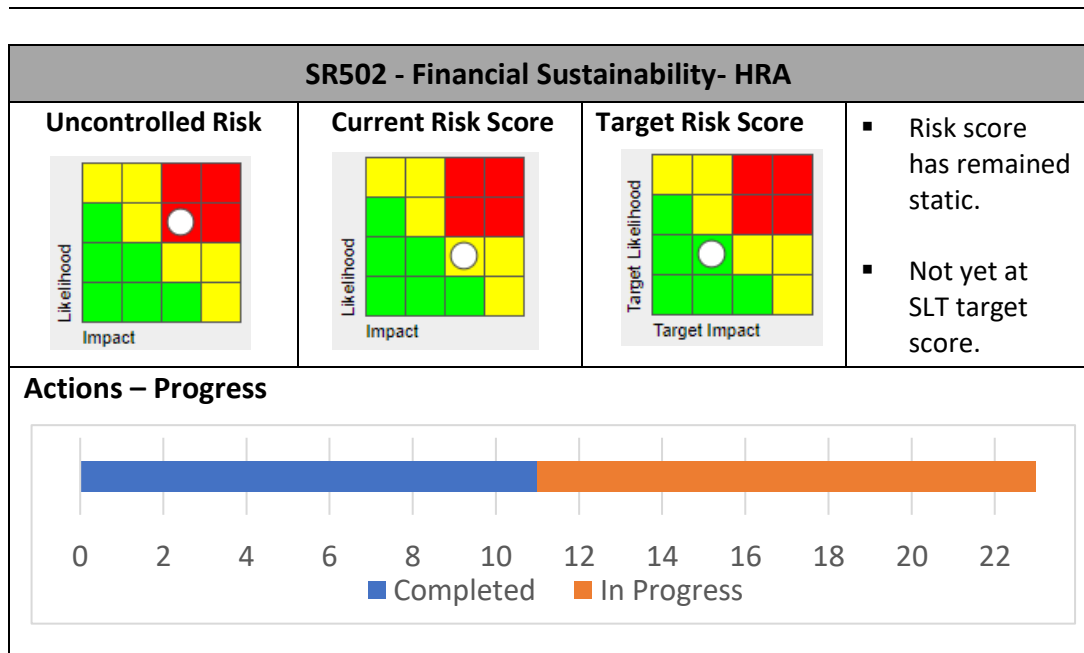
- 1.14 A total of 162 actions were identified for the 9 strategic risks for this period. 75 actions have been completed and a further 87 are in progress.
- 1.15 Due to the nature of strategic risks some actions are assigned long due dates, many of which may exceed a year before completion is required. Other actions may also be cyclical and appear a number of times within a year.
- 1.16 The risk status of each strategic risk and their associated action progress, since April 2025, are listed within the following tables.

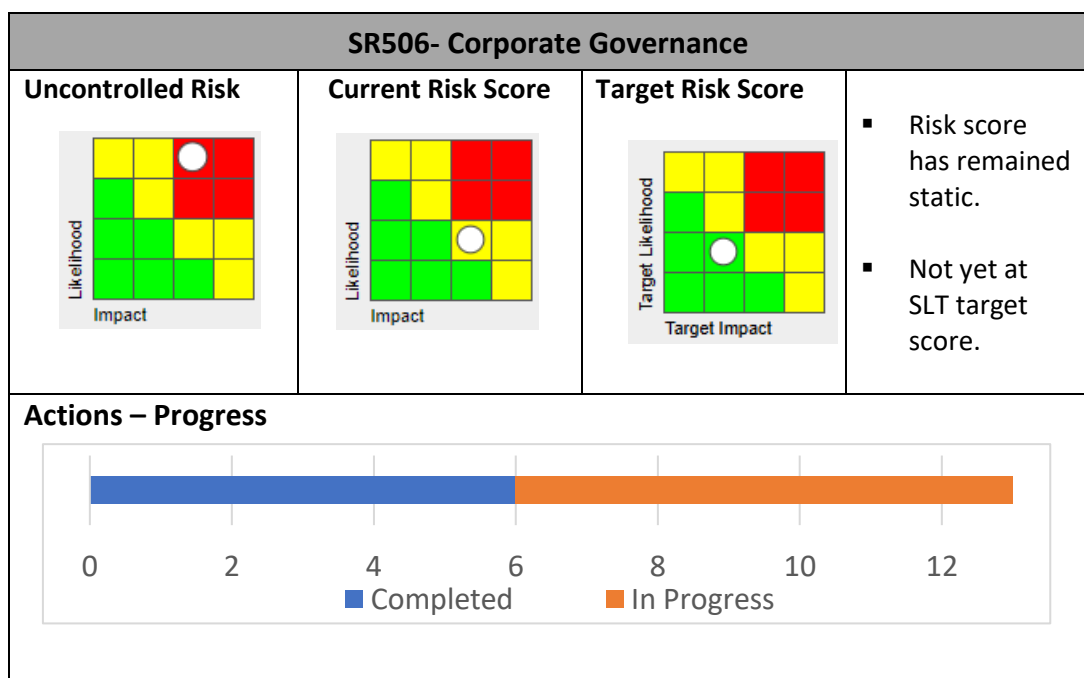
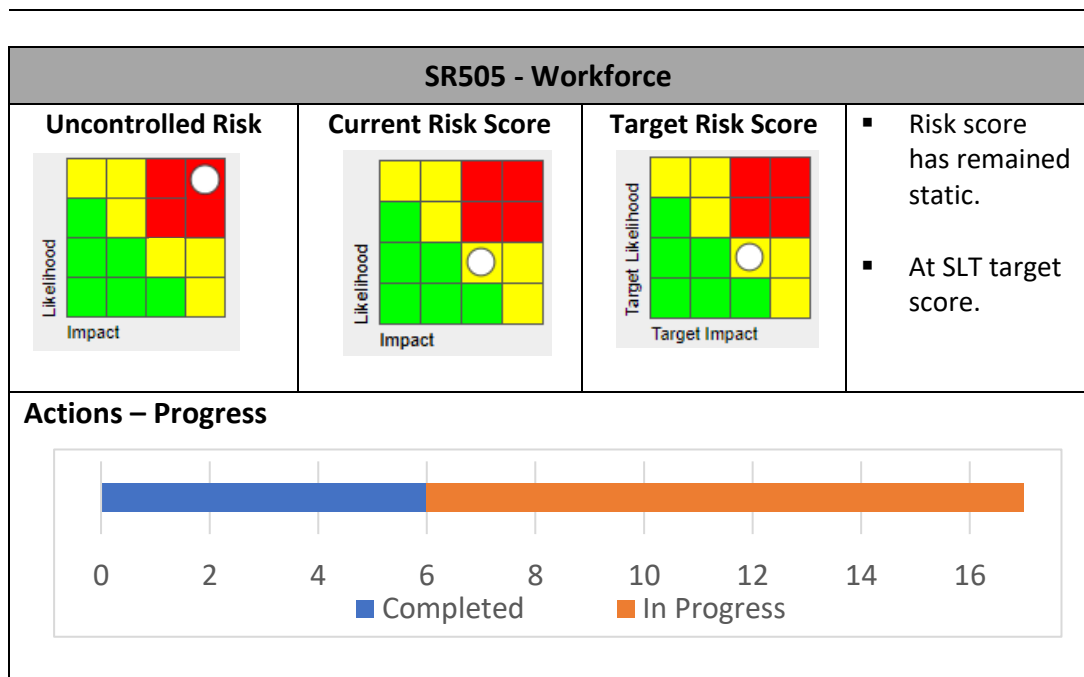
The risk matrices within each table demonstrate the “current risk” (determined at the last review), the “target risk” (a score determined by SLT annually at the risk workshop) and the uncontrolled risk (the risk posed to the Council if no action was taken).

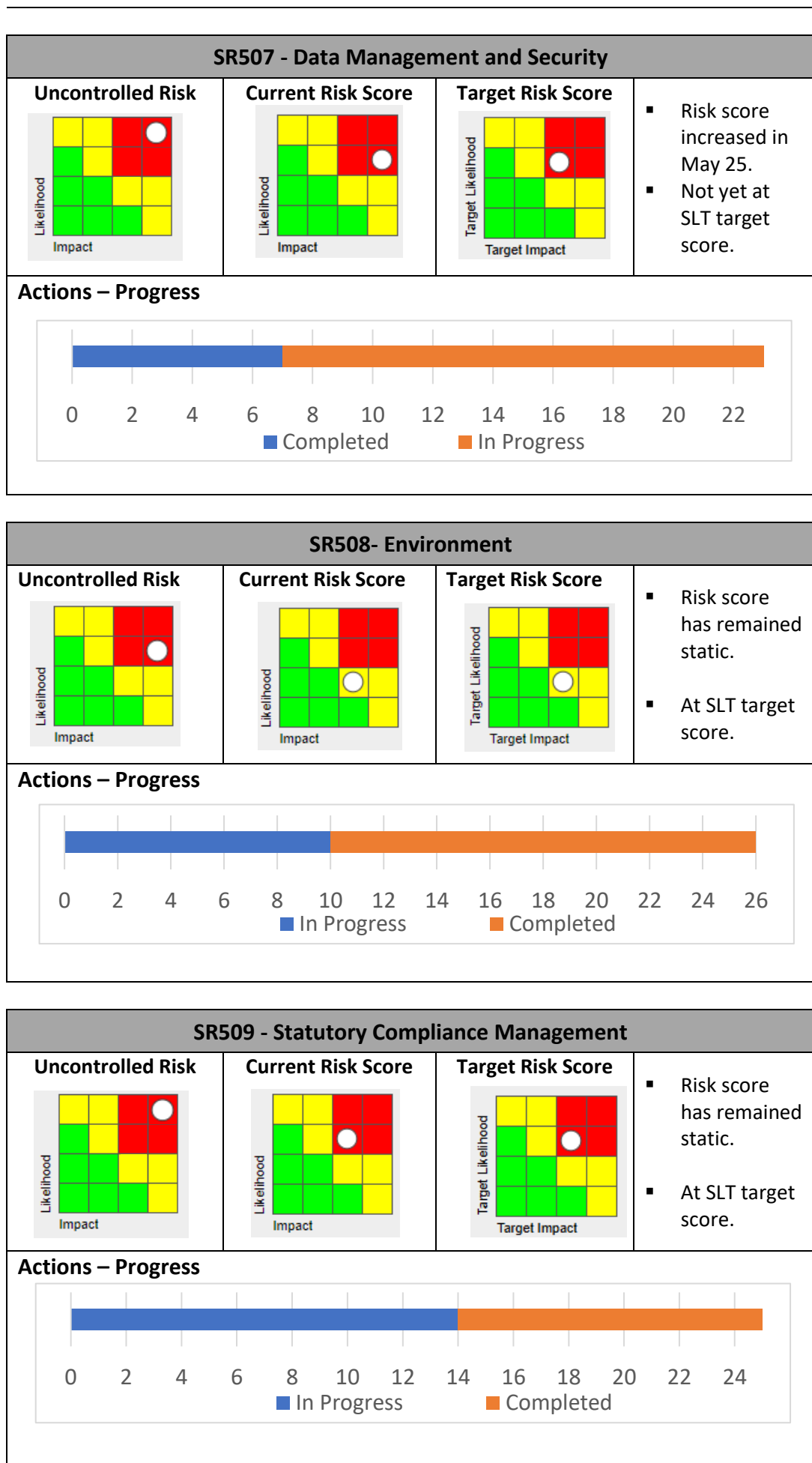
The actions progress bar provides information relating to the total number of actions assigned to each risk for the previous year and their current status i.e. completed, in progress or overdue.

1.17









1.18 **Strategic Risk Register 2025/26- Development and Review**

All strategic risks will continue to be reviewed by risk owners and reported to SLT on a quarterly basis. Significant changes, new risks, details of emerging risks/future issues are discussed during these meetings and either incorporated within existing risks or considered by SLT for separate inclusion within the existing register.

- 1.19 In accordance with the Risk Management Policy, it is proposed that a facilitated strategic risk workshop will be undertaken with the Senior Leadership Team (SLT) in Feb 2026. This workshop evaluates all existing strategic risks and identified emerging risks for the forth coming year.

2.0 **Proposal /Options Considered**

- 2.1 Members of the committee note the Strategic Risk Register report. An update report will be brought to the Audit and Accounts Committee in 6 months.

3.0 **Implications**

In writing this report and in putting forward recommendations, officers have considered the following implications: Data Protection; Digital & Cyber Security; Equality & Diversity; Financial; Human Resources; Human Rights; Legal; Safeguarding & Sustainability and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Implications Considered			
Yes – relevant and included / NA – not applicable			
Financial	NA	Equality & Diversity	NA
Human Resources	NA	Human Rights	NA
Legal	NA	Data Protection	NA
Digital & Cyber Security	NA	Safeguarding	NA
Sustainability	NA	Crime & Disorder	NA
LGR	NA	Tenant Consultation	NA

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

APPENDIX 1 – Strategic Risks

SR501 Financial sustainability – General Fund	
Description	Ensuring financial sustainability of the general fund to allow the council to undertake its core functions, deliver services, meet its corporate priorities and objectives.
Lead Officer	Sanjiv Kohli
Support Officers	Nick Wilson

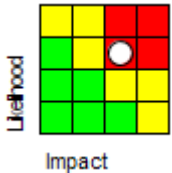
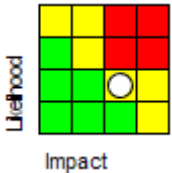
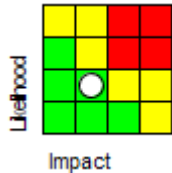
Original Matrix	Current Risk Matrix	Target Risk Matrix

Review Date
19 th August 2025

Controls/Actions In Place	<p>Quarterly Capital monitoring meetings</p> <p>Investments approved in line with the annually agreed Treasury Management Strategy</p> <p>Annual refresh of Medium Term Financial Plan including management of reserves</p> <p>Council approved Capital programme</p> <p>Financial implications added to Committee reports by Financial Services and a unique reference given each time</p> <p>Financial strategies and budget reviewed through Cabinet annually</p> <p>Use of external Medium Term Financial Plan tool which assists with forecasting future Business Rates income for the following year budget</p> <p>Assigned project manager for each major project the Council is embarking on</p> <p>Commercial officer group established to identify business opportunities in service areas</p> <p>Director/Business Unit Manager quarterly meetings reviewing Directorate financial position</p> <p>Approved Commercial strategy to support objectives set out in the MTFP</p> <p>Approved Investment Plan to support the objectives set out in the Commercial Strategy</p> <p>Nottinghamshire Business Rates Pool mitigating large impacts of reductions in Business Rates. This is kept under review by Nottinghamshire S151 officers</p> <p>Quarterly budget monitoring report tabled at SLT, Cabinet and PPIC</p> <p>Annual Financial Regulations training in place</p> <p>Lead authority for administration around Notts Business rates pool</p> <p>Contract procedure rules in Constitution refreshed May 22</p> <p>Acquisition and disposal policy - Approved Nov 2021</p> <p>Internal Audit</p> <p>Corporate land and property group established and meet regularly</p> <p>Review of chancellor's budget statements/fiscal events</p> <p>Commercial group established and projects identified by BM's across the authority.</p> <p>Allocation of resources both staffing and financial to account the councils' major projects in the capital programme and in the pipeline. Initial allocation of resources carried out by SLT.</p>
Risk Categories	<p>Financial</p> <p>Meeting corporate objectives</p> <p>Service delivery</p> <p>Reputation</p>

	Governance Compliance
Trigger/Event	<p>Unforeseen rise in interest rates over forecasted levels</p> <p>Changes in national policy eg. fair funding review, change to government political parties</p> <p>Change in local political balance resulting in change in priorities</p> <p>Banking crisis</p> <p>Over reliance and poor decision making on investments</p> <p>Member priorities diverging from corporate priorities</p> <p>Increase CPI/RPI figures</p> <p>Failure of subsidiary companies</p> <p>Major contract failure</p> <p>Failure of HRA</p> <p>Reduction in Business Rates</p> <p>Poor decision making and business planning</p> <p>Budgeted income levels not meeting target</p> <p>Actual funding received not in line with expected funding (central Gov and Notts Pool)</p> <p>Change in government policy significantly reducing income/funding</p> <p>Changes in government policy/direction impacting resulting in additional costs</p> <p>Failure in compliance/ governance</p> <p>Fraud</p> <p>Global Pandemic</p> <p>Economic downturn</p> <p>Cyber-attack/fraud</p> <p>Utility price increase</p> <p>Supply chain – significant sudden increase in costs</p> <p>Levelling up Nottingham and Nottinghamshire project</p> <p>Local government reorganisation</p>
Impact	<p>Inability to fund services resulting in reduction in discretionary services and reduction in quality-of-service provision</p> <p>Inability to meet corporate priorities/community plan</p> <p>Inability to meet legislative requirements</p> <p>External auditors review</p> <p>Government taskforce</p> <p>Negative media/reputation</p> <p>Loss of ability to make local decisions</p> <p>Division between members and officers</p> <p>Greater division between political parties</p> <p>Staff morale, loss of key staff and reduction in workforce</p> <p>Staff morale and loss of key staff</p> <p>Fines/ enforcement</p> <p>S151 officer issues S114 notice</p> <p>Curtailment of activities of the subsidiaries/HRA/Major projects</p> <p>Impact on residents and communities</p> <p>Impact on income streams</p> <p>Reduction/disposal of assets</p> <p>Impact on the funding of the capital programme requiring reprioritisation of projects and a consequential impact on the GF due to additional interest cost/additional costs of borrowing</p>

SR502 Financial sustainability - HRA	
Description	Financial sustainability of the HRA to ensure the council is able to provide, maintain and develop its housing stock.
Lead Officer	Sanjiv Kohli, Suzanne Shead
Support Officers	Nick Wilson, Andrew Snape, Jordan Hempenstall, Wayne Fox, David Price, Julie Davidson

Original Matrix	Current Risk Matrix	Target Risk Matrix
		

Review Date
17 th November 2025

Controls/Actions In Place	<ul style="list-style-type: none"> • Quarterly Capital monitoring meetings • Investments approved in line with the annually agreed Treasury Management Strategy • Annual refresh of HRA financial business plan • Council approved Capital programme • Financial implications added to Committee reports by Financial Services • Financial strategies and budget reviewed through Policy and Finance Committee annually • Use of external HRABP tool allows scenario planning • Assigned project manager for each major project the Council is embarking on • Director/Business Unit Manager quarterly meetings reviewing Directorate financial position • Quarterly budget monitoring report tabled at SLT and Policy and Finance Committee • Annual Financial Regulations training in place • Current development programme ensuring growth in house numbers, over and above the offsetting disposals through Right to Buy • Attendance at Housing related horizon scanning events, in order to feed future impacts into HRABP • Review on housing management completed and housing service brought back in house. Efficiencies generated through budget review • Reserves in place • Challenge of recharges from HRA to GF
Risk Categories	Financial Meeting corporate objectives Service delivery Reputation Governance Regulation Compliance
Trigger/Event	Change in national policy & legislative requirements Increase in interest rates Increased rent arrears Suitability of stock meeting future standards Increase or change in standards required Current stock does not meeting housing needs Workforce issues Failing to ensure compliance with relevant legislation causing regulatory bodies to intervene Non-compliance with RSH regulatory standards Meeting tenant priorities Ineffective strategic decision making and business planning Key HRA major projects failure Ineffective management of housing maintenance function

	Loss of critical income streams Fraud Failure to manage critical income streams/ invest Global Pandemic Supplier/contractor cost increases due to demand/supply issues changes in the economy Inability to secure sufficient external funding to regenerate existing stock to meet enhanced standards Conflicting strategic direction and lack of regular review of 30 year business plan Zero carbon works identifies significant increase in costs Stock condition survey identifies significant increases in costs Local government reorganisation
Impact	Inability to maintain stock to acceptable level including development of future stock Changes in national policy requiring internal funding above levels sustainable within business plan. Increased requirement to use internal funding, Reprioritisation of service delivery Cash reserves used to right off rent arrears and voids Substandard housing stock Loss of morale and high staff turnover Fines, notices, court cases and legal fees Moratorium of services Stakeholder Dissatisfaction with service delivery Greater scrutiny on service slowing decision making Poor local housing policy Project failure Contract disputes S151 officer issues S114 notice Failure to service debt Legislative requirements not met Impact on residents and tenants Increase in void properties

SR503 Failure to achieve housing growth targets	
Description	Removing barriers to allow delivery of statutory housing targets.
Lead Officer	Matt Lamb
Support Officers	Matthew Norton, Oliver Scott

Original Matrix	Current Risk Matrix	Target Risk Matrix

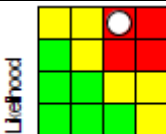

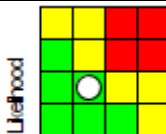
Review Date
11 th November 2025

Controls/Actions In Place	Community Plan Infrastructure delivery plan CIL charging schedule and infrastructure list Planning policy board Cabinet and Full Council Planning Committee
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	<p>High performing planning service</p> <p>Active Lobbying</p> <p>Engagement with Developers, Stakeholders, Partners, infrastructure providers, utility providers</p> <p>Continued liaison with National Highways to monitor progression of SLR and A1 over bridge.</p> <p>Southern link road – Continued liaison with Homes England re funding package</p> <p>Newark “levelling up” fund governance</p> <p>Maintain approach of approving without delay sustainable development</p> <p>Monthly review of resourcing within the planning development service</p> <p>Delivery of council led provision i.e. HRA & Arkwood</p> <p>Monitoring of performance delivery against government targets</p> <p>Annual Monitoring Report reviewed annually</p> <p>Review development management practices to secure appropriate housing provision in the context of the 5 year land supply</p>
Risk Categories	<p>Political</p> <p>Reputation</p> <p>Financial</p> <p>Partners, stakeholders, policy makers and funders</p> <p>Economy, business and residents</p> <p>Government targets</p>
Trigger/Event	<p>Government change in policy:</p> <p>Planning reform</p> <p>Home owner incentivisation</p> <p>Competing budgetary demands:</p> <p>Decarbonisation vs ability to build new</p> <p>Partner funding (HE, DfT, EMCA) withdrawn/ reduced</p> <p>Delivery costs increased</p> <p>Funding bid failure & rigid rules</p> <p>Change in partnership priorities</p> <p>Housing development stalls</p> <p>Change in leadership</p> <p>Poor strategic decision making</p> <p>Failure of major infrastructure projects needed to unlock housing delivery:</p> <p>A46 Newark northern bypass – Delivery and timing</p> <p>A1 Over bridge – Technical constraints and increasing costs</p> <p>Non-strategic major road network fund priority junctions (A614/A617/A6097 corridor)</p> <p>NSDC direct delivery - NSDC doesn't deliver HRA/Arkwood projects</p> <p>Insufficient capacity planning from infrastructure/utility providers</p> <p>Inability to influence at national/regional level</p> <p>Lack of coordination of delivery</p> <p>Significant increase in applications for speculative planning</p> <p>Growth targets for district not achieved</p> <p>LGR- Change focus of delivery to more regional bias</p> <p>No formal Local Plan</p> <p>Delay in implementing Local Plan</p>
Impact	<p>Infrastructure not delivered resulting in housing delivery halted or delayed</p> <p>Made to take growth where we don't want it</p> <p>Inadequate social infrastructure secured (smaller schemes that will likely come forward don't hit S106 triggers)</p> <p>Lack of visibility on where growth will take place to allow service providers to plan for future pressures</p> <p>Government sanctions for inability to deliver housing growth</p> <p>Inward investment stalls</p>

	Financial impact of failure to meet growth aspiration in Newark devolution agreement Impact on council's MTFP MTFP assumptions not realised Slower/more expensive/less viable delivery Commercial development stalls Commercial attractiveness of district reduces Inability to resist speculative housing developments
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SR504 Contract/supply failure	
Description	Managing contracts with key suppliers, including NSDC wholly own companies, to ensure the continued delivery of an effective service and ensure delivery of the council's priorities and objectives.
Lead Officer	Deb Johnson, Suzanne Shead
Support Officers	Andrew Kirk, Nick Wilson, Dave Richardson, Jenny Walker, Mark Fisher, Kevin Shutt, Bryony Norman, Jordan Hempenstall, Wayne Fox

Original Matrix	Current Risk Matrix	Target Risk Matrix
		

Review Date
17 th November 2025

Controls/Actions In Place	<p>CONTRACT INCEPTION & MANAGEMENT Contract register developed using Pro-Contract and actively managed by legal and admin team (not fully populated or embedded yet see action) reviewed twice per year Contract renewal early warning provided by admin at quarterly meetings Procurement advice provided through Welland procurement Call off contract arrangements/template devised SLA template devised for consistency SLAs all reviewed SLA register devised and actively managed by service areas .Comprehensive audit undertaken of contracts Welland contract reviewed by contracts manager to ensure service meets needs</p> <p>PROCUREMENT RULES Use of joint procurement service –Welland procurement Focus on local providers for some services Use of contract exemption forms where necessary</p> <p>WHOLLY OWNED COMPANIES Management agreements regularly reviewed Contract managers named for each Regular contract management meetings in place Active partnership approach embedded</p> <p>TRAINING Session delivered to BMs on contract management Session delivered to members on contract management</p>
Risk Categories	Service delivery Financial

	<p>Compliance (Regulatory, Health & Safety, Legislative)</p> <p>Governance</p> <p>Resources</p> <p>Reputational</p> <p>Procurement/lack of competition</p> <p>Project delivery</p>
Trigger/Event	<p>CONTRACT INCEPTION</p> <p>Lack of understanding of requirements and different provision mechanisms available</p> <p>Lack of commercial approach and knowledge</p> <p>Inadequate/ambiguous specification</p> <p>Inadequate/ambiguous control/performance measures</p> <p>Inadequate/ambiguous exit arrangements</p> <p>Failure to engage relevant specialists in contract design</p> <p>Contract is not signed and saved in corporate register</p> <p>Limited market supply</p> <p>Over reliance on single supplier(s)</p> <p>Lack of competence in procurement</p> <p>Lack of resource dedicated to procurement</p> <p>Lack of preplanning for contracts</p> <p>Lack of appropriate exit strategies</p> <p>Limited availability due to emerging industries/concepts/technology/demand</p> <p>CONTRACT MANAGEMENT</p> <p>No assigned contract manager</p> <p>Contract manager is not appropriately trained/skilled</p> <p>Contract manager resource is insufficient</p> <p>Ineffective performance monitoring and reviews</p> <p>Evergreen contracts in place</p> <p>Change control/variations are not appropriately managed</p> <p>Lack of ongoing challenge throughout the contract</p> <p>Loss of key personnel/ key resilience</p> <p>Relationship breakdown</p> <p>Contractor fails to deliver/ isn't able to deliver (bankruptcy)</p> <p>OTHER</p> <p>Financial management not embedded as part of contract management process</p> <p>Impact of Brexit</p> <p>Business continuity/Emergency incident</p> <p>Contracts not entered on contract register</p> <p>Provision commences before contract is in place</p> <p>Lack of appropriate overview of contract management</p> <p>Pandemic</p> <p>Impact of inflation</p> <p>Government policy shift</p> <p>LGR</p> <p>Impact of multiple contracts and different suppliers</p>
Impact	<p>FINANCIAL IMPACT</p> <p>Additional costs to council (hidden costs, increased costs)</p> <p>Best value not achieved</p> <p>Fines</p> <p>Failure to utilise grant (repay grant because of failure to contract or contract failure)</p> <p>SERVICE DELIVERY IMPACT</p> <p>Provision is not timely/delayed</p> <p>Poor/declining quality of service/provision</p> <p>Increased unplanned demand</p> <p>Inability to scale up/scale down provision to meet demand</p> <p>Service failure</p> <p>Not aligned to corporate objectives</p>

	<p>Unable to procure Project delivery failure</p> <p>LEGISLATIVE IMPACT Data loss/GDPR compromised Council's legislative obligations not met Providers are not able to be challenged as contract not in place when service is commenced Ombudsman X2 Social housing regulator</p> <p>REPUTATIONAL IMPACT Customer/service user complaints increase Member complaints increase Negative media coverage</p> <p>RESOURCE Contract manager resource requirement is increased (leading to impact on other duties) Other officer resource required to manage impacts (leading to impact on other duties) Re-procurement additional resourcing Project delay</p>
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SR505 Workforce	
Description	Ensuring the 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.
Lead Officer	Deb Johnson
Support Officers	Sarah Lawrie, Fiona Kerry

Original Matrix	Current Risk Matrix	Target Risk Matrix

Review Date
3 rd September 2025

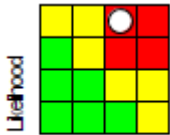
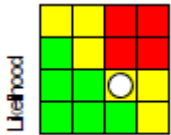
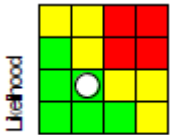
Controls/Actions In Place	<ul style="list-style-type: none"> • Business Planning embedded throughout the Council with clear links to Community Planning and Performance framework • Managing absence standards and guidance • Senior HR Officers provide support to Business Managers to manage staffing issues, e.g. sickness absence, capability etc.* • Effective communication arrangements are in place. • Rolling programme of review for HR policies to ensure they remain robust and fit for purpose. • I-trent system provides Business Managers with ownership / control over staff sickness/Holiday approval etc. and provides corporate overview HR working closely with Business Managers to support organisational change. • Partnership approach with recognised trade unions to support organisational change and current pandemic crisis (and any other similar extraordinary event). • Counselling/therapy and welfare support services in place for staff. • Visible inclusive leadership.
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	<ul style="list-style-type: none"> • Annual employee establishment planning process. • Training and development programme to support ongoing development of skills and competencies and BM and other staff (i.e. change management, sickness and performance management and recruitment and softer skills) • Targeted training interventions to support individual employee development and the facilitation of succession management. • Family friendly policies added benefits such as reduced gym membership staff loans, temporary free parking to support during the cost of living enhanced workplace entitlements to attract and retain quality candidates including hybrid working, flexible working, employee counselling and therapy services, health and wellbeing initiatives). • Approved corporate priorities within the Community Plan 2019-23 • Comprehensive programme of activities to embed our culture and improve our sense of wellbeing and belonging • Annual staff reward and recognition awards and a basket of seasonal activities • Apprenticeships and graduate placements to support service succession management. • 25/26 budget allocations for additional apprenticeships to grow your own • 25/26 additional money allocated for training and career development to upskill workforce in advance of LGR
Risk Categories	Service delivery and resources Financial Compliance Governance Reputational Competence and Capability Leadership Recruitment and retention Mobility and agility of workforce Safety of workforce Increased instances of mental health problems in workforce Culture – One council
Trigger/Event	Key staff leaving e.g. with specific qualifications and/or experience and membership of professional body Number of staff leaving from one area/high turnover Inability to recruit to key posts or within a specific service area Lack of development opportunity Lack of team cohesion Lack of organisational culture/collaboration Lack of alignment with corporate values/behaviours/culture Pressure of work External Demand in a specific skill set Uncompetitive in the job market place Poor industrial relations and ineffective people management processes Working environment Key member of staff goes on long term sick, high level of sickness in one service area Uncertainty and/or significant change Aging workforce/retirement planning/succession planning Pandemic or other significant emergency Poor management/leadership Inability to provide equipment/tools to allow staff to effectively perform their duties (e.g. shortage of laptops due to global microchip shortages) Other external factors – cost of living, national shortages. Projected national living wage increase leads to inability on pay structure to accommodate National bargaining is protracted and leads to staff being disadvantaged

	Current JE process is not fit for purpose – outdated. Prolonged industrial action Equal pay claim Local government restructure
Impact	Service delivery impact –inability to deliver services or delivering reduced services Reputational impact through poor service delivery Reputation as an employer resulting in inability to recruit staff Loss of capacity/under resourced Loss of expertise and corporate memory High recruitment costs Additional time required to support recruitment activity and the induction of new staff and their development Additional training costs Impact on morale, culture and team performance Increased levels of staff absence (ill health) Increased levels of non-attendance in nominated workplace (lack of cohesion/culture) Loss of opportunity through loss of networks Increase in accidents Impact of potential civil claim (e.g. employment tribunal. insurance) or criminal actions Financial penalties/ombudsman decisions/other regulatory bodies Increased demand on corporate services (e.g. HR,ICT)

SR506 Corporate Governance

Description	Risk of failure in systems of governance within the council, council owned/influenced organisations and partnerships or other collaborative arrangements.
Lead Officer	Sue Bearman
Support Officers	Nigel Hill, Nick Wilson, Carl Burns, Deb Johnson

Original Matrix	Current Risk Matrix	Target Risk Matrix
 <p>Impact</p>	 <p>Impact</p>	 <p>Impact</p>

Review Date

3rd September 2025

Controls/Actions In Place	<ul style="list-style-type: none"> • Code of corporate governance created, maintained and monitored in accordance with CIPFA guidance. • Corporate Governance self-assessment against the code of Corporate Governance undertaken periodically. • Periodic review of governance by 3 statutory officers. • Annual review of Constitution which includes fit for purpose and up to date <ul style="list-style-type: none"> ○ Officer code of conduct ○ Officer registers of interests - Related third party transactions. ○ Section 151 officer/Monitoring officer/Head of Paid Service. ○ Gifts and hospitality - policy and register place. ○ Council Financial regulations and procedures, ○ Contract procedure rules
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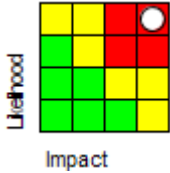
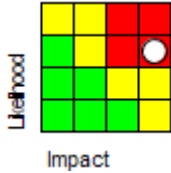
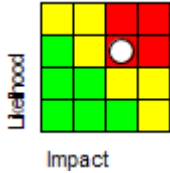
	<ul style="list-style-type: none"> ○ Whistle blowing policy ○ Anti-fraud and corruptions strategy <ul style="list-style-type: none"> • Annual governance statement reviewed annually and reported to Audit and Governance Committee. Annual Governance Statement goes to November meeting of Committee • Creation of annual combined assurance report in conjunction with SLT and BMs. • Internal Audit work including risk-based Audit Plan. • Effective use of External Auditor. • Under executive arrangements with Cabinet structure and portfolio holders: <ul style="list-style-type: none"> ▪ Publishing of forward plan and all delegated decisions ▪ Mechanism for call in of all executive decisions ▪ Overview by Audit and Governance Committee ▪ Dedicated scrutiny committee under executive arrangements – Policy and performance improvement committee ▪ Tenant engagement board which ensures appropriate tenant involvement • Staff and member training in place: <ul style="list-style-type: none"> ▪ Training on governance issues including anti-fraud and financial regulations. ▪ Counter fraud training delivered ▪ Member induction at the start of each new Council cycle. • Complaints: <ul style="list-style-type: none"> ▪ Localised standards framework and effective arrangements for dealing with complaints overseen by Audit and Governance Committee. ▪ Internal complaints procedure. • Fraud: <ul style="list-style-type: none"> ▪ Annual internal review of the Fraud Risk register to carry out proactive work, check on internal controls and is reported to members ▪ Participation with National Fraud Initiative process ▪ Options appraisal for counter fraud and implementation of preferred option. ▪ Appropriate insurance cover including Fidelity Guarantee. ▪ Oversight of Active4Today, Arkwood and East Midlands Building Control. ▪ Appropriate monitoring of performance of the third party or alternative service delivery methods. • HR policies in place: <ul style="list-style-type: none"> ▪ Recruitment process controls, e.g. References, Immigration, DBS • Horizon scanning at Business Manager briefings and effective communication between SLT and business managers. • Measures in place to ensure IR35 compliance • Schedules review of Corporate Governance (Q4 19/20) • Governance review ongoing with support from change to Executive Arrangements completed in May 2022 – 6-month review of
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	<p>effectiveness of arrangements to be considered by Audit and Governance Committee in November 2022</p> <ul style="list-style-type: none"> • Internal Audit of governance arrangements for Council-owned companies in 2022-3 audit programme • Productivity Plans • Corporate peer challenge
Risk Categories	<ul style="list-style-type: none"> • Service delivery • Governance • Fraud • Poor decision making/leadership • Reputation • Financial • Legal compliance • Partners/stakeholders
Trigger/Event	<ul style="list-style-type: none"> • Failure to communicate, define, review and uphold governance standards policies to ensure fitness for purpose. • Failure of staff and councillors to understand their governance roles and responsibilities. • Failure to observe good governance. • Failure to adequately manage risk or monitor performance. • Failure in Policy adherence (All policies). • Malicious event e.g., Fraud, money laundering, etc. • Reduction in capacity and loss of key personnel and resources • Failure to adequately oversee governance standards of partnerships and other entities that the Council is involved in. • Failure of governance in wholly council owned companies • Failure of governance in partnership organisations • Negative findings identified by other organisations/bodies – Ombudsman and External Audit • Overuse of “Call-in”, “Call for action” or “Urgency provision” • Inexperience with new system – procedures set out in constitution not followed • Influx of new elected members • No overall control achieved
Impact	<ul style="list-style-type: none"> • Loss of opportunity and ability to meet corporate priorities • Financial resource loss. • Poor or inadequate decision making. • Service delivery issues. • Criminal or civil liability. • Risk of successful judicial review • Regulator finding fault e.g. Internal Audit, External Audit, Ombudsman. • Government or peer intervention. • Failure of Council owned companies • Failure of partnerships • Ombudsman findings – Maladministration • Significant Audit findings – e.g. Public interest report • Reputational risk to the Council. • Negative media coverage. • Policies could be open to challenge. • Excessive legal costs incurred. • Poor staff morale. • High staff turnover. • Community disengagement. • Capacity redirected to address failures. • Inappropriate use of public office

	<ul style="list-style-type: none"> • Fraud and corrupt practice identified. • Fraud and corruption practices not identified or dealt with leading to an incident of fraud and corruption. • Slowing down of decision making
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SR507 Data management and security

Description	Deliberate or unintentional loss/disclosure of personal, sensitive, confidential, business critical information or breach of information governance legislation
Lead Officer	Sanjiv Kohli
Support Officers	Dave Richardson, Sue Bearman, David Clarke

Original Matrix	Current Risk Matrix	Target Risk Matrix
		

Review Date
11 th September 2025



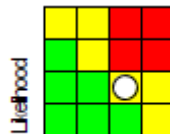
Controls/Actions In Place	<p><u>Policy and Guidance</u> Policy suite and supporting guidance including: ISMS Cyber security strategy IG strategy</p> <p><u>Training/ Guidance</u></p> <ul style="list-style-type: none"> • Training for all staff taking payments in line with PCI-DSS requirements. • Training for ICT staff. • Data protection training including a section on information security and targeted training ongoing for staff located elsewhere and forms part of the induction process. • Information governance check on furniture that is being disposed of. • Information E Training completed by all staff. • Annual review of Information Asset Register. • Annual mandatory GDPR, cyber and spear phishing online training for all staff and councillors. • Guidance and training available for elected members. 3 GDPR sessions provided for newly elected members. • Guidance on security breach procedures for Business Managers as Information Asset Owners • Data security communications to all staff following identification of risk • All data protection/ICT issues captured within single register <p><u>Governance and Compliance</u></p> <ul style="list-style-type: none"> ○ CIO/SIRO/DPO appointed ○ Compliance with the government's security arrangements. ○ PSN compliant data & internet connections implemented
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	<ul style="list-style-type: none"> ○ Compliance with new Cabinet Office email standards achieved. ○ Weekly review of ICO guidance. ○ Periodic PCI/DSS compliance checks ○ Data Privacy Impact Assessment. ○ Annual SIRO audit. ○ Review of policies and procedures to ensure compliance with latest Payment Card Industry- Data Security Standard (PCI-DSS) ○ Cyber Security now standing agenda item on monthly business unit management meetings. ○ Governance arrangements established through CIGG with monthly review. ○ CIGG meeting every quarter to review risks. ○ External Audit on ICT security annually. ○ Implementation of an ISMS project team ○ Implementation of continual assurance programme following implementation of ISMS ○ Amalgamation of digital transformation board with CIGG ○ CAF ready status achieved ○ Report template has been amended to include data protection/ICT issues <p><u>ICT/Equipment specific controls</u> Encryption for mobile devices.</p> <ul style="list-style-type: none"> • VASCO tokens and Google Authenticator. • Quarterly ICT security checks internally. • Penetration test annually by external company - monthly scans of servers for weaknesses, monthly server updates and monthly scans of Microsoft Office and Windows. • Perimeter software - eg. mailmarshall & webmarshall. • Hardening test on new virtual servers. • Documents scanned reducing the need for paper. • Secure server room. • East Midlands WARP membership - alerting networking facility regarding any breaches. • Monthly updates of Adobe products. • Program in place to ensure the continual maintenance & upgrade of the ICT environment. • Secure portal for Members to access the Extranet. • Airwatch MDM (Mobile Device Management) implementation for mobile devices. • DMark, DKim SPF and TLS secure email authentication software. • Cryptshare for encrypting secure emails and large files for email. • Report & record all cyber-attacks/attempts and escalate to CMT where appropriate Users own devices cannot connect to network • 'Consent' tick box on appropriate forms. <p><u>Partners and Stakeholder specific controls</u></p> <ul style="list-style-type: none"> • Non-disclosure agreements in place for third party access. • Use of data processing and agreements with partners. • Use of licensed confidential waste handler. • Letters sent to all third parties who process personal data on behalf of NSDC advising of additional responsibilities under GDPR and data processing agreements in place. • Actions arising from report to SLT on third party users implemented.
Risk Categories	<p>Loss of vulnerable, personal, sensitive valuable data</p> <p>Legal compliance</p> <p>Reputation</p> <p>Financial</p> <p>Partners/stakeholders</p>

	Disruption of service- including from a cyber attack Supply chain
Trigger/Event	<p>(Organisational)</p> <ul style="list-style-type: none"> • Personal, confidential or corporately sensitive/business critical information disclosed unintentionally or through error of judgement, data breach - intentional (malicious). • Theft or loss of equipment/papers/data belonging to the council, partners or third party companies. • Failure to respond to subject access requests/information requests accurately and within statutory timeframes • Failure to identify and respond to a data breach promptly and effectively • Failure to protect information from accidental loss, corruption or disclosure or other non compliance with Data Protection Principles, by NSDC or a third party, involving large volumes of personal data or smaller volumes of sensitive personal data • Repetition of reportable data security breach • Insufficient due diligence during procurement and termination of cloud base systems supported by third parties. • Accelerated delivery of digital agenda • Agile Working i.e. mobile/remote/home working/home printing/disposal of printed data/Outreach posts. • Loss of key resources/staff. • Reducing resources with less capacity for processing data. • New and inexperienced staff/elected members with access to data. • Lack of suitable training/competency/communications • Re-alignment and integration of new services <p>(Systems/assets)</p> <ul style="list-style-type: none"> • Cyber attack: (either targeted such as denial of service or unintentional human error e.g. - access to link on another website). • Failure to protect information assets from an internal malicious attack leading to a data breach, corruption of data assets, loss of asset or service. • Failure to adopt appropriate technical security measures for keeping data secure within our systems and platforms which results in a significant data breach • Accidental data breach through any electronic source • Use of BYOD (Bring your own device). • Unsupported software/unforeseen loss of support. • Decommissioning of property/asset <p>(Partners and stakeholders)</p> <ul style="list-style-type: none"> • Collaborative working, sharing, outsourcing and partnership working (including external printing and hybrid mail)/involvement in other peoples' data • Partnership working and sharing new service locations/data sharing issues. • Partner's/contractor's/host's poor data management and information security leading to data breach/loss. • Use of suppliers/third parties, etc. • Government integration agenda e.g. Increased working between public bodies • Local government reorganisation/Combined authority/change in service delivery model. • Third party access to IT systems. • Adoption of unsupported/dated systems from third parties <p>(Accreditations)</p>

	<ul style="list-style-type: none"> Termination of PSN/GCSX standards by the Cabinet Office limiting options for securely sharing with some Public Sector organisations Failure to comply with relevant standards and legislation including PCI-DSS/Cyber Essentials/NCSC best practice/PSN. <p>(External Factors)</p> <ul style="list-style-type: none"> Emergency event-eg power loss – leading to increased reliance upon ICT systems and potential loss of data/corruption of data <p>(Local Government Restructure)</p>
Impact	<p>(Finance/legal)</p> <ul style="list-style-type: none"> Loss/damage to an individual where the Council inappropriately released their personal data ICO fine/Civil claims. Resource impact of Information Commissioner investigation.eg ICO actions Breach of Access to Information legislation bringing about financial/legal damage - imposed on the Council by the Information Commissioner and other Statutory Bodies. Disciplinary action taken against a member of staff and elected members if a breach is found to be deliberate/malicious. <p>(Resource)</p> <ul style="list-style-type: none"> Drain on resources to process and enable conformity in legislation. Greater demand on existing resource Operational and resource issues eg. Service interruption - where focus has to be taken away from service delivery to dealing with the breach. Reduced service provision resulting from lack of ability to work remotely and available physical resource Increased demand on existing services Inability to deliver critical/key services Capability of infrastructure/system to deliver services – i.e. increased demand during emergencies <p>(Reputation)</p> <ul style="list-style-type: none"> Damage to reputation of the Council/trust by the public. Loss of confidence within the Council Loss of confidence with partners and stakeholders Negative media coverage <p>(Partners)</p> <ul style="list-style-type: none"> Loss of provision to customers and partners e.g. Active4Today, DWP, CCTV (under current arrangements) leading to disputes over SLAs and contracts and potential loss of income, e.g. partner rent for Castle House. Loss of partner data where the council is the data processor - subsequent impact on partner's reputation. Withdrawal of service from partners and stakeholder Cyber-attack leading to system downtime/damage/loss of data (Ransom Ware) and financial loss/ resource drain <p>(Contractors/supply chain)</p> <ul style="list-style-type: none"> Less direct control over data as we procure, migrate to and terminate cloud base systems

SR508 Environment	
Description	Ability to meet requirements of the government's green agenda and aspirations/expectations of the NSDC community in delivering a greener/carbon neutral service.
Lead Officer	Matthew Finch
Support Officers	Carl Burns, Stephen Young, Rachael Cranch, Pete Preece, Daryl Cornwell, Ryan Oliff, Amanda Lindsay

Original Matrix	Current Risk Matrix	Target Risk Matrix
 <p>Impact</p>	 <p>Impact</p>	 <p>Impact</p>

Review Date
3 rd October 2025

Controls/Actions In Place	<ol style="list-style-type: none"> 1) Climate emergency declared 2) Approved date for net neutral – 2035 3) Costed action plan to support net neutral date 4) Appointed Environmental Policy and Projects Officer 5) Climate emergency project working group – meets quarterly 6) Project working group for depot development 7) Annual report to PPIC – Activities undertaken and carbon footprint 8) Internal Audit 9) Urban tree challenge grant – 4000 trees planted 10) Developed business cases for kerb side food Roll out of KGC 11) Financial planning – MTFP 12) Elected member working party utilised to develop climate emergency strategy plan 13) Community plan 14) Successful bidding - LAD2 funding allocation (£750k) 15) 2 x posts agreed for decarbonisation– 1 appointed 16) Decarb plan/surveys discussion 17) Special planning exercise for Brunel Drive
Risk Categories	Financial Reputation Statutory compliance Disruption of service-Pressure groups /community action Negative media/comms Capacity to deliver on successful funding
Trigger/Event	Climate change conference Government policies and legislation- i.e. national waste and resources strategy, environment bill, 2030 internal combustion engine phase out, national tree strategy. Budget pressure/planning/demand - MTFP Lack of financial support from government to implement Availability/cost/maturity of technology Incentivising of tariffs – cost v return Legacy issues -housing/fuels/infrastructure Resident/User engagement/participation - Behaviour change Active pressure groups Political influence Declaration of climate emergency Impact of media/social media events/influential individuals Poor communications Partnership failure Bidding arrangements/competition – restrictive nature of government funding to date

	Future resourcing to deliver Knowledge/skills gap within workforce Local government reorganisation
Impact	Not meeting governmental targets/internal targets Penalties -TBC Reputation Negative media Political/public pressure for improvement/campaigns against Increased scrutiny and workload Budget gaps Impact on other service provision Lack of infrastructure to improve Lack/loss of control in light of government mandated service provision Increased costs arising from emerging technology, reduced tariffs and government policy Unable to deliver due to access/obtain government funding/ technology Unable to deliver on climate strategy Customer disengagement Greater demand on external expertise leading to greater costs lower internal expertise

SR509 Statutory compliance management	
Description	Implementation and maintenance of suitable statutory safety compliance management systems.
Lead Officer	Sanjiv Kohli, Suzanne Shead
Support Officers	Gareth Goddard, Kevin Shutt, Norman Emery

Original Matrix	Current Risk Matrix	Target Risk Matrix

Review Date
28 th November 2025

Controls/Actions In Place	<ul style="list-style-type: none"> • Policies and procedures – (Need for policy review) • Dedicated Compliance teams and compliance reporting • Dedicated software –asset compliance/management software ICT systems • Contract management systems • Performance management systems • Training and competence Staff/tenants/contractor • Information/education to tenants • Enforcement of tenancy agreements • Assurance and scrutiny process – operational and committee levels • Use of specialist contractors/advisors • Competent/licenced/registered engineers/inspectors • Auditing and inspection processes • Reconciliation processes • Complaints processes • Tenant engagement • Maintenance/inspection programmes • Pre let inspections
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	<ul style="list-style-type: none"> • Business planning • Compliance with regulatory standards • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand • Housing Assurance Board • Safety & Quality standard self-assessment undertaken
Risk Categories	<ul style="list-style-type: none"> • Legal/enforcement action/Fines/Regulatory judgement • H&S • Civil claims • Service delivery - Loss of essential service & System/equipment failure/out of use • Negative media coverage • Reputation • Customer satisfaction/impact • Financial impact (rectification) • Increased resource demand
Trigger/Event	<ul style="list-style-type: none"> • Poor management systems • Failure to undertake statutory examinations • Poor record keeping /management • Remedial works not undertaken in a timely manner • Contract management – controls to manage/address poor performance/contract exit arrangements, use of evergreen contracts (non-ending), poor procurement • Poor contractor engagement • Cyber-attack/Ransom ware –denied/denying access to records • Data protection loss/GDPR • Routine inspection/audit identifies failure • Incorrect response to an accusation, complaint or request for service • Unauthorised repairs, Sabotage, maintenance, alterations and installations • Pandemic • Emergency incident – fire, gas, flood, etc. • Hospitalisation/fatality - Investigations to establish cause/identify reports • Essential supplier chain failure/goes into administration • Incorrect sub-contracting procedures • Change in legal/regulatory requirements • Failure of ICT and associated support systems • Recruitment – inability due to market demands • Loss of key personnel • Insufficient finance • Insufficient Resourcing • Changes in legislative/guidance requirements • Damp/mould – introduction of Social Housing Bill 2023 • Local government restructure
Impact	<ul style="list-style-type: none"> • Fines/enforcement action • Regulatory notice issued

	<ul style="list-style-type: none"> • Unable to deliver a suitable service/essential service • Resource demand/conflict • Financial – budget overspend, income generation/protection, rent loss, MTFP, viability of HRA business plan. Effect on GF income • Loss/reduction of service to Council, partners and tenants(commercial and domestic) • Reputation • Need to re home tenants • Leaseholders litigate • Negative local or national press coverage • Increased scrutiny/monitoring – customer, committees, Regulator etc. • Regulatory body short notice inspection • Self-referral to regulatory (co-regulation) • Commercial viability of building/site • Tenancy enforcement • Contract failure/suspension • Contract dispute • Increase turnover of staff • Inability to recruit the right staff • Poor morale/stress of workforce • Political engagement • Enforcement agency engagement • Accident/incident/poisoning • Civil claim due to failure • Criminal proceedings • Investigations to establish cause/identify reports for hospitalisation/fatality
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Report to: Audit & Accounts Committee Meeting
10 December 2025

Director or Business Manager Lead: Sanjiv Kohli Deputy Chief Executive / Director –
Resources and Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on
ext 5317

Report Summary	
Report Title	Audit and Accounts (Governance) Committee Annual Report
Purpose of Report	To inform Members of the activity undertaken by the Audit and Governance Committee between 25 September 2024 and 2 July 2025.
Recommendations	That Members note the report.
Reason for Recommendation	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

1.0 Background Information

- 1.1 As part of the bi-annual review of the effectiveness of the Audit and Accounts Committee which was undertaken during July 2019, an action plan was presented to the Audit and Accounts Committee at the meeting in November 2019. One of the actions identified within that plan was to produce an annual report of the activity of the Audit and Accounts Committee.
- 1.2 Section 7.2 of Part C of the constitution sets out the terms of reference for the Committee. This report details how the Committee has discharged those responsibilities throughout the year.

2.0 Activity undertaken during the year

- 2.1 During the year, the Committee discharged its responsibilities as described within the Constitution by:

25 September 2024

- 2.2 Members were updated with the forecast outturn position for the 2024/25 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets and to show performance against the approved estimates of revenue expenditure and income.
- 2.3 The Members were provided with a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.
- 2.4 Members were informed of the Local Government and Social Care Ombudsman annual review updates.
- 2.5 An overview was provided of the of the circumstances of making a self-referral to the Regulator of Social Housing (RSH) for a breach of the Home Standard for failures in the Council's HRA Gas Servicing Programme.
- 2.6 The Members approved updates and revisions to the Council's Arrangements for dealing with Code of Conduct Complaints regarding Councillors.

11 December 2025

- 2.7 Internal Audit provided a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.
- 2.8 The External Auditor's Progress Report was presented for Newark and Sherwood District Council for 2023/24.
- 2.9 The Members noted the activity undertaken by the Audit and Governance Committee between 27 September 2023 and 31 July 2024. The report provided a summary of the activities, to then be taken to February's Full Council.
- 2.10 The update gave the forecast outturn position for the 2024/25 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets. The report showing performance against the approved estimates of revenue expenditure and income. The report was provided to Members as a slimdown version as it had already been to Cabinet.
- 2.11 Update on the Council's Treasury Activity and Prudential Indicators for the first half of 2024/25. The report advised no breach to indicators and to expect interest rate levels to go down.
- 2.12 The Committee also received reports on:
 - Outcome of Local Government and Social Care Ombudsman Investigation
 - Outcome of Housing Ombudsman Investigation
 - Housing Ombudsman Annual Review Update
 - Strategic Risk Management
 - Update on the LGA Newark and Sherwood District Council Cyber 360 Report

- Government Consultation – Enabling Remote Attendance and Proxy Voting at Local Authority Meetings
- Review of the Council’s Constitution
- Review of Policies – Anti-Fraud and Corruption Strategy, Guidance for Dealing with Irregularities and Anti-Money Laundering Policy
- Conduct and Public Service
- Annual Report Detailing Exempt Reports considered by the Audit & Governance Committee

19 February 2025

- 2.13 Members took part in a survey with reported outcomes, completed by 20 Members out of 39. Members gave approval for Officers to undertake work to develop an action plan.
- 2.14 The Committee considered the customer feedback report to be able to see what complaints were being submitted across the organisation for half year 1, the Committee noted the report and recommended PPIC conduct a performance review for any areas of concern.
- 2.15 The Members were provided with a summary of Internal Audit work undertaken during 2024/25 against the agreed audit plan.
- 2.16 The External Auditor’s Annual Audit Completion Report for Newark and Sherwood District Council for 2023/24 was presented by Mazars, Mark Surridge.
- 2.17 The Annual Audit Report confirmed that the External Auditor anticipates issuing an unqualified opinion of the 2023/24 Statement of Accounts. Approval of the Statement of Accounts by this Committee was being taken elsewhere on the agenda.
- 2.18 The final version of the Statement of Accounts, having brought the draft to the Audit & Governance Committee on 31 July 2024.
- 2.19 Members were provided with reports which had been approved at Cabinet on 18 February 2025.
- 2.20 The Committee considered a report seeking approval to the Capital Strategy 2025/26, this incorporated the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.

The Committee approved the key elements and recommended these to Full Council on 6 March 2025 while noting that as the budgets were still being finalised and some of the figures within the Strategy were advised may alter.

- 2.21 The Committee also received reports on:
- Investment Strategy 2025/26
 - Treasury Management Strategy 2025/26
 - Review of Significant Issues in the Annual Governance Statement

- Whistleblowing Policy Annual Report
- Gifts and Hospitality Annual Report
- Whistleblowing Policy Annual Report
- Regulation of Investigatory Powers Act 2000 (RIPA) – Annual Report
- Code of Conduct – Update and Government Consultation

16 April 2025

- 2.22 The Committee considered a report presenting the External Audit Strategy Memorandum for the 2024/25 Statement of Accounts work for Members to review. The External Audit Strategy Memorandum at Appendix A of the report set out the proposed work of the Council's external auditors for 2024/25, relating to the audit of the financial statements and the commentary on the Council's Value for Money arrangements.
- 2.23 The report highlighted that in accordance with the Risk Management Policy, a facilitated strategic risk workshop was undertaken with the Senior Leadership Team (SLT) in February 2025. This workshop evaluated all existing strategic risks and identified emerging risks for the forth coming year.
- 2.24 The report provided an update to the forecast outturn position for the 2024/25 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets, showing performance against the approved estimates of revenue expenditure and income.
- 2.25 The Committee were provided with updates to the Council's accounting policies in relation to the closedown of the 2024/2025 financial year.
- 2.26 The Committee also received reports on:
- Underlying Pension Assumptions for 2024/2025 Statement of Accounts
 - Underlying Valuation Assumptions for 2024/2025 Statement of Accounts
 - Counter-Fraud Activities form 1 May 2024 to 31 March 2025
 - Fraud Risk Assessment

7 May 2025

- 2.27 The Committee reviewed the Council's Contract Procedure Rules, to approve the revisions where appropriate and recommend to Council for adoption.
- 2.28 The Committee reviewed the Council's Financial Procedure Rules, to approve the revisions where appropriate and recommend to Council for adoption.
- 2.29 Members were informed of the outcome of an investigation where the Ombudsman found fault with the Council. The report advised that Corporate ASB training has been added to the 2025/2026 programme and will include the lessons learnt from this determination. Training will take place following the implementation of the new housing management system in May 2025.

- 2.30 Members were informed of the outcome of another investigation where the Ombudsman found fault with the Council. The report highlighted that findings of maladministration are published regularly on the Housing Ombudsman Service website along with spotlight reports which focus on specific issues or service areas to raise awareness and help landlords improve.
- 2.31 The Committee were provided with the recommendations from the Local Government Association Peer Challenge that had been delegated to Audit & Governance Committee. Amendments and updates endorsed by this Committee to be recommended to Full Council for approval at the Annual Meeting in May and the Council's Independent Remuneration Panel will be asked to undertake a review in respect of any changes in Committee Terms of Reference.
- 2.32 The report provided progress on implementation of the Full Council resolution 'Conduct and Public Service' made on 15 October 2024.

2 July 2025

- 2.33 The Internal Auditors provided a summary of Internal Audit work undertaken during 2024/25 and to support the Annual Governance Statement by providing an opinion on the organisation's governance, risk, financial and internal control environment.
- 2.34 The External Auditors provided an Audit Progress report for 2024/25 and they advised the Committee that progress to mid June had no issues to note.
- 2.35 The Going Concern Status of the Council is assessed by the Section 151 Officer of the Council and is required for the preparation and approval of the Statement of Accounts for the financial year ended 31 March 2025.
- 2.36 The Members were provided with provisional 2024/25 financial outturn position on the Council's revenue and capital budgets, as well as showing the performance against the approved estimates of revenue and capital expenditure and income.
- 2.37 The Committee were able to review the Annual Treasury Outturn report, to be presented to Council on 21 October 2025. There were no breaches of the approved prudential indicators during 2024/25 and further information was provided in Section 6 of Appendix A of the report.
- 2.38 The Committee considered the report to consider terms of reference and membership for two new Committees – Audit & Accounts Committee and Governance, General Purposes & Local Government Reorganisation (LGR) Committee which will replace this Committee as per the Full Council decision taken on 20 May 2025.

3.0 Conclusion

- 3.1 As can be seen from the account of the year, the Committee has discharged its responsibilities as per the Constitution.
- 3.2 The Committee has continued to add value to the organisation, in continuing with the Independent member to the Committee. Adding skills to the Committee which benefit

the whole organisation as further scrutiny over the reports presented to the Committee is achieved.

Background Papers and Published Documents

Nil.



Report to: Audit & Accounts Committee Meeting
10 December 2025

Director or Business Manager Lead: Nick Wilson, Business Manager – Financial Services

Lead Officer: Philip Lazenby, Director of Audit (TIAA) 0845 3003333

Report Summary	
Report Title	Internal Audit Progress Report 2025/26
Purpose of Report	To provide a summary of Internal Audit work undertaken during 2025/26 against the agreed audit plan
Recommendations	That the Audit & Governance Committee consider and comment upon the latest internal audit progress report and note its content.
Reason for Recommendation	In order to understand the internal audit work undertaken throughout the 2025/26 financial year and how this impacts on the Council's overall Governance framework.

1.0 Background

- 1.1 The Audit Plan for 2025/26 was tabled at the Audit and Governance Committee in February 2025. Throughout the year reports on the progress made and changes to the plan are then brought to this committee.
- 1.2 The report contains details of all reports issued within the first part of the financial year 2025/26.

2.0 Proposals

- 2.1 To receive and comment upon the Internal Audit Progress Report 2025/26 and note its content.

Background Papers and Published Documents

NIL



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

November 2025

Final

Summary Internal Controls Assurance

Introduction

1. This summary controls assurance report provides the Audit Committee with an update on the emerging Governance, Risk and Internal Control related issues and the progress of our work at the Newark and Sherwood District Council as at 19th November 2025.

Eco SMART

2. The UK public sector is facing increasingly structured and ambitious expectations around climate sustainability, driven by national policy, regulatory frameworks and public accountability. This is at a time when public funding is being stretched, with competing priorities and major reforms are taking place.

Key Themes for Sustainability and Implications

Materiality and Accountability – Sustainability goals, practices and information must be relevant to primary users and reflect significant risks or opportunities that the organisation faces.

Integration – The sustainability ambitions must be embedded across strategy, operations and governance, rather than siloed to areas of interest or knowledge.

Local Flexibility and National Alignment – organisations are encouraged to tailor climate strategies to local contexts while contributing to national targets.

Funding and Capacity Building – Multi-year funding, regulatory reform and skills development are critical enablers to effectively deliver climate sustainability goals, within financial, knowledge and resource constraints.

Next Steps

1. Review current sustainability practices, strategies and expectations.
2. Identify materiality, relevance, funding gaps and capacity needs in order to achieve the organisational objectives in relation to climate sustainability.
3. Engage Eco Smart to support assurance that expected objectives can be realised.
4. Find out more by clicking on this link: [Eco SMART - TIAA](#)

Audits completed since the last SICA report to the Audit Committee

3. The table below sets out details of audits finalised since the previous meeting of the Audit Committee.

Audits completed since previous SICA report

Review	Evaluation	Key Dates			Number of Recommendations			
		Draft issued	Responses Received	Final issued	1	2	3	OEM
Financial Resilience	Substantial	30 th September 2025	24 th November 2025	26 th November 2025	0	0	1	1
HRA H&S Mould	Limited	21 st August 2025	3 rd October 2025	26 th November 2025	1	2	4	0

4. The Executive Summaries for each of the finalised reviews are included at Appendix A. There are no issues arising from these findings which would require the annual Head of Audit Opinion to be qualified.

Progress against the 2025/2026 Annual Plan

5. Our progress against the Annual Plan for 2025/26 is set out in Appendix B.

Changes to the Annual Plan 2025/26

6. Change to the approved plan are detailed within the table below. This will not include timing changes.

Changes to Approved Plan

Review	Rationale
-No additional changes have been confirmed.	

Frauds/Irregularities

7. We have not been advised of any frauds or irregularities in the period since the last SICA report was issued.

Other Matters

8. We have issued a number of briefing notes and fraud digests, shown in Appendix D, since the previous SICA report.

Responsibility/Disclaimer





9. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. The matters raised in this report not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix.

Review	Key Findings
<p>Assurance Review of Financial Resilience</p> <p>Confirm the realism and likely delivery success of identified saving within the current financial year and the Medium-Term Financial Plan.</p>	<p>KEY STRATEGIC FINDINGS</p> <ul style="list-style-type: none">• The Commercial Strategy update paper provided the Cabinet with details of the continued uncertainty of future funding arrangements. There was a £8.78m underspend in 2024/25 due to project delays, which are not attributed to cost savings.• There was a stated need to incorporate anticipated shortfalls in unitary plans as they fall due, however the full extent of unitary implications was less clear and developed than at other councils. <p>GOOD PRACTICE IDENTIFIED</p> <p>The MTFP has been reviewed on an annual basis to ensure that the assumptions, and prevailing economic and political climate are considered when agreeing the detailed forecast for the coming year and the following three years. An external advisor, Pixel, has been used to assist the Council in modelling its MTFP.</p>
<p>Assurance Review of HRA H&S Mould</p> <p>The purpose of this audit was to assess the design and test the effectiveness of health and safety controls related to damp and mould, including the processes for monitoring performance. The review covered policies and procedures, roles and responsibilities, performance monitoring, and risk management.</p>	<p>KEY STRATEGIC FINDINGS</p> <ul style="list-style-type: none">• Newark Council was not able at time of audit to produce either executive information or underlying KPIs in respect of damp and mould activity since Q4 2024/25, this is due to the recent adoption of the NEC housing management system.• There is limited assurance that issues and complaints in respect of damp and mould are being actioned or responded to in a timely manner.• Oversight processes such as the Policy & Performance Improvement Committee (PPIC) did not formally demonstrate that they were aware of, or had actions planned to resolve, these issues. Due to health and wellbeing considerations and with the added emphasis of the impending introduction of Awaab’s Law (27th October 2025) it is important that visibility of the effectiveness of related governance is clear.• Associated policies require updating. <p>GOOD PRACTICE IDENTIFIED</p> <p>The Council provides clear tenant guidance on spotting and preventing damp and mould, with accessible reporting options via phone, email, and online to ensure issues are reported and addressed promptly.</p>

Assurance Review of Financial Resilience

OVERALL ASSESSMENT		KEY STRATEGIC FINDINGS									
<div><div><div>Adequate & effective governance, risk and control processes</div><div>SUBSTANTIAL ASSURANCE</div></div><div><div>SUBSTANTIAL ASSURANCE</div><div>REASONABLE ASSURANCE</div><div>LIMITED ASSURANCE</div><div>NO ASSURANCE</div></div></div>		<div><div><div></div><div>The Commercial Strategy update paper provided the Cabinet with details of the continued uncertainty of future funding arrangements. There was a £8.78m underspend in 2024/25 due to project delays, which are not attributed to cost savings.</div></div><div><div></div><div>There was a stated need to incorporate anticipated shortfalls in unitary plans as they fall due, however the full extent of unitary implications was less clear and developed than at other councils.</div></div></div>									
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE		GOOD PRACTICE IDENTIFIED									
<div>SR301 Financial Sustainability- General Fund - Ensuring Financial stability of the general Fund to allow the council to undertake its core functions deliver services and meet its corporate priorities and objectives.</div>		<div><div><div></div><div>The MTFP has been reviewed on an annual basis to ensure that the assumptions, and prevailing economic and political climate are considered when agreeing the detailed forecast for the coming year and the following three years.</div></div><div><div></div><div>An external advisor, Pixel, has been used to assist the Council in modelling its MTFP.</div></div></div>									
SCOPE		ACTION POINTS									
<div>Confirm the realism and likely delivery success of identified saving within the current financial year and the Medium-Term Financial Plan.</div>		<table><tr><th>Urgent</th><th>Important</th><th>Routine</th><th>Operational</th></tr><tr><td>0</td><td>0</td><td>1</td><td>1</td></tr></table>		Urgent	Important	Routine	Operational	0	0	1	1
Urgent	Important	Routine	Operational								
0	0	1	1								

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Commercial Strategy update paper provided the Cabinet with details of the continued uncertainty of future funding arrangements. There was a £8.78m underspend in 2024/25 due to project delays, which are not attributed to cost savings. There was good evidence that slippage against the Strategy is being monitored, and carry-forwards are being approved.	To strengthen capital programme management to reduce slippage.	3	Alongside this audit, a capital tracker has been created which will be reported to the Senior Leadership Team quarterly to ensure projects remain on track for delivery by the expected time. The first report was tabled this quarter.	In place	Business Manager – Financial Services

Assurance Review of HRA H&S Mould

OVERALL ASSESSMENT







ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE

Risk SR509 – Statutory Compliance Management - Implementation and maintenance of suitable statutory safety compliance management systems.


SCOPE

The purpose of this audit was to assess the design and test the effectiveness of health and safety controls related to damp and mould, including the processes for monitoring performance. The review covered policies and procedures, roles and responsibilities, performance monitoring, and risk management.

KEY STRATEGIC FINDINGS

-  Newark Council was not able at time of audit to produce either executive information or underlying KPIs in respect of damp and mould activity since Q4 2024/25, this is due to the recent adoption of the NEC housing management system.
-  There is limited assurance that issues and complaints in respect of damp and mould are being actioned or responded to in a timely manner.
-  Oversight processes such as the Policy & Performance Improvement Committee (PPIC) did not formally demonstrate that they were aware of, or had actions planned to resolve, these issues. Due to health and wellbeing considerations and with the added emphasis of the impending introduction of Awaab's Law (27th October 2025) it is important that visibility of the effectiveness of related governance is clear.
-  Associated policies require updating.

GOOD PRACTICE IDENTIFIED

-  The Council provides clear tenant guidance on spotting and preventing damp and mould, with accessible reporting options via phone, email, and online to ensure issues are reported and addressed promptly.

ACTION POINTS

Urgent	Important	Routine	Operational
1	2	4	0

Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
5	Directed	<p>The NEC system does not support reporting for damp and mould cases. While individual property records can be accessed, there is no functionality to extract a report showing total open cases, their status, or whether they are completed within target timeframes. Tracking is manual and relies on Repairs Officers or Works Planners checking individual job diaries. There is no central spreadsheet, dashboard, or automated alert system in place. This limits visibility of overall case volumes, and may cause potential delays, and areas of risk.</p> <p>Without this oversight, the Council cannot accurately assess the scale or urgency of damp and mould issues across its housing stock. This poses a challenge in preparing for the upcoming Awaab's Law requirements and responding to rising case volumes.</p>	Develop or implement a centralised tracking and reporting mechanism for damp and mould cases within the NEC system or through an interim solution (e.g., a shared spreadsheet or dashboard). This mechanism needs to include clear visibility of case volumes, status, target completion dates, and risk levels.	1	<p><i>The timing of the audit did not support the ability to provide assurance around the handling of damp and mould. To give clarity, the information was being collated within NEC, however, there was a delay in creating the appropriate report to provide oversight of the management of damp & mould as part of quarterly compliance performance updates. This has since been rectified.</i></p> <p><i>Reports are now available to show total open cases, their status and whether completed in timescales.</i></p> <p><i>The reporting is scheduled weekly whilst we embed NEC and before the transition to additional reported required from 27th October when Awaab's Law comes into effect. (example available showing cases from 19th May - 22nd August).</i></p>	Completed	Responsive Repairs Manager


Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	Delivery	<p>Due to ongoing limitations within the NEC system, the Council can no longer extract the data required to produce reliable performance reports on damp and mould-related repairs. As a result, quarterly performance reporting to the Policy & Performance Improvement Committee (PPIC) cannot take place for damp and mould as of Q4 2024/25. This restricts oversight of inspection volumes, repair times, and potential backlogs in an area directly impacting resident health and safety.</p> <p>Although the Housing Maintenance Manager advised that reporting is expected to resume by the end of Quarter 2 2025/26, there is currently no interim reporting process in place to provide assurance.</p>	Implement an interim reporting process to provide the Performance, Policy and Improvement Committee (PPIC) with regular updates on damp and mould inspections, repairs, and performance while NEC system limitations are resolved in order to maintain oversight of repair volumes, completion times, and backlogs.	2	<p><i>Report is now available, and data was provided to the Governance arrangements as follows:</i></p> <p><i>PPIC: 1st September 2025.</i></p> <p><i>Cabinet (Performance): 9th September 2025.</i></p> <p><i>Within the Compliance Qtr 1 covering report, PPIC were advised of the interim reporting arrangements in place prior to introduction of Awaabs Law.</i></p> <p><i>On a monthly basis, the performance around D&M is now a standard item on the Directorate Team Meeting agenda, and meetings with the Portfolio Holder to keep oversight and provide assurance that repairs of this nature are being closely monitored to comply with new legislation.</i></p>	Completed	Responsive Repairs Manager
7	Directed	<p>The Policy & Performance Improvement Committee (PPIC) is responsible for reviewing and scrutinising the Council's performance against service targets and policy objectives, through regular performance reporting. However, PPIC meeting records do not demonstrate that the Committee has identified, challenged, or escalated the ongoing absence of damp and mould oversight, or the underlying issues affecting data availability.</p> <p>No evidence of escalation or formal action to address the ongoing issues was provided during the audit.</p>	The Policy & Performance Improvement Committee (PPIC) to implement a risk based formal process to regularly review and escalate gaps in performance reporting, especially for key risks like damp and mould. This should include dedicated agenda items on data quality, documented challenges, and timely escalation to senior management.	2	<p><i>At the first available meeting following the introduction of NEC, the Compliance Report Q1 – 2025-26, data was presented to show the current cases of D&M with an explanation in the covering report of the interim arrangements.</i></p>	Completed	Responsive Repairs Manager


Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The Damp and Mould Policy lacks coverage of roles and responsibilities related to damp and mould (D&M); these are only defined in individual job descriptions.	Update the Damp and Mould Policy to explicitly define roles and responsibilities related to damp and mould management.	3	<i>This is currently being updated to reflect introduction of Awaabs Law from 27th October.</i>	10/10/25	Responsive Repairs Manager
2	Directed	The Repairs Policy, effective from March 2022, was approved by the Homes and Communities Committee. It was scheduled for review in March 2024, however, as of 2025, the Policy has not yet been updated or reviewed.	Review and update the Repairs Policy to ensure it remains current and aligned with organisational requirements and legislative changes.	3	<i>This is currently being updated to reflect introduction of Awaabs Law from 27th October.</i>	10/10/25	Responsive Repairs Manager
3	Directed	The Building Safety Policy currently does not reference Awaab's Law, or issues relating to damp, mould, or condensation, which will be important for compliance ahead of the law's implementation in October 2025. A policy review is not scheduled until 2027, which would leave a gap in addressing these new requirements.	Update the Building Safety Policy before October 2025 to include Awaab's Law and damp, mould, and condensation requirements to ensure timely compliance and risk management.	3	<i>This is currently being updated to reflect introduction of Awaabs Law from 27th October.</i>	10/10/25	Compliance Manager
4	Delivery	The Responding to Damp & Mould Procedure references key housing legislation but does not yet include Awaab's Law, which will be implemented in October 2025. The procedure's version control lacks details on the approving authority and approval date. Furthermore, the next scheduled review is not until July 2026, nine months after the new legal requirements come into effect, risking the procedure being outdated during this critical period.	Update the Responding to Damp & Mould Procedure to include requirements from Awaab's Law ahead of the October 2025 implementation. Ensure version control clearly records the approving body and approval date. Adjust the review schedule to occur before October 2025 to maintain compliance with new legislation.	3	<i>This is currently being updated to reflect introduction of Awaabs Law from 27th October. The next scheduled review will remain July 2026 to consider any further changes necessary once Awaabs Law is in place.</i>	24/10/25	Responsive Repairs Manager

Appendix B: Progress against Annual Plan

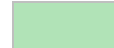
System	Planned Quarter	Current Status	Comments
Financial Resilience	1		Reported to December AC
HRA H&S Mould	2		Reported to December AC
Joint Working Arrangements	1	Fieldwork Completed	Expected Final - December
Cyber Security Maturity Assessment	2	Fieldwork in progress	Expected Final - January
Key Financial Controls - Budgetary Control	3	Fieldwork Completed	Expected Final - December
Capital Programme	3		Reported to October AC
Gilstrap Financials	2		This will be scheduled for Q4 to meet annual reporting requirements
Mansfield Crematorium	2		This will be scheduled for Q4 to meet annual reporting requirements
Absence Management	3	Fieldwork in progress	Expected Final - January
Climate Sustainability Assessment	3	Fieldwork in progress	Expected Completion end of December
Waste Management	3	Fieldwork in progress	Expected Final - January
Corporate Governance (including Staff Training and Succession planning)	4	Fieldwork in progress	Expected Final - January
ICT Social Media	4	To be scheduled	

KEY:

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

Appendix C: Update of recommendations

A detailed presentation of follow up will be submitted to the next Audit Committee.

This will reflect a detailed sweep to reduce the number of recommendations ahead of year end.

Presently there are 9 overdue recommendations which is 3 less than at this time last year.

Appendix D: Briefings on Developments in Governance, Risk and Control

TIAA produce regular briefing notes to summarise new developments in Governance, Risk, Control, Counter Fraud and Security Management which may have an impact on our clients. These are shared with clients and made available through our Online Client Portal. A summary list of those briefings issued in the last three months which may be of relevance to the Example Client is given below:

Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Web Link	TIAA Comments
17 October 2025	Housing	TIAA News	Navigating the housing 'trilemma': TIAA's reflections on the Housing Association Outlook Report 2026	Navigating the housing 'trilemma': TIAA's reflections on the Housing Association Outlook Report 2026 - TIAA	At TIAA , we work alongside housing providers to strengthen assurance, governance and risk management. We were pleased to contribute to Drova's Housing Association Outlook Report 2026, which brings together expert perspectives from across the sector.
10 October 2025	All	TIAA Article	Working Elsewhere While on Sick Leave: Understanding the Risks and Responsibilities	Working Elsewhere While on Sick Leave: Understanding the Risks and Responsibilities - TIAA	As Anti-Crime specialists in the healthcare sector, we frequently encounter cases where individuals work elsewhere while on sick leave or during contracted NHS hours. This type of behaviour is a common form of fraud and can have serious consequences for both the individual and the organisation.
29 September 2025	All	TIAA News	TIAA B Corp Impact Report	TIAA B Corp Impact Report - TIAA	Our B Corp Impact Report reflects the progress we've made across key areas including governance, community, environment, and employee wellbeing.
15 September 2025	All	TIAA News	Introducing Sentinel: A Strategic Approach to Security and Resilience	Introducing Sentinel: A Strategic Approach to Security and Resilience - TIAA	In today's climate of rising crime and evolving external threats, ensuring the safety of your staff, visitors, property, and information has never been more important. TIAA has developed Sentinel—a strategic security assessment service designed to help you understand and improve the maturity of your organisation's security framework.
10 September 2025	Housing	Client Briefing	Data Protection Implications of STAIRs for Housing Associations	Data Protection Implications of STAIRs for Housing Associations - TIAA	The STAIRs (Social Tenant Access to Information Requirements) framework, introduced under the Social Housing (Regulation) Act 2023, aims to improve transparency for housing association tenants. Read our full article on its implementation.

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29 August 2025	All	Video	The Failure to Prevent Fraud Offence is Here	The Failure To Prevent Fraud Offence is Here - TIAA	Is your organisation ready for the new Failure to Prevent Fraud offence? From 1st September 2025, UK businesses face criminal liability if they don't have adequate fraud prevention procedures in place. In this short video, we break down the 6 things your organisation must take to comply—and how we can support you every step of the way.
15 August 2025	Local Government	TIAA Article	Town and Parish Council Governance	Town and Parish Council Governance - TIAA	Town and Parish councils are facing a rapidly evolving landscape — from legal reforms and digital innovation to the complexities of devolution and reorganisation. This article explores how councils can maintain relevance, strengthen governance, and continue to be a powerful voice for their communities.
01 August 2025	Local Government	TIAA Article	Financial Resilience Across Local Government	Financial Resilience Across Local Government - TIAA	In a time of rising costs, growing service demands, and structural funding gaps, financial resilience is more than just good budgeting—it's a lifeline for local councils and the communities they serve. With a projected funding gap of £8.5bn by 2026/27, councils across the UK are facing unprecedented financial pressures. From rising homelessness costs to workforce instability and stalled innovation, the challenges are complex and far-reaching. This article is essential reading for understanding the risks—and the opportunities—for building a more resilient future.
28 July 2025	All	Video	Understanding the Procurement Act 2023: What You Need to Know	Understanding the Procurement Act 2023: What You Need to Know - TIAA	The Procurement Act 2023 is here—are you prepared? This short video offers a clear overview of what the new legislation means for anyone involved in public procurement. It covers key contract thresholds, outlines the six core principles of the Act—Value for Money, Public Benefit, Transparency, Integrity, Fairness, and SME Accessibility—and explains the procedures to follow for both simple and complex tenders.
25 July 2025	Housing	TIAA Article	How Social Housing Accelerates Development and Strengthens Accountability	How Social Housing Accelerates Development and Strengthens Accountability - TIAA	In this article, we explore how the UK Government's £39 billion investment in social and affordable housing aims to build 1.5 million homes and drive inclusive national development. Social housing plays a vital role in reducing homelessness, boosting economic growth, and supporting sustainability. To ensure these outcomes are achieved, strong governance is essential—where internal audit helps safeguard resources, manage risks, and enhance performance.
23 July 2025	All	Anti-Crime Alert	The Economic Crime and Corporate Transparency Act 2023 and the Identification Doctrine	The Economic Crime and Corporate Transparency Act 2023 and the Identification Doctrine - TIAA	The Economic Crime and Corporate Transparency Act 2023 (ECCTA) introduced amendments to the identification doctrine for economic crimes. The identification doctrine is the means by which an organisation can be found criminally liable for the actions of an individual. Our alert has more information.

11 July 2025	Housing	Client Briefing	The Data (Use and Access) Act 2025 (DUAA) – Housing Association / Registered Social Landlord Impact Assessment	The Data (Use and Access) Act 2025 (DUAA) – Housing Association / Registered Social Landlord Impact Assessment - TIAA	The Data (Use and Access) Act 2025 (DUAA) introduces several significant changes to the UK General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 (DPA 2018). Our alert provides a summary of how these changes affect Registered Social Landlords (RSLs) and housing associations in the UK.
04 July 2025	All	Newsletter	Security Focus Newsletter Edition 10	Security Focus Newsletter Edition 10 - TIAA	Security and risk management is a key challenge for any organisation, this newsletter contains lots of useful advice and tips to help ensure a safe and secure environment for your staff and visitors. This special edition focuses on the new Terrorism (Protection of Premises) Act 2025 otherwise known as “Martyn’s Law”.
03 July 2025	All	Data Protection Alert	DeepSeek AI Warning	DeepSeek AI Warning - TIAA	Germany’s Data Protection Commissioner has formally requested that Apple and Google remove the Chinese AI chatbot app DeepSeek from their app stores, citing serious breaches of EU data protection laws. More information is available in the full alert.
02 July 2025	All	Anti-Crime Alert	Fake Job Offers	Fake Job Offers - TIAA	TIAA has been alerted to a scam involving fraudulent job offers sent via email to overseas candidates, falsely claiming to be from an NHS Trust. These offers are too good to be true and are likely designed to extract money or personal information from victims. More information is available in the full alert.
01 July 2025	All	TIAA Article	Why the UK Government’s Cyber Governance Code of Practice should be a business imperative	Why the UK Government’s Cyber Governance Code of Practice should be a business imperative - TIAA	Cyber-attacks are rising, with significant risks to operations, finances, and legal compliance. The Cyber Governance Code of Practice helps boards strengthen cyber resilience through clear frameworks and actionable strategies.

Appendix E: Briefing on Control failure to prevent fraud' Offence

The new 'failure to prevent fraud' offence, enacted by the Economic Crime and Corporate Transparency Act 2023, has come into force on 1st September 2025. This new offence makes it a crime for large organisations to fail to prevent fraud committed by their employees, agents, or subsidiaries.

TIAA's recommended actions align with the requirements of the Offence of 'failure to prevent fraud' and with the government's guidance for business, published in response to the new offence and our Fraud Health Check can provide an assessment of how prepared your organisation is for this new offence and provide practice advice and guidance on further actions required to ensure compliance.

Under the offence, an organisation may be criminally liable where an employee, agent, subsidiary, or other "associated person", commits a fraud intending to benefit the organisation and the organisation did not have reasonable fraud prevention procedures in place. In certain circumstances, the offence will also apply where the fraud offence is committed with the intention of benefitting a client of the organisation. It does not need to be demonstrated that directors or senior managers ordered or knew about the fraud.

The offence sits alongside existing law; for example, the person who committed the fraud may be prosecuted individually for that fraud, while the organisation may be prosecuted for failing to prevent it.

The offence will make it easier to hold organisations to account for fraud committed by employees, or other associated persons, which may benefit the organisation, or, in certain circumstances, their clients. The offence will also encourage more organisations to implement or improve prevention procedures, driving a major shift in corporate culture to help prevent fraud.

The primary sanction is a **criminal conviction** and a **substantial fine**. There is no statutory cap on fines; they are likely to be **unlimited**, similar to other corporate offences like failure to prevent bribery.

Additional consequences may include:

- **Court-imposed compliance orders** requiring the council to implement anti-fraud measures.
- **Reputational damage**, which can affect public trust and future funding.
- **Increased scrutiny** from regulators and auditors.

“Reasonable Measures” are identified controls expected to be put in place. Some key measures are as indicated below but please note that this list is not exhaustive.

Top level commitment

- Having an accountable individual at board level who is responsible for fraud, bribery and corruption
- The board committing to preventing fraud and fostering a culture in which fraud is never acceptable.
- The chief executive officer making a statement about the organisation’s fraud prevention approach and measures.
- Ensuring that an effective whistleblowing facility is in place to facilitate the reporting of allegations or suspicions of fraud and other criminal conduct, and ensuring that there is board-level oversight of whistleblowing.
- Monitoring the progress of measures to mitigate identified risks at a senior level.

Risk assessment

- Having a fraud, bribery and corruption risk assessment that feeds into the organisational work plan and is managed in line with the organisations local risk management policies
- Undertaking risk analysis in line with Government Counter Fraud Profession fraud risk assessment methodology and recording this on the appropriate risk registers.
- Undertaking effective fraud risk assessments which will inform proportionate fraud prevention controls
- If appropriate, responsibility for conducting a documented risk assessment which is kept under regular review, assessing the nature and extent of the organisations exposure to the risks of associated persons committing fraud in scope of this offence.

Proportionate risk-based prevention procedures

- Thinking about what a fraud prevention plan/framework will look like (i.e. what the proportionate, risk-based, fraud prevention procedures will be).
- Checking what anti-fraud procedures are currently in place and assessing whether they are sufficient to counter the risks identified in the risk assessment.
- Ensuring that an effective whistleblowing facility is in place to facilitate the reporting of allegations or suspicions of fraud and other criminal conduct and ensuring that there is board-level oversight of whistleblowing.
- For contracting relationships, updating standard wording to require compliance with fraud prevention policies.

Due diligence.

- Reviewing agreements with any agents, distributors, representatives, and other third-party intermediaries to ensure they contain appropriate contract terms in relation to fraud.
- Ensuring pre-employment checks and procedures are in place.

Communication (including training)

- Having well established and documented reporting routes for staff, contractors and members of the public where necessary to report fraud suspicions.
- Ensuring all staff have access to and undertake fraud awareness, bribery and corruption training as appropriate to their role
- Regular measurement of staff awareness levels.
- Reviewing and delivering appropriate training to ensure awareness of coming changes.
- Ensuring that the fraud prevention policy or code of conduct is proactively communicated to all staff, fully implemented, and demonstrably effective.
- Measuring levels of awareness of the code of conduct among staff.

Monitoring and review

- Identifying and reporting upon annual outcome-based metrics to support improvement in performance
- Monitoring and reviewing its fraud prevention procedures and making improvements where necessary.
- Learning from investigations and whistleblowing incidents and reviewing information from its own sector.

<https://cfa.nhs.uk/fraud-prevention/failure-to-prevent/reasonable-fraud-prevention-procedures>

We have developed a series of reviews to assist organisations in achieving compliance with key recommended actions and to provide Boards with assurance regarding key fraud risk areas.

How Prepared are You? Download our guidance here: [Fraud Health Check](#)





Report to: Audit & Accounts Committee Meeting 10 December 2025

Director Lead: Sanjiv Kohli, Deputy Chief Executive / Director – Resources and Section 151 Officer

Lead Officer: Jenna Norton, Senior Accountant, Financial Services ext. 5327

Report Summary	
Report Title	Treasury Management Mid-Year Report 2025/26
Purpose of Report	To provide an update on the Council's Treasury Activity and Prudential Indicators for the first half of 2025/26
Recommendations	That the treasury management activity be noted and recommend to Full Council on 16 December 2025; and The Prudential Indicators detailed in Section 6 & 7 of the report be noted.
Reason for Recommendation	To allow Committee to note Treasury Management Activity and recommend it to Full Council and To allow Committee to note the Prudential Indicators

1.0 Background Information

1.1 This report has been written in accordance with the requirements of the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (revised 2017). The primary requirements of the Code are as follows:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Mid-year Review Report and an Annual Report, (stewardship report), covering activities during the previous year.

- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body. For this Council the delegated body is the Audit and Governance Committee.

1.4 This mid-year report has been prepared in compliance with CIPFA's Code of Practice on Treasury Management, and covers the following:

- An economic update for the first part of the 2025/26 financial year;
- A review of the Treasury Management Strategy Statement and Annual Investment Strategy;
- The Council's capital expenditure, as set out in the Capital Strategy, and prudential indicators;
- A review of the Council's investment portfolio for 2025/26;
- A review of the Council's borrowing strategy for 2025/26;
- A review of any debt rescheduling undertaken during 2025/26;
- A review of compliance with Treasury and Prudential Limits for 2025/26.

1.5 Treasury Management is defined as: "The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

1.6 The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short term loans, or using longer term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

2.0 Summary of Treasury Balances as at 30 September 2025

2.1 Below is a summary of the Council's borrowing position as at 30 September 2025, further information is available at section 4.

Balance on 01/04/2025 £m		Balance on 30/09/2025 £m
109.799	Total Borrowings	109.062
4.738	Total Other Long-Term Liabilities	5.000
114.537	TOTAL EXTERNAL DEBT	114.062

2.2 Below is a summary of the Council's investment position as at 30 September 2025, further information is available at section 5.

Balance on 01/04/2025 £m		Balance on 30/09/2025 £m
36.528	Total Short Term Investments	41.114
12.500	Total Long Term Investments	12.500
49.028	TOTAL INVESTMENTS	53.614

- 2.3 Below is a summary of the Councils capital expenditure position as at 30 September 2025, further information is available at section 3.

Capital Expenditure	2025/26 Initial Capital Budget £m	2025/26 Revised Estimate £m	2025/26 Current Expenditure £m
General Fund Expenditure	35.489	28.089	7.552
HRA Expenditure	23.295	18.734	4.626
Total Capital Expenditure	58.784	46.823	12.178

- 2.4 **Prudential Indicators**, during the first half of the financial year there was no breach in the prudential indicators.

Treasury Management Strategy Statement (TMSS) and Annual Investment Strategy update

- 2.5 The Treasury Management Strategy Statement (TMSS) for 2025/26 was approved by Full Council on 6 March 2025. There are no suggested policy changes to the TMSS within this report; the details in this report update the position in the light of the updated economic position and capital budget changes approved throughout the year.

3.0 The Council's Capital Position

- 3.1 This part of the report is structured to update:
- The Council's capital expenditure plans;
 - How these plans are being financed;
 - The impact of the changes in the capital expenditure plans on the prudential indicators and the underlying need to borrow; and
 - Compliance with the limits in place for borrowing activity.
- 3.2 The table below shows the revised estimates for capital expenditure and the changes since the Capital Programme was agreed within the Capital budget on 6 March 2025

Capital Expenditure	2025/26 Original Budget Approved 6 March 2025 £m	2025/26 Revised Budget as at 30 September 2025 £m	Actual Spend as at 30 September 2025 £m
General Fund Expenditure	35.489	28.089	7.552
HRA Expenditure	23.295	18.734	4.626
Total Capital Expenditure	58.784	46.823	12.178
Financed By:			
Capital Receipts	3.639	1.440	0.375
Capital Grants & CIL	10.238	8.882	2.310
Capital Reserves	10.472	6.064	1.577
Revenue	2.574	2.731	0.710
Total Financing	26.923	19.117	4.972
Borrowing Requirement	31.861	27.706	7.206

- 3.3 The financing of the Capital Programme will be determined by the S151 Officer at the year-end based on best use of resources.

The movement from the Budget approved 6 March 2025 relates to approved capital carry forward requests and approved variations to the capital programme as shown in the table below.

Original Capital Budget Approved 2025/26	£58.784m
Capital Slippages Carried Forward	£7.816m
Cabinet Approvals 8 July 2025	(£11.361m)
Cabinet Variations requested 3 December 24	(£8.417m)
New Revised Budget	£46.823m

4.0 Borrowing Strategy

- 4.1 At 30 September 2025 the Council held £94.922m of loans, as part of its strategy for funding previous years' borrowing within those capital programmes.

4.2 Borrowing Activity in 2025/26

	General Fund		HRA	
	Balance on 01/04/2025 £m	Balance on 30/09/2025 £m	Balance on 01/04/2025 £m	Balance on 30/09/2025 £m
Short Term Borrowing	0.901	1.184	0.000	0.000
Long Term Borrowing	3.500	3.500	105.397	104.379
Total Borrowing	4.401	4.684	105.397	104.379
Other Long-Term Liabilities	4.738	5.000	0.000	0.000
Total External Debt	9.139	9.684	105.397	104.379
CFR	63.910	51.874	119.165	117.164
Under / (over) borrowing	54.771	42.191	13.768	12.2857

- 4.3 As the Council is in a significant under borrowed position, as per the table in 4.2, there may be a requirement during the remainder of the financial year where new borrowing is required. Any new borrowing will be within the approved Treasury Management Borrowing Strategy framework and will have been reviewed by the S151 Officer for cost effectiveness as whether to borrow shorter term or long term in relation to interest rate forecasts.
- 4.4 **LOBOs:** The Council holds £3.5m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of the £3.5m of LOBOs had options during the last 6 months, none of which were exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.
- 4.5 **Internal borrowing:** For the Council, the use of internal resources in lieu of borrowing has continued to be the most cost effective means of funding of capital expenditure that has not been funded from grants and other resources. This has lowered overall treasury risk by reducing both external debt and temporary investments. However, this position will not be sustainable over the medium to longer term as the Council needs to use reserves for the purpose they were set aside for, and external borrowing may need to be undertaken.
- 4.6 **Debt rescheduling:** The premium charge for early repayment of PWLB debt remains relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken or is proposed during the rest of the financial year as a consequence.

5.0 Investment Activity

- 5.1 The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a return commensurate with these principles.

5.2 Investment Activity in 2025/26

Type of Investment	Balance on 01/04/2025 £m	Balance on 30/09/2025 £m	Average Interest Rate
Short term Investments			
<i>Fixed Term Deposits:</i>			
Santander	5.000	5.000	3.97%
Lloyds Call Account	6.000	6.000	4.28%
Standard Chartered Sustainable Deposit	3.000	3.000	4.40%
<i>Money Market Funds:</i>			
Goldman Sachs	0.310	0.310	4.18%
Deutsche Bank	0.535	1.591	4.19%
Invesco	11.835	12.000	4.26%
Northern Trust	7.608	10.973	4.26%

CCLA	2.240	2.240	4.39%
Total Short Term Investments	36.528	41.114	
Long term Investments			
CCLA Property Fund	7.000	7.000	4.33%
CCLA Diversified Income Fund	5.500	5.500	3.42%
Total Long Term Investments	12.500	12.500	
TOTAL INVESTMENTS	49.028	53.614	
Increase/ (Decrease) in Investments		4.586	

- 5.3 Both the CIPFA Code and government guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

6.0 **Non-Treasury Investments**

- 6.1 The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Council as well as other non-financial assets which the Council holds primarily for financial return or regeneration purposes. This is replicated in MLUHC's Investment Guidance, in which the definition of investments is further broadened to also include all such assets held partially for financial return or regeneration purposes.

Breakdown below of current Non-Treasury Investments held;

Counterpart	Balance at 30/09/2025 £m
Loans to Housing Associations	0.010
Loans to Parish Councils	0.009
Loan to Arkwood	6.867

- 6.2 These investments are due to generate £0.420m of investment income for the Council after taking account of direct costs, representing a rate of return of 6.11%.

- 6.3 Maturity Structure of Fixed Rate Borrowing.** This indicator is to limit large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates.

	Upper Limit %	Actual at 30/9/25 £m	Actual at 30/9/25 %	Compliance
Under 12 Months	25%	23.000	23.50%	Yes
12-24 Months	25%	6.000	6.13%	Yes
2-5 Years	40%	11.689	11.94%	Yes
5-10 Years	100%	6.325	6.46%	Yes
Over 10 Years	100%	50.865	51.97%	Yes

Limits to Investing Activity

- 6.4 Security.** The Council has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit rating of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Credit risk indicator	Target	Actual	Compliance
Portfolio average credit rating	A	AA	Yes

- 6.5 Liquidity Risk Indicator.** The Council has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a banding period, without additional borrowing.

Total Cash Available within;	Limit	Actual 30/09/25	Compliance
3 Months	100%	62%	Yes
3-12 Months	80%	15%	Yes
Over 12 Months	60%	23%	Yes

- 6.6 Principal Sums Invested for over 364 Days.** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments.

Price risk indicator	Limit	Actual 30/09/25	Compliance
Limit on principal invested beyond year end	£15m	£12.5m	Yes

7.0 Limits to Capital Activity

- 7.1 Capital Financing Requirement.** The table below shows the CFR, which is the underlying external need to incur borrowing for a capital purpose.

	2025/26 Original Estimate £m	2025/26 Revised Estimate £m
CFR – non housing	63.910	51.874
CFR – housing	119.165	117.164
Total CFR	183.075	169.038
Estimated Net Movements in CFR		-14.037

- 7.2 Capital Financing Costs to Net Revenue Stream.** Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs; this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

	2025/26 Original Estimate £m	2025/26 Revised Estimate £m
<i>General Fund</i>		
Financing Costs	-1.299	-1.299
Proportion of net revenue stream	-5.14%	-5.14%
<i>Housing Revenue Account</i>		
Financing Costs	12.860	12.861
Proportion of net rental stream	41.98%	41.98%

8.0 Economic Background/Interest Rate Forecast

- 8.1 **Appendix A and Appendix B** gives a summarised outlook for the economic background and interest rate forecast from our Treasury Consultants, Link.

Background Papers and Published Documents

Nil.

Economics Update

- The first half of 2025/26 saw:
 - A 0.3% pick up in GDP for the period April to June 2025. More recently, the economy flatlined in July, with higher taxes for businesses restraining growth.
 - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.8% in July.
 - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.6%.
 - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August.
 - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70%.
- From a GDP perspective, the financial year got off to a bumpy start with the 0.3% m/m fall in real GDP in April as front-running of US tariffs in Q1 (when GDP grew 0.7% on the quarter) weighed on activity. Despite the underlying reasons for the drop, it was still the first fall since October 2024 and the largest fall since October 2023. However, the economy surprised to the upside in May and June so that quarterly growth ended up 0.3% q/q. Nonetheless, the 0.0% m/m change in real GDP in July will have caused some concern, with the hikes in taxes for businesses that took place in April this year undoubtedly playing a part in restraining growth. The weak overseas environment is also likely to have contributed to the 1.3% m/m fall in manufacturing output in July. That was the second large fall in three months and left the 3m/3m rate at a 20-month low of -1.1%. The 0.1% m/m rise in services output kept its 3m/3m rate at 0.4%, supported by stronger output in the health and arts/entertainment sectors. Looking ahead, ongoing speculation about further tax rises in the Autumn Budget on 26 November will remain a drag on GDP growth for a while yet. GDP growth for 2025 is forecast by Capital Economics to be 1.3%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index for the UK fell from 53.5 in August to 51.0 in September. The decline was mostly driven by a fall in the services PMI, which declined from 54.2 to 51.9. The manufacturing PMI output balance also fell, from 49.3 to 45.4. That was due to both weak overseas demand (the new exports orders balance fell for the fourth month in a row) and the cyber-attack-induced shutdown at Jaguar Land Rover since 1 September reducing car production across the automotive supply chain. The PMIs suggest tepid growth is the best that can be expected when the Q3 GDP numbers are released.
- Turning to retail sales, and the 0.5% m/m rise in volumes in August was the third such rise in a row and was driven by gains in all the major categories except fuel sales, which fell by 2.0% m/m. Sales may have been supported by the warmer-than-usual weather. If sales were just flat in September, then in Q3 sales volumes would be up 0.7% q/q compared to the 0.2% q/q gain in Q2.
- With the November Budget edging nearer, the public finances position looks weak. Public net sector borrowing of £18.0bn in August means that after five months of the financial year, borrowing is already £11.4bn higher than the OBR forecast at the Spring

Statement in March. The overshoot in the Chancellor's chosen fiscal mandate of the current budget is even greater with a cumulative deficit of £15.3bn. All this was due to both current receipts in August being lower than the OBR forecast (by £1.8bn) and current expenditure being higher (by £1.0bn). Over the first five months of the financial year, current receipts have fallen short by a total of £6.1bn (partly due to lower-than-expected self-assessment income tax) and current expenditure has overshoot by a total of £3.7bn (partly due to social benefits and departmental spending). Furthermore, what very much matters now is the OBR forecasts and their impact on the current budget in 2029/30, which is when the Chancellor's fiscal mandate bites. As a general guide, Capital Economics forecasts a deficit of about £18bn, meaning the Chancellor will have to raise £28bn, mostly through higher taxes, if she wants to keep her buffer against her rule of £10bn.

- The weakening in the jobs market looked clear in the spring. May's 109,000 m/m fall in the PAYE measure of employment was the largest decline (barring the pandemic) since the data began and the seventh in as many months. The monthly change was revised lower in five of the previous seven months too, with April's 33,000 fall revised down to a 55,000 drop. More recently, however, the monthly change was revised higher in seven of the previous nine months by a total of 22,000. So instead of falling by 165,000 in total since October, payroll employment is now thought to have declined by a smaller 153,000. Even so, payroll employment has still fallen in nine of the ten months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October Budget. The number of job vacancies in the three months to August stood at 728,000. Vacancies have now fallen by approximately 47% since its peak in April 2022. All this suggests the labour market continues to loosen, albeit at a declining pace.
- A looser labour market is driving softer wage pressures. The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% in April to 4.8% in July. The rate for the private sector slipped from 5.5% to 4.7%, putting it on track to be in line with the Bank of England's Q3 forecast (4.6% for September).
- CPI inflation fell slightly from 3.5% in April to 3.4% in May, and services inflation dropped from 5.4% to 4.7%, whilst core inflation also softened from 3.8% to 3.5%. More recently, though, inflation pressures have resurfaced, although the recent upward march in CPI inflation did pause for breath in August, with CPI inflation staying at 3.8%. Core inflation eased once more too, from 3.8% to 3.6%, and services inflation dipped from 5.0% to 4.7%. So, we finish the half year in a similar position to where we started, although with food inflation rising to an 18-month high of 5.1% and households' expectations for inflation standing at a six year high, a further loosening in the labour market and weaker wage growth may be a requisite to UK inflation coming in below 2.0% by 2027.
- An ever-present issue throughout the past six months has been the pressure being exerted on medium and longer dated gilt yields. The yield on the 10-year gilt moved sideways in the second quarter of 2025, rising from 4.4% in early April to 4.8% in mid-April following wider global bond market volatility stemming from the "Liberation Day" tariff announcement, and then easing back as trade tensions began to de-escalate. By the end of April, the 10-year gilt yield had returned to 4.4%. In May, concerns about

stickier inflation and shifting expectations about the path for interest rates led to another rise, with the 10-year gilt yield fluctuating between 4.6% and 4.75% for most of May. Thereafter, as trade tensions continued to ease and markets increasingly began to price in looser monetary policy, the 10-year yield edged lower, and ended Q2 at 4.50%.

- More recently, the yield on the 10-year gilt rose from 4.46% to 4.60% in early July as rolled-back spending cuts and uncertainty over Chancellor Reeves' future raised fiscal concerns. Although the spike proved short lived, it highlighted the UK's fragile fiscal position. In an era of high debt, high interest rates and low GDP growth, the markets are now more sensitive to fiscal risks than before the pandemic. During August, long-dated gilts underwent a particularly pronounced sell-off, climbing 22 basis points and reaching a 27-year high of 5.6% by the end of the month. While yields have since eased back, the market sell-off was driven by investor concerns over growing supply-demand imbalances, stemming from unease over the lack of fiscal consolidation and reduced demand from traditional long-dated bond purchasers like pension funds. For 10-year gilts, by late September, sticky inflation, resilient activity data and a hawkish Bank of England have kept yields elevated over 4.70%.
- The FTSE 100 fell sharply following the "Liberation Day" tariff announcement, dropping by more than 10% in the first week of April - from 8,634 on 1 April to 7,702 on 7 April. However, the de-escalation of the trade war coupled with strong corporate earnings led to a rapid rebound starting in late April. As a result, the FTSE 100 closed Q2 at 8,761, around 2% higher than its value at the end of Q1 and more than 7% above its level at the start of 2025. Since then, the FTSE 100 has enjoyed a further 4% rise in July, its strongest monthly gain since January and outperforming the S&P 500. Strong corporate earnings and progress in trade talks (US-EU, UK-India) lifted share prices and the index hit a record 9,321 in mid-August, driven by hopes of peace in Ukraine and dovish signals from Fed Chair Powell. September proved more volatile and the FTSE 100 closed Q3 at 9,350, 7% higher than at the end of Q1 and 14% higher since the start of 2025. Future performance will likely be impacted by the extent to which investors' global risk appetite remains intact, Fed rate cuts, resilience in the US economy, and AI optimism. A weaker pound will also boost the index as it inflates overseas earnings.

Interest rate forecasts

Appendix B

The Council has appointed MUFG Corporate Markets as its treasury advisors and part of their service is to assist the Council to formulate a view on interest rates. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.

MUFG Corporate Markets' latest forecast on 11 August sets out a view that short, medium and long-dated interest rates will fall back over the next year or two, although there are upside risks in respect of the stickiness of inflation and a continuing tight labour market, as well as the size of gilt issuance.

MUFG Corporate Markets Interest Rate View 11.08.25													
	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27	Jun-27	Sep-27	Dec-27	Mar-28	Jun-28	Sep-28
BANK RATE	4.00	4.00	3.75	3.75	3.50	3.50	3.50	3.50	3.25	3.25	3.25	3.25	3.25
3 month ave earnings	4.00	4.00	3.80	3.80	3.50	3.50	3.50	3.50	3.30	3.30	3.30	3.30	3.30
6 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.30	3.40	3.40	3.40
12 month ave earnings	4.00	3.90	3.70	3.70	3.50	3.50	3.50	3.50	3.30	3.40	3.50	3.60	3.60
5 yr PWLB	4.80	4.70	4.50	4.40	4.30	4.30	4.30	4.20	4.20	4.20	4.20	4.10	4.10
10 yr PWLB	5.30	5.20	5.00	4.90	4.80	4.80	4.80	4.70	4.70	4.70	4.70	4.60	4.60
25 yr PWLB	6.10	5.90	5.70	5.70	5.50	5.50	5.50	5.40	5.40	5.30	5.30	5.30	5.20
50 yr PWLB	5.80	5.60	5.40	5.40	5.30	5.30	5.30	5.20	5.20	5.10	5.10	5.00	5.00



Report to: Audit & Accounts Committee Meeting 10 December 2025

Director Lead: Sanjiv Kohli Deputy Chief Executive / Director – Resources - Section 151 Officer

Lead Officer: Nick Wilson, Business Manager Financial Services on ext 5317

Report Summary	
Report Title	Projected General Fund and Housing Revenue Account Revenue and Capital Outturn Report to 31 March 2026 as at 30 September 2025
Purpose of Report	<p>To update Members with the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>To show performance against the approved estimates of revenue expenditure and income.</p>
Recommendations	<p>That Committee:</p> <p>(a) note the General Fund projected favourable outturn variance of £0.062m;</p> <p>(b) note the Housing Revenue Account projected unfavourable outturn variance of £0.201m to the Major Repairs Reserve;</p> <p>(c) note the Capital Programme revised budget and financing of £46.823m; and</p> <p>(d) note the Prudential indicators at Appendix A.</p>
Alternative Options Considered	Not applicable.
Reason for Recommendations	<p>To consider the forecast outturn position for the 2025/26 financial year for the Council's General Fund and Housing Revenue Account revenue and capital budgets.</p> <p>Ensure the Council has overall financial sustainability for the current financial year compared to the budgeted position.</p>

1.0 Background

Overview of General Fund Revenue Projected Outturn for 2025/26

- 1.1 *Table 1* shows a projected unfavourable variance against the revised budget of £0.359m on Service budgets, with an overall favourable variance of £0.062m that would need to be transferred to the General Fund reserve. This is based on meetings which took place with Business Managers during October, whereby they have analysed actual income and expenditure to 30 September 2025 and forecasted forward to the end of March 2026 the additional income and expenditure currently expected to be incurred.

Table 1: General Fund revenue outturn for 2025/26 financial year as at 30 September 2025

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of Services	20.722	21.841	22.200	0.359
Other Operating Expenditure	5.120	5.063	5.063	0
Finance & Investment Income/Expenditure	(1.572)	(1.572)	(1.418)	0.154
Taxation & Non-Specific Grant Income	(25.230)	(25.251)	(25.780)	(0.529)
Net Cost of Non-Service	(21.682)	(21.760)	(22.135)	(0.375)
Net Cost of Council Expenditure	(0.960)	0.081	0.065	(0.016)
Transfer to/(from) Usable Reserves	0.316	(0.883)	(0.883)	0
Transfer to/(from) Unusable Reserves	0.644	0.802	0.756	(0.046)
Transfer to/(from) General Reserves	0	0	0.062	0.062

- 1.2 While the current overall favourable variance of £0.062m is a positive impact for the Councils resources, it is only a forecast, therefore the Outturn Report in June 2026 will finalise the variance and the allocation of that variance into the Councils General Reserves.

Overview of Projected Housing Revenue Account (HRA) Outturn for 2025/26

- 1.3 With reference to the 'Variance' column in Table 2, the HRA accounts show a projected unfavourable variance on the Net Cost of HRA Services against the revised budget of £0.172m and a reduced transfer to the Major Repairs Reserve of £0.201m:

Table 2: HRA revenue outturn for 2025/26 financial year as at 30 September 2025

	Original Budget £'m	Revised Budget £'m	Projected Outturn £'m	Variance £'m
Net Cost of HRA Services	(6.366)	(5.730)	(5.558)	0.172
Other Operating Expenditure	0.013	0.013	0.013	0
Finance & Investment Income/Expenditure	4.243	4.243	4.272	0.029
Taxation & Non-Specific Grant Income	0	0	0	0
(Surplus)/Deficit on HRA Services	(2.109)	(1.474)	(1.273)	0.201
Movements in Reserves				
Transfer to/(from) Usable Reserves	(0.263)	(0.898)	(0.898)	0
Transfer to/(from) Unusable Reserves	(6.245)	(6.245)	(6.245)	0
Transfer to/(from) Major Repairs Reserve	8.617	8.617	8.416	(0.201)
Total	0	0	0	0

- 1.4 While the current overall unfavourable variance of £0.201m is a negative impact for the Councils resources, it is only a forecast, therefore the Outturn Report in June 2026 will finalise the variance and therefore the transfer to or from the Major Repairs Reserve.

Overview of Projected Capital Outturn 2025/26

- 1.5 The table below summarises the position for the Capital Programme as at 30 September 2025 and is split between General Fund and Housing Revenue Account.

	Revised Approved Budget £'m	Current Approved Budget £'m	Revised Budget updated for Approval £'m	Actual Spend to 30 June 2025 £'m	Forecast Outturn £'m
General Fund	35.489	33.433	28.089	7.552	28.089
Housing Revenue Account	23.295	21.807	18.734	4.626	18.734
Total	58.784	55.240	46.823	12.178	46.823

- 1.6 As projects are developed and spending commitments are made, budget requirements can change. It is a requirement that Cabinet approve all variations to the Capital Programme. The below table details the changes that have been approved and are due to be approved on 9 December 2025 and account for the difference between the Revised budget updated for approval of £46.823m and the original budget of £58.784m above.

	General Fund £'m	HRA £'m
Original Budget approved on 6 March 2025	35.489	23.295
Slippage from 2024/25	4.812	3.004
Quarter 1 movement	(6.869)	(4.493)
Reprofiles to future years	(6.563)	(3.222)
Additions/Reductions	1.219	0.149
Total Change	(5.344)	(3.072)
Revised budget to be approved	28.089	18.734

Capital Programme Resources

- 1.7 The revised budget of £46.823m will be financed as follows, with every attempt to minimise the impact on the Council's revenue budget:

	General Fund £'m	Housing Revenue Account £'m	Total £'m
External Grants & Contributions	7.730	1.152	8.882
Capital Receipts	1.379	0.273	1.652
Community Infrastructure Levy	0.100	0.000	0.100
Revenue Contributions	3.740	4.743	8.484
Borrowing	15.140	12.566	27.706
Total	28.089	18.734	46.823

Prudential Indicators

- 1.8 The Treasury Management Code of Practice 2021 stipulates that quarterly update reports on prudential indicators are now required from 2023/24 onwards.
- 1.9 The prudential indicators are set within the Treasury Management Strategy, Capital Strategy and the Investment Strategy and the three strategies were approved by Audit and Governance Committee on 19 February 2025 and Full Council on 6 March 2025. The summary of the prudential indicators can be found at **Appendix A**.
- 1.10 As can be seen from **Appendix A**, the Council was fully compliant with all of the indicators as set within the Treasury Management Strategy, Capital Strategy and Investment Strategy.

2.0 Implications

- 2.1 In writing this report and in putting forward recommendation's officers have considered the following implications; Data Protection, Digital and Cyber Security, Equality and Diversity, Financial, Human Resources, Human Rights, Legal, Safeguarding and Sustainability, and where appropriate they have made reference to these implications and added suitable expert comment where appropriate.

Background Papers and Published Documents

General Fund, Housing Revenue Account Revenue and Capital Monitoring Outturn Report to 31 March 2026 as at 30 June 2025 to Cabinet on 8 September 2025.

Treasury Strategy Indicators - Borrowing	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000	Compliance
Operational Boundary for External Debt	190,075	170,958	109,093	109,062	Yes
Authorised Limit for External Debt	195,075	175,958	109,093	109,062	Yes
HRA Debt Limit	134,111	134,111	107,897	107,879	Yes
Maturity Structure of Borrowing					
Under 12 months	25%	25%	23.50%	23.50%	Yes
12 months and within 24 months	25%	25%	6.13%	6.13%	Yes
24 months and within 5 years	40%	40%	11.94%	11.94%	Yes
5 years and within 10 years	100%	100%	6.46%	6.46%	Yes
10 years and above	100%	100%	51.97%	51.97%	Yes

Treasury Strategy Indicator - Investing

Credit risk indicator (Minimum Average Portfolio Rating)	A	A	AA	AA	Yes
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Liquidity risk indicator

3 months	100%	100%	61%	62%	Yes
3 – 12 months	80%	80%	20%	19%	Yes
Over 12 months	60%	60%	24%	23%	Yes

Interest rate risk indicator

Upper limit on one-year revenue impact of a 1% rise in interest rates	£400,000	£400,000	256,590	£271,140	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£400,000	£400,000	256,590	£271,140	Yes

Price risk indicator

Limit on principal invested beyond year end	£15m	£15m	£12.5m	£12.5m	Yes
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Capital Strategy Indicators	Original Estimate / Limit £'000	Revised Estimate / Limit £'000	Q1 Actual £'000	Q2 Actual £'000
Capital Expenditure & Financing				
General Fund services	27,294	19,894	1,477	3,899
Council housing (HRA)	23,295	18,734	1,615	4,626
Capital Loan (GF)	8,195	8,195	1,907	3,653
Total Capital Expenditure	58,784	46,823	4,999	12,178
Capital Grants	10,238	8,882	944	2,310
Other Contributions incl CIL	2,500	100	9	26
Capital Resources	3,639	1,651	135	430
Revenue / Major Repairs Reserve	10,545	8,484	1,236	2,206
Borrowing	31,861	27,706	2,676	7,206
Total Capital Financing	58,784	46,823	4,999	12,178

Capital Financing Requirement (CFR)

General Fund services	57,288	42,386	42,386	40,466
Council housing (HRA)	119,165	117,164	117,164	117,164
Capital investments	6,622	11,408	11,408	11,408
Total CFR	183,075	170,958	170,958	169,038

Proportion of financing costs to net revenue stream**General Fund;**

MRP Charge	719	681	681	673
Interest Payable	461	461	26	26
Less: Investment Income	-1,980	-1,980	-202	-809
Total GF Financing costs	-799	-838	505	-110
Proportion of net revenue stream	-3.17%	-3.32%	13.50%	-1%

Housing Revenue Account;

Interest Payable	4,294	4,294	607	1,724
Depreciation	6,248	6,248	0	0
MRR Contributions incl debt repayments	2,249	2,249	1,000	1,019
Less: Investment Income	-51	-51	0	0
Total HRA Financing costs	12,740	12,740	1,607	2,743
Proportion of net revenue stream	44.48%	44.48%	22.45%	21.58%

<u>Investment Strategy Indicators</u>	2025/26 Original Estimate / Limit £'000	2025/26 Revised Estimate / Limit £'000	2025/26 Q1 Actual £'000	2025/26 Q2 Actual £'000
Loans for service purposes				
Subsidiaries	15,000	15,000	8,334	6,867
Local businesses	500	500	-	-
Local charities	500	500	-	-
Other Bodies	500	500	18	18
Total	16,500	16,500	8,352	6,885

Net income from service investments to net revenue stream

Total General Fund Service Investment Income	1,980	1,980	202	809
Proportion of net revenue stream	7.13%	7.84%	5.40%	6.41%
Total Housing Revenue Account Service Investment Income	51	51	0	0
Proportion of net revenue stream	0.16%	0.18%	0.00%	0.00%

Shares held for service purposes

Subsidiaries	5,000	5,000	4,001	4,001
Suppliers	-	-	-	-
Local businesses	-	-	-	-
Total	5,000	5,000	4,001	5,000



Report to: Audit & Accounts Committee Meeting 10 December 2025

Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)

Lead Officer: Dave Richardson, Business Manager – ICT & Digital Services Ext 5405

Report Summary	
Report Title	Update on the LGA Newark and Sherwood District Council Cyber 360 Report
Purpose of Report	To present the updated results of LGA Newark and Sherwood District Council Cyber 360 Report
Recommendations	Members review, comment upon and note the update on the LGA Newark and Sherwood District Council Cyber 360 Report
Reasons for Recommendation	To provide Members with details and assurance from the LGA Newark and Sherwood District Council Cyber 360 Report

1.0 Background

- 1.1 The Local Government Association piloted Cyber 360 (C360s) peer reviews with several Local Authorities to ensure Cyber and information Security governance and culture is being understood and adequately resourced. The Cyber 360 Action Plan is not in the public area of the open report for security reasons and are held in the exempt version.
- 1.2 At the September 2023 Audit & Governance Committee the ICT & Digital Services Business Manager provided an update on the Cyber360 action plan and assurance that we are addressing any areas of cyber risk.
- 1.3 A Cyber360 action plan has been commissioned off the back of the report and regularly updated by the Corporate Information Governance Group (CIGG). Therefore, the updates to this committee will be provided by exception, on request or at least on an annual basis.

2.0 Proposal/Options Considered

- 2.1 The CIGG will continue the review of the Cyber360 action plan and provide updates. As of December 2025, 92% of the action plan is complete, with only 2 out of 24 tasks remaining.

- 2.2 It is important to note that further controls and measures have been implemented to enhance the Council's cyber resilience in alignment and exceeding the cyber security strategy 2022-2026.
- 2.3 Cyberattacks are constantly evolving and becoming more sophisticated. As councils undergo reorganisation and mergers, communicated in the public domain, we are more likely to undergo additional attacks and therefore it should be noted that the overall strength of our collective cybersecurity is determined by each individual partner. Since systems and resources are shared, a vulnerability in one council can impact all. It is essential to maintain robust cyber resilience across all partner councils to safeguard shared services and data. Consequently, we should advocate for adopting the highest standards and best practices.
- 2.4 Therefore, this report is intended to provide assurance to our partners and communities that we approach our responsibilities with the utmost seriousness now and into the future unitary Council.
- 2.5 Lastly, it should be noted that that on 24 November 2025, a major cyber incident affected shared IT systems across three London councils, disrupting critical services and phone lines. Authorities confirmed some historical data was accessed, but operational systems remained available. Although there's no clear evidence of personal data compromise, residents were alerted, and the Information Commissioner's Office was notified. Councils focused on restoring services, protecting vulnerable individuals, and working with cyber specialists to eliminate threats. The event highlights the risks in shared-service models and the need for strong cyber resilience in local government especially with LGR gaining momentum for Nottinghamshire Councils.

3.0 Implications

None.

Background Papers and Published Documents

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972. Any documents that contain confidential information or personal information about individuals should not be included in this list.

Work Programme for Audit & Accounts Committee

4 MARCH 2026

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2025/26	Phil Lazenby (TIAA Ltd)		
Q3 Budget Performance Report 2025/26	Nick Wilson		
Budget Reports 2026/27	Nick Wilson		
Annual Review of Exempt Items	Nick Wilson		
Treasury Strategy 2026/27	Andrew Snape		
Capital Strategy 2026/27	Andrew Snape		
Investment Strategy 2026/27	Andrew Snape		
LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	Yes	

22 APRIL 2026

Report Title/Topic	Responsible Officer & Business Unit	Exempt Information included (Yes/No)	Comments and Movement
Internal Audit Progress Report 2025/26	Phil Lazenby (TIAA Ltd)		
External Auditors Audit Strategy Memorandum	Mark Surridge (Mazars)/Nick Wilson		
Statement of Accounting Policies	Andrew Snape		
IAS19 Pension Assumptions	Andrew Snape		
Property, Plant and Equipment Valuation Assumptions	Andrew Snape		
LGA Newark and Sherwood District Council Cyber 360 Progress Report	Dave Richardson	Yes	
Strategic Risk Management	Richard Bates		Previous report went in December 2025 (to update on a 6 monthly basis)

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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