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**24 February 2026**

**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, 4 March 2026 at 6.00 pm**

**VENUE:           Civic Suite, Castle House, Great North Road,  
Newark, NG24 1BY**

**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.**

If you have any queries please contact Karen Langford on [Karen.langford@newark-sherwooddc.gov.uk](mailto:Karen.langford@newark-sherwooddc.gov.uk).

## 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 10 December 2025	3 - 7
5. Internal Audit Progress Report 2025/26 & Internal Audit Plan 2026/27	8 - 41
6. Annual External Progress Report and Indicative Audit Plan 2025/26	42 - 53
7. Treasury Management Strategy 2026/27	54 - 82
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9. Non-Treasury Investment Strategy 2026/27	107 - 115
10. Budget Reports 2026/27	116 - 171
11. Update on the LGA Newark and Sherwood District Council Cyber 360 Report	172 - 173
12. Work Programme for Audit and Accounts Committee	174
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. Budget Reports 2026/27 - Exempt Appendix	175 - 181
15. Exempt - LGA Newark and Sherwood District Council Cyber 360 Report	182 - 184
16. Date of next Meeting - 22 April 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, 10 December 2025 at 6.00 pm.

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

Councillor S Crosby, Councillor J Hall, Councillor C Penny, Councillor M Shakeshaft and Councillor T Wendels

APOLOGIES FOR ABSENCE: Councillor D Darby and Councillor J Lee and C Richardson – Co-optee

### 26 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.

### 27 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.

### 28 MINUTES OF THE MEETING HELD ON 15 OCTOBER 2025

AGREED that the minutes from the meeting held on 15 October 2025 be approved as a correct record and signed by the Chair.

The Chair welcomed Councillor Maurice Shakeshaft to the Audit and Accounts Committee.

### 29 STRATEGIC RISK MANAGEMENT

The Committee considered the report from the Safety, Risk and Insurance Manager providing an overview of the Council's current 2025/26 Strategic Risk Register allowing Members to review Strategic Risk Management arrangements and Performance.

The Safety, Risk and Insurance Manager explained to the Committee that these reports were provided on a six monthly basis with the last one brought to the April 2025 meeting.

The content of the current risk register has not changed since the last report and continues to have 9 strategic risks. This was detailed within the April report, SR503 was refocused and given a new title focussing on delivering housing growth targets. The content of the 2025/26 risk register having been agreed by SLT.

AGREED (unanimously) that the Committee noted the report and highlighted any issues of concern relating to the Strategic Risk Register.

30 CORPORATE RISK MANAGEMENT STRATEGY AND POLICY REVIEW

The Committee considered the report from the Safety, Risk and Insurance Manager informing Members of the updated Corporate Risk Management Strategy and Policy.

The Safety, Risk and Insurance Manager advised that the policy required a review and that changes had been made to the document shown in red. After reviewing in accordance with the Council's Constitution and to send to Cabinet for final approval.

AGREED (unanimously) that the Committee noted the report and highlighted any issues of concern relating to the Corporate Risk Management Strategy and Policy Review.

31 AUDIT AND ACCOUNTS (GOVERNANCE) COMMITTEE ANNUAL REPORT

The Committee considered the report from the Business Manager for Financial Services of the activity undertaken by the Audit and Governance Committee between 25 September 2024 and 2 July 2025.

The report provided a summary of the activities, to then be taken to March's Full Council.

AGREED (unanimously) that Members noted the report.

32 INTERNAL AUDIT PROGRESS REPORT 2025/26

The Committee considered the report from Philip Lazenby, Director of Audit (TIAA), who attended the meeting in person 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 & and Governance Committee in February 2025 and throughout the year reports on the progress made and changes to the plan are taken to the newly named Audit & Accounts Committee.

The Chair welcomed the Responsive Repairs & Voids Manager to the Committee meeting to update the committee on progress against the action plan. Councillor Wendels highlighted that limited assurance was a concern, and how much of this was relevant to the implementation of the new Housing Management System. The action plan referred to scrutiny through PPIC and whether a report should be tabled at that committee to update on progress of the implementation.

Philip Lazenby, Director of Audit (TIAA) advised the Committee that he would speak to the Responsive Repairs & Voids Manager the following day in order to provide evidence to support the update. The Chair will raise concerns with the Director for Housing, Health and Wellbeing regarding PPIC to then take a plan to the next Committee.

AGREED (unanimously) that the Audit & Accounts Committee considered and

commented upon the latest internal audit progress report and noted its content.

33 TREASURY MANAGEMENT MID-YEAR REPORT 2025/26

The Committee considered the report from the Assistant Business Manager for Financial Services to provide an update on the Council's Treasury Activity and Prudential Indicators for the first half of 2025/26.

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.

AGREED (unanimously) that:

- a) the Treasury Management activity be noted and recommended to Full Council on 10 February 2026; and
- b) the Prudential Indicators detailed in Section 6 & 7 of the report be noted.

34 PROJECTED GENERAL FUND AND HOUSING REVENUE ACCOUNT REVENUE AND CAPITAL OUTFURN REPORT TO 31 MARCH 2026 AS AT 30 SEPTEMBER 2025

The Committee considered the report from the Business Manager for Financial Services updating 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 showing performance against the approved estimates of revenue expenditure and income.

The report was provided to Members having already been to Cabinet.

AGREED (unanimously) that:

- a) the Committee noted the General Fund projected favourable outturn variance of £0.062m;
- b) the Committee noted the Housing Revenue Account projected unfavourable outturn variance of £0.201m to the Major Repairs Reserve;
- c) the Committee noted the Capital Programme revised budget and financing of £46.823m; and
- d) the Committee noted the Prudential indicators at Appendix A.

35 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 providing the updated results of LGA Newark and Sherwood District Council

Cyber 360 Report.

The Corporate Information Governance Group (CIGG) to 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.

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.

36 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.

37 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.

38 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.

39 DATE OF NEXT MEETING - 4 MARCH 2026

Meeting closed at 7.23 pm.

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 and Accounts Committee 4 March 2026

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

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

Report Summary	
<b>Report Title</b>	Internal Audit Progress Report 2025/26 & Internal Audit Plan 2026/27
<b>Purpose of Report</b>	To provide a summary of Internal Audit work undertaken during 2025/26 against the agreed audit plan  To provide a reminder of the audits scheduled for 2026/27 to ensure that audit focus is directed to the most relevant areas
<b>Recommendations</b>	That the Committee consider and comment upon the latest internal audit progress report and note its content.  That SLT consider and comment upon the internal audit plan for 2026/27.
<b>Reason for Recommendation</b>	In order to understand the internal audit work undertaken throughout the 2025/26 and to be undertaken during 2026/27 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 the Audit and Accounts Committee.
- 1.2 The report (appendix A) contains details of all reports issued within the financial year 2025/26.
- 1.3 The Audit Plan for 2026/27 has initially been reviewed by the Senior Leadership Team. Officers have suggested that they would like further time to review areas of audit focus for 2026/27 and hence have agreed that the two audits proposed for Q1 go ahead, with a view to bringing back a revised plan to the next Audit and Accounts Committee for approval.

## **2.0 Proposals**

- 2.1 To receive and comment upon the Internal Audit Progress Report 2025/26 and note its content.
- 2.2 To review the Internal Audit plan for 2026/27 to ensure that the areas of audit focus are still those that the Council would like to gain the assurance over.

## **Background Papers and Published Documents**

NIL



Newark and Sherwood District Council

Indicative Audit Strategy 2026/29 and Annual Plan 2026/27

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February 2026

Revised Draft

Certified



Corporation

# Executive Summary

## Introduction

The Audit Plan for 2025/26 has been informed by a risk assessment carried out across our clients in the sector and by an updated audit risk assessment to ensure that planned coverage for the year is focussed on the key audit risks. This coverage will enable a robust annual Head of Internal Audit Opinion to be provided.

## Key Risk Considerations

We have identified a number of key areas which require consideration when planning internal audit coverage.

### Financial Resilience:

Funding constraints and spiralling costs, along with macro-economic impacts on organisations require even tougher financial decisions, with dependencies on collaboration, innovation, spending cuts and service deterioration.

### Devolution and Reorganisations:

Every process, policy, and assurance framework you rely on today could be dismantled or merged. Internal Audit will face a landscape where control environments are in flux, making previous assurances obsolete. Transition assurance is important.

### Digital Transformation and Artificial Intelligence (AI):

The rapid integration, and disparities in maturity, of AI across the sector are multifaceted and require a comprehensive governance framework that ensures the safe and ethical adoption of AI technologies. AI can inadvertently expose sensitive data, privacy breaches, AI bias and regulatory oversight.

### Cyber Security Governance:

This is a critical aspect of overall Board governance, especially given the sector being a high-value target for cyber-attacks, particularly ransomware and phishing. These threats are exacerbated by hybrid working and legacy IT systems.

### Net Zero:

Whilst net zero ambitions are progressing, financial constraints and skills shortages in assessing requirements and delivering progress may hinder effective implementation.

### People and Culture:

Poor culture is a significant risk to organisations, leading to poor motivation and inefficiencies. Setting a healthy, ethical and motivated culture from strategic management and being effective in embedding this throughout the organisation, will determine how well the culture is immersed.

## Audit Strategy Methodology

In producing this audit strategy and annual plan, we have sought to build on our understanding of Newark and Sherwood District Council's operating environment and risk profile through a review of key documentation and discussions with key staff and Audit and Accounts Committee. We have taken into account:

- Newark and Sherwood District Council's business strategy and corporate objectives;
- The regulatory and legislative framework;
- Newark and Sherwood District Council's risk register;
- Discussion with the Board / Committee;
- External sources of assurance; and
- Previous Internal Audit coverage.

We take in to account any emerging or heightened risks that are facing the sector, to ensure that the work of internal audit remains appropriately prioritised and focused. Links to specific strategic risks are also contained in the Internal Audit Strategy.

Our approach complies with the IIA Global Internal Audit Standards.

## Internal Audit Strategy and Plan

The Audit Strategy at Appendix A incorporates the proposed annual plan for 2026/27 and the indicative coverage for the following two years.

The Annual Plan at Appendix B sets out the assignments that will be carried out in 2026/27, the planned times and the high-level scopes for each of these assignments.

The Annual Plan will be subject to ongoing review and could change as the risks change for the organisation; this will be formally reviewed with senior management and the Audit and Accounts Committee mid-way through the financial year or should a significant issue arise.

The overall agreed time for the delivery of each assignment within the Annual Plan includes: research; preparation and issue of terms of reference; site work; production and review of working papers; and reporting.

The Annual Plan has been prepared on the assumption that the expected controls will be in place.

The total number of days required to deliver the Audit Plan is as agreed in the contract between TIAA and Newark and Sherwood District Council. Where Newark and Sherwood District Council agrees additional work the required number of days and the aggregate day rate will be agreed in advance with the Chief Finance Officer and will be clearly set out in the terms of reference for the additional review(s).

## Adequacy of the planned audit coverage

The reviews identified in the audit plan for 2026/27 support the Head of Internal Audit's annual opinion on the overall adequacy and effectiveness of Newark and Sherwood District Council's framework of governance, risk management and control as required by TIAA's charter. The reviews have been identified from your assurance framework, risk registers and key emerging themes.

## Disclaimer

This document 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.

No responsibility to any third party is accepted as the document 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 document and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our document.

## Release of Report

The table below sets out the history of this plan.

<b>Draft Strategy and Plan:</b>	1 <sup>st</sup> December 2025
<b>Revised Draft Strategy and Plan:</b>	24 <sup>th</sup> February 2026
<b>Final Strategy and Plan:</b>	

# Appendix A: Rolling Strategic Plan

Review Area	BAF/Risk Ref	Type	2025/26	2026/27	2027/28	2028/29
<b>Governance</b>						
Governance	SR306 Corporate Governance	Assurance		✓		
Risk Management Framework	SR306 Corporate Governance	Assurance		✓		
Performance Management	SR306 Corporate Governance	Assurance				✓
Community Engagement	SR308 Environment	Assurance		✓		
Joint Working Arrangements	SR306 Corporate Governance	Assurance	✓			
Companies – Contract Management and Governance	SR306 Corporate Governance	Assurance			✓	
Complaints, Grievances and Whistleblowing	SR306 Corporate Governance	Assurance		✓		
Members Allowances	SR306 Corporate Governance	Assurance				
Performance Management (including Staff Training)	SR306 Corporate Governance	Assurance				✓
Corporate Governance (including Staff Training and Succession Planning)	SR306 Corporate Governance	Assurance	✓			
Climate Sustainability Maturity Assessment	SR306 Corporate Governance	Assurance	✓		✓	
Devolution Impact	SR306 Corporate Governance	Assurance			✓	
<b>Risk</b>						
Risk Management Framework	SR306 Corporate Governance	Assurance				✓
Business Continuity	SR306 Corporate Governance	Assurance		✓		✓
Local Government Reorganisation (LGR) Readiness and Governance	SR306 Corporate Governance	Assurance		✓		
<b>Information and Communication Technology (ICT)</b>						
Cyber Security Maturity Assessment	SR307 Data Management Security	Assurance	✓	✓		

Review Area	BAF/Risk Ref	Type	2025/26	2026/27	2027/28	2028/29
ICT – Mobile Device Management	SR301 Financial Sustainability - General Fund	Assurance			✓	
ICT - Social Media Use	SR306 Corporate Governance	Assurance	✓			
ICT - Network Resilience	SR301 Financial Sustainability - General Fund	N/A				
<b>Finance</b>						
Financial Resilience	SR301 Financial Sustainability - General Fund	Assurance	✓	✓	✓	✓
Key Financial Controls	SR301 Financial Sustainability - General Fund	Assurance	✓		✓	✓
Budgetary Control (Key Control Audit)	SR301 Financial Sustainability - General Fund	Assurance		✓		✓
Procurement	SR305 Workforce	Assurance				✓
Planning Enforcement	SR301 Financial Sustainability - General Fund	Assurance		✓		
Gilstrap Financials (also Governance in 2025/26)	SR301 Financial Sustainability - General Fund	Assurance	✓	✓	✓	✓
Mansfield Crematorium	SR304 Contract / Supply Failure	Assurance	✓	✓	✓	✓
Accounts Receivable (Debtors) – Including Bailiffs	SR301 Financial Sustainability - General Fund	Assurance			✓	
Credit Card Usage	SR304 Contract / Supply Failure	Assurance			✓	
Insurance	SR301 Financial Sustainability - General Fund	Assurance			✓	
Capital Programme	SR301 Financial Sustainability - General Fund	Assurance	✓			
<b>Operational Performance and Infrastructure</b>						
Grants Fund – Towns Fund / Levelling Up 2	SR301 Financial Sustainability - General Fund	Assurance		✓		

Review Area	BAF/Risk Ref	Type	2025/26	2026/27	2027/28	2028/29
Housing Rents	SR301 Financial Sustainability - General Fund	Assurance		✓		
Temporary Accommodation	SR301 Financial Sustainability - General Fund	Assurance		✓		
Waste Management	SR306 Corporate Governance SR304 Contract / Supply Failure	Assurance	✓			
Grounds Maintenance and Cleansing Services	SR306 Corporate Governance SR304 Contract / Supply Failure	Assurance				✓
<b>Workforce</b>						
Absence Management	SR305 Workforce	Assurance	✓			
Staff wellbeing and Sickness Absence	SR305 Workforce	Assurance			✓	
Health Alliance Arrangements and Benefits	SR305 Workforce	Assurance			✓	
Workforce and Culture	SR305 Workforce	Assurance				
Apprenticeships and Talent Spotting	SR305 Workforce	Assurance				✓
Agile Working	SR305 Workforce	Assurance				✓
Grievance Reporting and Management	SR305 Workforce	Assurance		✓		
Parks and Open Spaces	SR305 Workforce	Assurance			✓	
Leisure Services	SR305 Workforce	Assurance			✓	
Right to Buy	SR305 Workforce	Assurance			✓	
Contingency	N/A	Assurance	✓			
Follow Up	N/A	Follow Up	✓	✓	✓	✓
<b>Added Value Audit Areas</b>						
Housing Regulatory Compliance and Building Safety	SR309 Statutory Compliance Management	Assurance				✓
HRA H&S Mould	SR302 Financial Sustainability - HRA	Assurance	✓			

Review Area	BAF/Risk Ref	Type	2025/26	2026/27	2027/28	2028/29
Equality, Diversity and Inclusivity (Staff)	SR309 Statutory Compliance Management	Assurance				✓
Antifraud and Corruption (LCFS)	N/A	Management			✓	
<b>Management and Planning</b>						
Annual Planning	N/A	Management	✓	✓	✓	✓
Annual Report	N/A	Management	✓	✓	✓	✓
Audit Management	N/A	Management	✓	✓	✓	✓
Total Days	N/A		<b>245</b>	<b>245</b>	<b>245</b>	<b>245</b>

**Additional audit areas considered during the Audit Needs Assessment but not included in the three-year Rolling Strategic Plan**

Governance – Strategic Control;	Treasury and Banking;	Procurement;
Strategic Planning and Stress Testing;	Anti-Social Behaviour; and	Data Protection (GDPR).

**Additional services provided by TIAA**

**Compliance Audits for Homes England Funding Programmes**

All providers delivering affordable homes are eligible for audit and have a contractual obligation to engage with the process if selected for audit. Homes England audits a selection of providers each financial year and notifies those selected via email.

TIAA will perform agreed performance tests as set out in the relevant procedural checklists, replicated by the Compliance Audit system and published on the Homes England website; and submit responses to enable the Compliance Audit system to produce a report based on identified procedural findings.

**Investigatory Services**

Our bespoke investigations practice forms part of our Anti-Crime and Investigations Team. We are able to provide focussed services in areas including:

- HR Disciplinary Investigations;
- Regulatory Breaches (such as Data Loss / DPA);
- Whistleblowing Matters;
- Cyber Risk Investigations;
- Criminal Investigations; and
- Fraud Investigations.

**BRIXX Financial Modelling and Balance Sheet Stress Testing**

We can help you develop and maintain robust and flexible financial models using BRIXX, the leading software for social housing. We can also help you conduct stress testing and scenario analysis to assess your financial resilience and risk appetite.

## Appendix B: Annual Plan – 2026/27

Quarter	Review	Type	Days	High-level Scope
1	Business Continuity	Assurance	15	The audit will assess whether an effective continuous service process is in place to minimise the likelihood of service interruptions impacting upon key business functions and processes.
1	Planning Enforcement	Assurance	12	<ul style="list-style-type: none"> <li>Review case files for timeliness, evidence, and consistency of enforcement decisions;</li> <li>Check statutory compliance with legal requirements for notices and procedures;</li> <li>Assess performance data for accuracy and use in service monitoring;</li> <li>Verify risk register entries and mitigation actions related to enforcement; and</li> </ul> Test stakeholder communications for clarity, transparency, and public interest handling.
2	Grants Fund – Towns Fund / Levelling Up 2	Assurance	10	With an annual budget of over £4 million, the review will focus on the process for awarding grants and monitoring compliance with grant funding conditions.
	Community Engagement	Assurance	8	Review the council’s approach to community engagement, involvement, and experience. This includes an assessment of established procedures, cultural aspects and communication strategies supporting meaningful engagement within the community.
2	Cyber Security Maturity Assessment	Assurance	17	A review of the controls and processes in place to ensure cyber safety and prevent cyber fraud and attacks.
2	Complaints, Grievances and Whistleblowing - Internal	Assurance	12	The review considers the arrangements for the monitoring and management of complaints received and for ensuring that appropriate action is taken in a timely manner: <ul style="list-style-type: none"> <li>Grievance Procedures – Review how staff grievances are logged, investigated, and resolved;</li> <li>Check internal complaints handling procedures, including how informal concerns are escalated and tracked;</li> <li>Whistleblowing Framework – Assess the accessibility and robustness of whistleblowing policies and protections;</li> <li>Analytics will be used to determine whether information is being recorded and to what extent policy is complied with;</li> <li>Policy Compliance – Confirm alignment with employment law and internal HR policies for a sample of six; and</li> <li>Monitoring and Reporting – Evaluate how cases are tracked, reported, and used to inform organisational learning.</li> </ul>
3	Local Government Reorganisation (LGR) Readiness and Governance	Assurance	10	To assess the adequacy of governance, planning, risk management, and stakeholder engagement in relation to the proposed Local Government Reorganisation in. Focus on implementation readiness and transition risks.
3	Governance	Assurance	15	Gather data on board composition, committee attendance, conflict of interest declarations, and internal control metrics. <b>Purpose:</b> Ensure robust governance, risk management, and transparency. <b>Audit Objectives:</b> <ul style="list-style-type: none"> <li>Assess board composition and committee effectiveness; and</li> <li>Review conflict of interest policies and controls.</li> </ul>

Quarter	Review	Type	Days	High-level Scope
				<b>Actions:</b> <ul style="list-style-type: none"> <li>• Audit Key Committee minutes and actions;</li> <li>• Review board member roles and compliance with guidance; and</li> <li>• Test conflict of interest declarations and enforcement.</li> </ul>
3	Risk Management Framework	Assurance	10	<p>It is important to have effective risk management processes in place to support decision-making, to encourage innovation and growth, protect it from incidents that affect service delivery, and which harm its reputation and to minimise losses.</p> <p>The review considers the framework for risk management and the arrangements for identifying risks and controls and monitoring of these. Areas to be covered include:</p> <ul style="list-style-type: none"> <li>• Risk management strategy, policies and supporting procedural documents;</li> <li>• Roles and responsibilities;</li> <li>• Arrangements for identifying and recording risks and their corresponding mitigating controls; and</li> <li>• Alignment of risks to strategy and projects.</li> </ul>
3	Housing Rents	Assurance	10	<p>The objective of the audit is to review the systems and controls in place over Housing Rents to help confirm that these are operating adequately, effectively and efficiently. This audit is undertaken in collaboration Homes, to assess the annual rent charges, income, arrears, amendment to rent accounts and reconciliation with other key financial systems.</p>
3	Temporary Accommodation	Assurance	14	<p>Review budget forecasts and actual spend on Temporary Accommodation (TA) to assess financial pressure and cost controls:</p> <ul style="list-style-type: none"> <li>• Sample placements to assess duration, suitability, and compliance with statutory guidance;</li> <li>• Review a sample of TA placements to verify compliance with statutory requirements (e.g. suitability assessments, decision letters, Section 202 review rights);</li> <li>• Test financial records for a selection of TA providers to confirm accuracy of payments, adherence to contract terms and value-for-money;</li> <li>• Inspect property records to ensure health and safety checks (e.g. gas, fire, electrical) are up to date and documented for all active TA units;</li> <li>• Evaluate performance data (e.g. average length of stay, occupancy rates) for completeness, accuracy and alignment with internal reporting; and</li> <li>• Check safeguarding protocols and inter-agency coordination for high-risk cases.</li> </ul>
3	Budgetary Control (Key Control Audit)	Assurance	16	<p>Budgetary Control is a fundamental financial process. Key control objectives that will be considered as part of this audit include:</p> <ul style="list-style-type: none"> <li>• Formally approved budgets are set each year, considering all relevant income and expenditure;</li> <li>• The financial management system accurately reflects the agreed budgets;</li> <li>• Budgets are allocated to individuals at an appropriate level, with monitoring responsibilities clearly outlined;</li> <li>• All budget adjustments (including virements) are authorised;</li> <li>• Budgets are adequately monitored and regularly reported, with reasonable variance levels being set which trigger action and explanation; and</li> <li>• Appropriate financial reserves are maintained in line with assessed risks.</li> </ul>
3	Financial Resilience	Assurance	15	<p>Confirm the realism and likely delivery success of identified saving within the current financial year and the Medium-Term Financial Plan.</p>

Quarter	Review	Type	Days	High-level Scope
3	Grievance Reporting and Management	Assurance	10	The review considers the arrangements for the monitoring and management of complaints received and for ensuring that appropriate action is taken in a timely manner.
4	Gilstrap Financials (also Governance in 2025/26)	Assurance	8	Independent Examination of the Gilstrap accounts in accordance with S145 of the Charities Act 2011.
4	Mansfield Crematorium	Assurance	8	Completion of the audit of the Mansfield Crematorium Accounts.
1 – 4	Follow-up	Follow up	16	Follow-up of implementation of agreed priorities one and two actions from audit reports, ensuring the Council are implementing recommendations, and providing reports to the Audit and Accounts Committee.
1	Annual Planning	Management	4	Assessing the Council’s annual audit needs.
4	Annual Report	Management	3	Reporting on the overall conclusions and opinion based on the year’s audits and other information and providing input to the Annual Governance Statement.
4	Training	Management	2	Supporting training of Audit and Accounts Committee.
1 – 4	Audit Management	Management	30	This time includes: <ul style="list-style-type: none"> <li>• Meeting client management;</li> <li>• Overseeing the audit plan;</li> <li>• Reporting and supporting the Audit and Accounts Committee;</li> <li>• Liaising with External Audit; and</li> <li>• Client briefings (including fraud alerts, fraud digests and committee briefings).</li> </ul>
<b>Total days</b>			<b>245</b>	

## Appendix C: Annual Plan – Newark and Sherwood District Council' Key Strategic Risks (4\*4)

Ref	Risk per BAF (as at August 2025)	Inherent	Target	Actual	Average per TIAA analysis (Borough / District usually 5*5)	Notes by TIAA on review of scoring
1	SR501 Financial Sustainability – General Fund	16	6	6	(16) 12	No concerns
2	SR502 Financial Sustainability - HRA	9	4	6	(16) 10	No concerns
3	SR503 Failure to deliver growth infrastructure	12	6	9	(20) 16	No concerns
4	SR504 Contract / Supply failure	12	4	6	(20) 14	No concerns
5	SR505 Workforce	16	6	6	(20) 12	No concerns
6	SR506 Corporate Governance	12	6	6	(20) 12	No concerns
7	SR507 Data Management and Security	16	6	9	(20) 16	No concerns
8	SR508 Environment	12	6	6	(20) 16	No concerns
9	SR509 Statutory Compliance Management	16	9	9	(20) 10	No concerns

## Appendix D: Strategic risks frequently seen at Borough / District Councils – For Consideration / Potential Inclusion

Additional strategic risks articulated by other TIAA District / Borough Councils	Pre-mitigation	Post-mitigation
Inability to manage and deliver safe and good quality affordable homes	12	10
Failure to work with Strategic Partners	12	10
Reputational Damage / Loss of Public Confidence	16	10
Failure to Deliver Digital Transformation	20	12

## Appendix E: Impact of the Global Internal Audit standards

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Some key elements that are now required under the Standards. This list is not exhaustive:

- Requirement to understand the organisation's risks and internal and external providers of assurance services that cover those risks;
- The plan must support the strategic objectives and success of the organisation;
- The annual plan must be risk-based, prioritising engagements according to the organisation's risk profile;
- Communicate to the board and senior management why high-risk areas are excluded if applicable;
- The plan requires formal approval by the Board (or Audit Committee);
- The CAE must also discuss resources, budget, and capabilities needed to deliver the plan;
- The plan should integrate performance metrics and link to the internal audit strategy; and
- The plan must allow for adjustments during the year to respond to emerging risks or changes in organisational priorities.

Engagement / review impact:

- Include engagement level risk assessments and work programs for each planned audit;
- Evaluation of the significance of findings (considering likelihood and impact) and prioritisation of findings based on significance;
- Overall engagement conclusion; and
- Action owners and dates included in final communications.

# Appendix F: Expected Plan Timeline

Time	Action
<i>December 2025</i>	Draft Plan presented to the Audit and Accounts Committee.
<i>End of December 2025</i>	Closing date for initial feedback from the Audit and Accounts Committee.
<i>Early January 2026</i>	Revised Draft Plan presented to the Executive for feedback.
<i>Late January 2026</i>	Closing date for feedback and submissions from Management.
<i>February 2026</i>	Second Revised Plan submitted to the Audit and Accounts Committee for approval.
<i>March 2026</i>	Issuance of the Final Plan.

# Internal Audit Charter

## Purpose

The purpose of internal audit is to strengthen Newark and Sherwood District Council's ability to create, protect, and sustain value by providing the board/committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

Internal audit enhances Newark and Sherwood District Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

The internal audit function is most effective when:

- Internal auditing is performed by competent professionals in conformance with the IIA's Global Internal Audit Standards, which are set in the public interest.
- The internal audit function is independently positioned with direct accountability to the board.
- Internal auditors are free from undue influence and committed to making objective assessments.

## Commitment to Adhering to the Global internal Audit Standards

TIAA will adhere to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework, which are the Global Internal Audit Standards and Topical Requirements. TIAA will report periodically to the board and senior management regarding the internal audit function's conformance with the Standards, which will be assessed through a quality assurance and improvement program.

## Authority

Newark and Sherwood District Council's board/committee grants the internal audit function the mandate to provide the board/committee and senior management with objective assurance, advice, insight, and foresight.

The internal audit function's authority is created by its direct reporting relationship to the board/committee. Such authority allows for unrestricted access to the board/committee.

The board authorises the internal audit function to:

- Have full and unrestricted access to all functions, data, records, information, physical property, and personnel pertinent to carrying out internal audit responsibilities. Internal auditors are accountable for confidentiality and safeguarding records and information.
- Allocate resources, set frequencies, select subjects, determine scopes of work, apply techniques, and issue communications to accomplish the function's objectives.
- Obtain assistance from the necessary personnel of Newark and Sherwood District Council and other specialised services from within or outside Newark and Sherwood District Council to complete internal audit services.

## Independence and Reporting Relationships

TIAA will confirm to Newark and Sherwood District Council's board/committee, at least annually, the independence of the internal audit function. TIAA will disclose to the board/committee any interference internal auditors encounter related to the scope, performance, or communication of internal audit work and results. The disclosure will include communicating the implications of such interference on the internal audit function's effectiveness and ability to fulfil its mandate.

## Board/Committee Oversight

To establish, maintain, and ensure that TIAA internal audit provision has sufficient authority to fulfil its duties, the board/committee will:

- Discuss with TIAA and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure TIAA has unrestricted access to and communicates and interacts directly with the board/committee, including in private meetings without senior management present.
- Discuss with TIAA and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with TIAA and senior management about the "essential conditions," described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve TIAA's charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter periodically with TIAA to consider changes affecting the organisation, such as changes in the type, severity, and interdependencies of risks to the organisation; and approve the internal audit charter periodically. (typically, annually).
- Approve the risk-based internal audit plan.
- Review TIAA's performance.
- Receive communications from TIAA about the internal audit function including its performance relative to its plan.

- Ensure TIAA has established a quality assurance and improvement program and this is reported on annually.
- Make appropriate inquiries of senior management and TIAA to determine whether scope or resource limitations are inappropriate.

#### TIAA Role

TIAA will ensure that internal auditors:

- Conform with the Global Internal Audit Standards, including the principles of Ethics and Professionalism: integrity, objectivity, competency, due professional care, and confidentiality.
- Understand, respect, meet, and contribute to the legitimate and ethical expectations of the organisation and be able to recognise conduct that is contrary to those expectations.
- Encourage and promote an ethics-based culture in the organisation.
- Report organisational behaviour that is inconsistent with the organisation's ethical expectations, as described in applicable policies and procedures.

#### Objectivity

TIAA will ensure that the internal audit function remains free from all conditions that threaten the ability of internal auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication. If TIAA determines that objectivity may be impaired in fact or appearance, the details of the impairment will be disclosed to appropriate parties.

Internal auditors will maintain an unbiased mental attitude that allows them to perform engagements objectively such that they believe in their work product, do not compromise quality, and do not subordinate their judgment on audit matters to others, either in fact or appearance.

Internal auditors will have no direct operational responsibility or authority over any of the activities they review. Accordingly, internal auditors will not implement internal controls, develop procedures, install systems, or engage in other activities that may impair their judgment, including:

- Performing operational duties for Newark and Sherwood District Council or its affiliates.
- Initiating or approving transactions external to the internal audit function.
- Directing the activities of any Newark and Sherwood District Council employee that is not employed by TIAA, except to the extent that such employees have been appropriately assigned to internal audit teams or to assist internal auditors.

Internal auditors will:

- Disclose impairments of independence or objectivity, in fact or appearance, to appropriate parties and at least annually, such as TIAA management, Newark and Sherwood District Council's board/committee and management, or others.
- Exhibit professional objectivity in gathering, evaluating, and communicating information.
- Make balanced assessments of all available and relevant facts and circumstances.
- Take necessary precautions to avoid conflicts of interest, bias, and undue influence.

The main objective of the internal audit activity carried out by TIAA is to provide, in an economical, efficient and timely manner, an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the framework of governance, risk management and control. TIAA is responsible for providing assurance to Newark and Sherwood District Council's governing body (being the body with overall responsibility for the organisation) on the adequacy and effectiveness of the risk management, control and governance processes.

#### TIAA's Responsibility

TIAA has the responsibility to:

- At least annually, develop a risk-based internal audit plan that considers the input of the board/committee and senior management.

- Discuss the plan with the board/committee and senior management and submit the plan to the board/committee for review and approval.
- Review and adjust the internal audit plan, as necessary, in response to changes in Newark and Sherwood District Council's business, risks, operations, programs, systems, and controls.
- Communicate with the board/committee and senior management if there are significant interim changes to the internal audit plan.
- Ensure internal audit engagements are performed, documented, and communicated in accordance with the Global Internal Audit Standards.
- Follow up on engagement findings and confirm the implementation of recommendations or action plans and communicate the results of internal audit services to the board/committee and senior management [periodically] and for each engagement as appropriate.
- Ensure the internal audit function collectively possesses or obtains the knowledge, skills, and other competencies and qualifications needed to meet the requirements of the Global Internal Audit Standards and fulfil the internal audit mandate.
- Identify and consider trends and emerging issues that could impact Newark and Sherwood District Council's and communicate to the board and senior management as appropriate.
- Consider emerging trends and successful practices in internal auditing.
- Establish and ensure adherence to methodologies designed to guide the internal audit function.
- Ensure adherence to TIAA's relevant policies and procedures unless such policies and procedures conflict with the internal audit charter or the Global Internal Audit Standards. Any such conflicts will be resolved or documented and communicated to the board and senior management.

- Coordinate activities and consider relying upon the work of other internal and external providers of assurance and advisory services. If TIAA cannot achieve an appropriate level of coordination, the issue must be communicated to senior management and if necessary escalated to the board.

#### **Communication with the Board/Committee and Senior Management**

TIAA will report periodically to the board and senior management regarding:

- The internal audit function’s mandate.
- The internal audit plan and performance relative to its plan.
- Significant revisions to the internal audit plan.
- Potential impairments to independence, including relevant disclosures as applicable.
- Results from the quality assurance and improvement program, which include the internal audit function’s conformance with The IIA’s Global Internal Audit Standards and action plans to address the internal audit function’s deficiencies and opportunities for improvement.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other areas of focus for the board.
- Results of assurance and advisory services.
- Management’s responses to risk that the internal audit function determines may be unacceptable or acceptance of a risk that is beyond Newark and Sherwood District Council’s risk appetite.

#### **Quality Assurance and Improvement Programme**

- TIAA will develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program will include external and internal assessments of TIAA’s conformance with the Global Internal Audit Standards, as well as performance measurement to assess TIAA’s

progress toward the achievement of its objectives and promotion of continuous improvement. The program also will assess, if applicable, compliance with laws and/or regulations relevant to internal auditing. Also, if applicable, the assessment will include plans to address the internal audit function’s deficiencies and opportunities for improvement. Annually, TIAA will communicate with the board and senior management about the quality assurance and improvement program, including the results of internal assessments (ongoing monitoring and periodic self-assessments) and external assessments. External assessments will be conducted at least once every five years by a qualified, independent assessor or assessment team from outside of TIAA.

#### **Scope**

- The scope of internal audit services covers the entire breadth of the organisation, including all Newark and Sherwood District Council’s activities, assets, and personnel. The scope of internal audit activities also encompasses but is not limited to objective examinations of evidence to provide independent assurance and advisory services to the board/committee and management on the adequacy and effectiveness of governance, risk management, and control processes for Newark and Sherwood District Council.
- The nature and scope of advisory services may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.
- Internal audit engagements may include evaluating whether:
- Risks relating to the achievement of Newark and Sherwood District Council’s strategic objectives are appropriately identified and managed.

- The actions of Newark and Sherwood District Council’s officers, directors, management, employees, and contractors or other relevant parties comply with Newark and Sherwood District Council’s policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programs are consistent with established goals and objectives.
- Operations and programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Newark and Sherwood District Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.

purpose will be carried out in a manner prescribed by TIAA’s professional standards, Information Security and Information Governance policies.

#### **Irregularities, Including Fraud and Corruption**

TIAA will without delay report to the appropriate regulator, serious weaknesses, significant fraud, major accounting and other breakdowns subject to the requirements of the Proceeds of Crime Act 2002.

TIAA will be informed when evidence of potential irregularity, including fraud, corruption or any impropriety, is discovered so that TIAA can consider the adequacy of the relevant controls, evaluate the implication of the fraud on the risk management, control and governance processes and consider making recommendations as appropriate. The role of TIAA is not to investigate the irregularity unless commissioned to do so.

### Assurance Assessment Gradings

We use four levels of assurance assessments as set out below.

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Data Protection

TIAA has policies, procedures and processes in place to comply with all associated regulation and legislation on information security, which is underpinned by mandatory annual awareness training for all staff. To carry out our role effectively, we need to obtain information that is reliable, relevant and sufficient to support our findings and

Approved by the Audit and Accounts Committee at its meeting on date

recommendations. The collection of data, particularly sensitive personal data, is minimised and is not shared with unauthorised persons unless there is a valid and legal requirement to do so. We have clear policies on the retention of data and its appropriate, controlled disposal. TIAA has a fully robust Information Security Management System that meets all the requirements of ISO27001:2022.

### Quality Assurance

TIAA recognises the importance of Internal Audit being controlled at each stage to ensure that we deliver a consistent and efficient Internal Audit service that is fully compliant with professional standards and also the conditions of contract. We operate a comprehensive internal operational quality review process to ensure that all Internal Audit work is carried out in accordance with these standards. These quarterly reviews are part of our quality management system which has ISO 9001:2015 accreditation.

### Disclaimer

The matters raised in this planning report, along with those raised in our audit and annual reports, are only those that came to the attention of the auditor during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. 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. 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.

### Performance Standards

The following Performance Targets will be used to measure the performance of internal audit in delivering the Annual Plan:

Performance Measure	Target
Completion of planned audits.	100%
Audits completed in time allocation.	100%
Draft report issued within 10 working days of exit meeting.	100%
Management responses received by TIAA within 10 working days of draft report issue.	100%
Final report issued within 10 working days of receipt of responses.	100%
Compliance with TIAA's audit charter and IIA GIAS	100%



Newark and Sherwood District Council

Summary Internal Controls Assurance (SICA) Report

February 2026

2<sup>nd</sup> Revised 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 6<sup>th</sup> February 2026.

## 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

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
Gilstrap Financials	N/A	N/A	N/A	29 <sup>th</sup> January 2026	-	-	-	-
Absence Management	Limited	7 <sup>th</sup> January 2026	4 <sup>th</sup> February 2026	6 <sup>th</sup> February 2026	0	6	0	0

- 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**

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

**Changes to the Annual Plan 2025/26**

- 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	

**Progress in actioning priority 1 & 2 recommendations**

- We have made no Priority 1 recommendations (i.e. fundamental control issue on which action should be taken immediately) since the previous SICA. The recommendation trackers are provided for the Committee shown in Appendix C.

**Frauds/Irregularities**

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

**Other Matters**

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

**Responsibility/Disclaimer**

- 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.

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## Appendix A: Executive Summaries

The following Executive Summaries are included in this Appendix. Full copies of the reports are provided to the Audit Committee.

Review	Key Findings
Absence Management	<ul style="list-style-type: none"> <li>• Long term sickness has increased year on year and is likely to be substantially in excess of targets in 2025/26. High absence rates mean staff face pressures to achieve more with fewer resources. However, it was confirmed by the Senior Learning and Development Officer that 70 of the current managers out of a total of 119 (59%) had not received training relating to Absence Management.</li> <li>• Evidence supporting application of requisite policy by line management was not evidenced on the iTrent system as applied in approximately half of the relevant cases in our sample of 10 short terms and 10 long terms absences:               <p><i>Short term Sicknesses</i></p> <ul style="list-style-type: none"> <li>• A Review Invite Letter or Outcome Review Letter was not in place for three cases;</li> <li>• An Outcome Review Letter was not in place for two cases though a review had been conducted; and</li> <li>• A self-certification had not been provided in seven cases, whilst a Fitness to Work (Fit Note) was not provided in two cases.</li> </ul> <p><i>Long Term Sicknesses</i></p> <ul style="list-style-type: none"> <li>• A Review Invite Letter or Outcome Review Letter was not in place for three cases;</li> <li>• An Outcome Review Letter was not in place for four cases though a review had been conducted; and</li> <li>• A self-certification had been completed in four cases, whilst a Fit Note had not been attached in one case.</li> </ul> </li> <li>• Limited evidence to support escalation or reporting in respect of the efficacy of control could be evidenced during the review.</li> </ul>

# 1. Assurance Review of Absence Management

## Executive Summary

OVERALL ASSESSMENT		LIMITED ASSURANCE	ACTION POINTS	HIGH RISK	MEDIUM RISK	LOW RISK	OPERATIONAL
				0	6	0	0

KEY STRATEGIC FINDINGS -	
C	<p>Long term sickness has increased year on year and is likely to be substantially in excess of targets in 2025/26. High absence rates mean staff face pressures to achieve more with fewer resources. However, it was confirmed by the Senior Learning and Development Officer that 70 of the current managers out of a total of 119 (59%) had not received training relating to Absence Management.</p>
C	<p>Evidence supporting application of requisite policy by line management was not evidenced on the iTrent system as applied in approximately half of the relevant cases in our sample of 10 short terms and 10 long terms absences:</p> <p><u>Short term Sicknesses</u></p> <ul style="list-style-type: none"> <li>• A Review Invite Letter or Outcome Review Letter was not in place for three cases;</li> <li>• An Outcome Review Letter was not in place for two cases though a review had been conducted; and</li> </ul> <p>A self-certification had not been provided in seven cases, whilst a Fitness to Work (Fit Note) was not provided in two cases.</p>
C	<p><u>Long Term Sicknesses</u></p> <ul style="list-style-type: none"> <li>• A Review Invite Letter or Outcome Review Letter was not in place for three cases;</li> <li>• An Outcome Review Letter was not in place for four cases though a review had been conducted; and</li> </ul> <p>A self-certification had been completed in four cases, whilst a Fit Note had not been attached in one case.</p>
C	<p>Limited evidence to support escalation or reporting in respect of the efficacy of control could be evidenced during the review.</p>
SCOPE	ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE
<p>The objective of the audit was to assess absence management practices within the Council, focusing on efficiency, compliance, and strategies for minimizing staff absences and promoting wellbeing.</p>	<p>SR505 Workforce: 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</p>

# Assurance - Key Findings and Management Action Plan (MAP)

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	C	The Senior Learning and Development Officer confirmed that 70 of the current managers out of a total of 119 (59%) had not received training relating to Absence Management. However, all managers will be required to attend the Absence Management course by the end of April 2026 and that regular updates will be provided to the Senior Leadership Team to ensure compliance with the training schedule.	All managers to attend the Absence Management course by the end of April 2026 and regular updates be provided to the Senior Leadership Team to ensure compliance with the training schedule.	2	<p><i>In 2021 all managers were invited to attend training on the newly implemented iTrent system, unfortunately training records were not updated in full. The Human Resource team generally train new managers in a 121 setting as they typically need to be trained before the next session in the calendar. When this occurs the training records are not typically updated.</i></p> <p><i>Absence management training will now be added to the mandatory training program for managers, and this will be reported on quarterly in the new financial year.</i></p> <p><i>Additional training sessions have been added to the calendar and will be assigned to managers with no record of training.</i></p>	30/09/26	Senior HR Officer

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	C	<p>A sample of 10 short term sickness absences relating to the period April to May 2025 was selected and the following was noted:</p> <p>In three cases a trigger point had been hit however both no Review Invite Letter and Outcome Review Letter was attached to iTrent; and</p> <p>In two cases a trigger point had been hit and though a review had been conducted, no Outcome Review Letter was attached on iTrent.</p> <p>A sample of 10 long term sickness absences was selected relating to the period April to May 2025 The following was noted:</p> <p>In three cases a trigger point had been hit but no Review Invite Letter and Outcome Review Letter was attached to iTrent; and</p> <p>In four cases a trigger point had been hit and though a review had been conducted no Outcome Review Letter was attached on iTrent.</p>	Review Meetings and Capability Sickness Hearings be conducted where appropriate. In addition, Review Invite Letters and Outcome Review Letters be attached on iTrent.	2	<p><i>The HR Team have increased the weekly monitoring of non-compliance and will now escalate non-compliance following 2nd reminder to the next level of management.</i></p> <p><i>Additionally, HR will now circulate a monthly absence report to all BM's detailing issues of outstanding non-compliance.</i></p> <p><i>Non-compliance will also be reported to SLT on the HR Quarterly report.</i></p>	01/01/26	Senior HR Officer
3	C	In one case, relating to short term absence, a Return-To-Work interview was not conducted.	As per the Managing Attendance Policy Return-To-Work interviews to be conducted.	2	As above.	01/01/26	Senior HR Officer

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
4	C	<p>A sample of 10 short term sickness absences relating to the period April to May 2025 was selected. The following was noted:</p> <ul style="list-style-type: none"> <li>In seven cases no self-certification had been attached on the iTrent system; and</li> <li>In two cases, appropriate Fit Notes had not been attached to the iTrent system.</li> </ul> <p>In addition, a sample of 10 long - term sickness absences relating to the period April to May 2025 was selected. The following was noted:</p> <ul style="list-style-type: none"> <li>In four cases no self-certification had been attached on iTrent system; and</li> <li>In one cases an appropriate Fit Note had not been attached to the iTrent system.</li> </ul>	As per the Managing Attendance Policy Self Certification Forms and Statement of Fitness to Work (Fit Note) to be attached to the iTrent system.	2	As above.	01/01/26	Senior HR Officer
5	C	The Human Resources (HR) Officer (HR and Training) confirmed that managers are reminded a couple of times to attach relevant documentation onto the iTrent system. However, there is no formal escalation process if persistence non-compliance relating to the Managing Attendance Policy occurs.	Management to implement key performance indicators (KPIs) to support the escalation of non-compliance with requisite controls.	2	As above.	01/01/26	Senior HR Officer

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

Ref	Root Cause Indicator	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
6	GF	<p>A review of the Managing Attendance Policy (version five, approved in July 2021) identified that the Policy does not include version control details, such as the responsible approvers.</p> <p>Additionally, there is no indication of a schedule to review or update cycle which is necessary to ensure that Policy remain current and compliant with the Council's requirements.</p>	<p>The Managing Attendance Policy to be updated and include a version control showing details of review.</p> <p>A policy review schedule to be formally established.</p>	2	<i>Policy updates to be completed by 29/5/26.</i>	29/05/26	Senior HR Officer

PRIORITY GRADINGS

**1 URGENT** Fundamental control issue on which action should be taken immediately.

**2 IMPORTANT** Control issue on which action should be taken at the earliest opportunity.

**3 ROUTINE** Control issue on which action should be taken.

# Operational - Effectiveness Matter (OEM) Action Plan

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Ref	Root Cause Indicator	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matter were identified.				

ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Appendix B: Progress Against Annual Plan

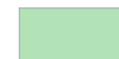
System	Planned Quarter	Current Status	Comments
Financial Resilience	1	Final 26 <sup>th</sup> November 2025	Reported to December AC
HRA H&S Mould	2	Final 26 <sup>th</sup> November 2025	Reported to December AC
Joint Working Arrangements	1	Fieldwork Completed	
Cyber Security Maturity Assessment	2	Fieldwork Completed	
Key Financial Controls - Budgetary Control	3	Draft 4 <sup>th</sup> February 2026	Awaiting Management response
Capital Programme	3	Final 24 <sup>th</sup> September 2025	Reported to October AC
Gilstrap Financials	2	Final 29 <sup>th</sup> January 2026	
Mansfield Crematorium	2		This will be scheduled for Q4 to meet annual reporting requirements
Absence Management	3	Final 6 <sup>th</sup> February 2026	
Climate Sustainability Assessment	3	Draft 5 <sup>th</sup> February 2026	
Waste Management	3	Draft 11 <sup>th</sup> February 2026	
Corporate Governance (including Staff Training and Succession planning)	4	Fieldwork in progress	
ICT Social Media	4	Scheduled 23 <sup>rd</sup> February 2026	
H&S Mould Follow-up	4	Contacted 27 <sup>th</sup> January 2026	
Procurement	4	In progress	

**KEY:**

 To be commenced

 Site work commenced

 Draft report issued

 Final report issued

## Appendix C: Update on Recommendations

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There are seven outstanding recommendations pertaining to housing where follow-up is scheduled to be undertaken before the end of the financial year.

Management have been contacted to arrange a date for this review.

## 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 Newark and Sherwood District Council is given below:

### Summary of recent Client Briefings and Alerts

Date Issued	Sector	Briefing Type	Subject	Website Link	TIAA Comments
30 <sup>th</sup> January 2026	All	Client Briefing	Safeguarding Culture, Learning and Multi-Agency Practice Briefing	<a href="#">Safeguarding Culture, Learning and Multi-Agency Practice Briefing - TIAA</a>	This briefing summarises key insights from a conversation with safeguarding specialist Peter Stride, drawing on his experience chairing Domestic Abuse-Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. It highlights the cultural, organisational and multi-agency factors that drive safeguarding success — and failure — across health, social care, local government and emergency services.
23 <sup>rd</sup> January 2026	All	Podcast	Safeguarding Culture, Learning and Multi Agency Practice Podcast	<a href="#">Safeguarding Culture, Learning and Multi Agency Practice Podcast - TIAA</a>	This podcast features a discussion between TIAA Directors Veran Patel and Fiona Roe, alongside safeguarding specialist Peter Stride, who draws on his extensive experience chairing Domestic Abuse Related Death Reviews, Safeguarding Adult Reviews and Children’s Reviews. The conversation explores the cultural, organisational and multi-agency factors that contribute to both success and failure in safeguarding across health, social care, local government and emergency services.
23 <sup>rd</sup> January 2026	Housing and Local Government	TIAA Article	Decarbonisation in Housing & Local Authority Sectors	<a href="#">Decarbonisation in Housing &amp; Local Authority Sectors - TIAA</a>	The UK’s net-zero agenda places significant demands on the housing and local authority sectors to drastically reduce carbon emissions across existing and new homes.  With decarbonisation high on the agenda—and DESNZ funding available through the Warm Homes programmes—TIAA plays a critical role in translating policy and grants into real-world impact: supporting organisations to manage funding effectively for cleaner, healthier, and future-proof housing.
22 <sup>nd</sup> January 2026	All	Data Protection Alert	Police Rollout of Live Facial Recognition	<a href="#">Police Rollout of Live Facial Recognition - TIAA</a>	Thames Valley Police has commenced the deployment of live facial recognition (LFR) technology in Oxford and the wider Thames Valley area, including the operation of specialised LFR vans in public spaces. The force states the rollout is intended to support frontline policing, enabling the rapid identification of wanted suspects and missing persons.

Date Issued	Sector	Briefing Type	Subject	Website Link	TIAA Comments
21 <sup>st</sup> January 2026	All	Anti-Crime Alert	Rising Fraud in IT Asset Management and Disposal	<a href="#">Rising Fraud in IT Asset Management and Disposal - TIAA</a>	TIAA Anti-Crime Specialists have been alerted to vulnerabilities in the management and disposal of assets. Employees of organisations are misappropriating IT equipment (laptops, mobile phones and iPads), which are then sold via both online selling platforms and physical shops.
5 <sup>th</sup> January 2026	All	TIAA Blog	Security Matters: Learning From Huntingdon – Protecting People in an Age of Uncertainty	<a href="#">Security Matters: Learning From Huntingdon - Protecting People in an Age of Uncertainty - TIAA</a>	The second in our Security Blog series. This month we explore lessons from the Huntingdon train attack and what it teaches us about protecting people in uncertain times, with key takeaways and advice.
9 <sup>th</sup> December 2025	All	Newsletter	Security Focus Newsletter Edition 11	<a href="#">Security Focus Newsletter Edition 11 - TIAA</a>	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. No organisation wants the disruption or bad publicity that incidents of violence and aggression against your staff or crimes against your property create.
2 <sup>nd</sup> December 2025	All	TIAA Blog	Security Matters: AI-Enhanced CCTV: A Smarter Ally in the Fight Against Crime	<a href="#">Security Matters: AI-Enhanced CCTV: A Smarter Ally in the Fight Against Crime - TIAA</a>	The first in our Security Blog series. Artificial Intelligence (AI) is transforming the landscape of public safety and crime prevention across the UK. Among the most promising developments is the use of AI-powered CCTV systems — technology that can rapidly analyse footage, recognise patterns, and identify suspects far faster than human operators ever could.
2 <sup>nd</sup> December 2025	All	Security Alert	Update on roles created to implement Terrorism (Protection of Premises) Act	<a href="#">Update on roles created to implement Terrorism (Protection of Premises) Act - TIAA</a>	Two new roles have been created in order to implement Martyn’s Law successfully. The Competent Person in the Workplace (CPIW) and the Counter Terror Security Specialist (CTSS) which will require formal registration. Both roles are currently being developed and awaiting final statutory guidance by March 2026.



Report to: Audit & Governance Committee Meeting  
4 March 2026

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

Lead Officer: Nick Wilson, Business Manager – Financial Services  
Ext 5317

Report Summary	
<b>Report Title</b>	Annual External Progress Report and Indicative Audit Plan 2025/26
<b>Purpose of Report</b>	To present the External Audit Progress Report and Indicative Audit Plan for the 2025/26 Statement of Accounts work for members to review and comment.
<b>Recommendations</b>	Members to note the External Audit Strategy Memorandum.
<b>Reason for Recommendation</b>	To provide Members with details of External Audits work in relation to the Council's Statement of Accounts for 2025/26.

## 1.0 Introduction

- 1.1 The External Audit Progress Report and Indicative Plan (Appendix A) sets out the proposed work of the Council's external auditors for 2025/26, relating to the audit of the financial statements and the commentary on the Council's Value for Money arrangements.
- 1.2 The report firstly details the audit work completed since the last progress report to the Committee, relating to the conclusion of the 2024/25 Audit – giving an unqualified opinion on the financial statements together with not identifying any significant weaknesses in the Council's arrangements for securing Value for Money.
- 1.2 The report describes the audit approach and the Value for Money audit approach. It details the audit team, the deliverables from the work, the timeline and the proposed audit fee.

1.3 The audit approach for the financial statements and Value for Money, is in line with the same approach as in previous financial years.

**2.0 Implications**

None.

**Background Papers and Published Documents**

None.



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# Audit Progress Report

## Newark & Sherwood District Council

February 2026

# 2025/26 Audit Progress and Indicative Audit Plan

# Audit progress

## Purpose of this report

This report aims to provide the Audit & Accounts Committee with information about progress in delivering our responsibilities as the Councils' external auditors for the 2025/26 financial year.

## Conclusion of 2024/25 Audit and issue of Audit Certificate for 2023/24

As communicated as verbal update to the Audit & Accounts Committee in December 2025, we completed our work and issued our audit opinion for the year ended 31 March 2025 on 23 January 2026, ahead of the statutory deadline of 27<sup>th</sup> February 2026. Our opinion on the statement of accounts was unqualified and we did not identify any significant weaknesses in the Council's arrangements for securing Value for Money.

We have not yet received confirmation from the NAO that the group audit of the Whole of Government Accounts has been completed and that no further work is required from us. Once this confirmation has been received, we can complete the formality of issuing the audit certificate. It should be noted that this has no impact on the statutory February deadline and applies to all local authorities nationally.

NAO confirmation was received and our audit certificate was issued in respect of 2023/24 on 18 September 2025.

## 2025/26 Audit Progress

Our annual accounts workshop for finance team members will take place in March 2026 (date to be confirmed).

Since our last progress report to Members we have:

- submitted our list of required deliverables to the Council for the planning and interim stages of the audit
- had ongoing discussions with management to organise audit timing and logistics and to integrate lessons learned from the prior year audit

We will present our formal Audit Strategy Memorandum in Spring 2026 and will continue to keep the committee updated with progress.

The expected areas of focus will include:

Financial statement risks:

- Risk of management override of controls (mandatory risk on all audit engagements)
- Revaluation of Land & Buildings (Property, Plant & Equipment)
- Valuation of the local government pension scheme asset and liability

Value for money arrangements:

- Financial sustainability
- Governance
- Improving Economy, Efficiency and Effectiveness

# Engagement and responsibilities summary

We are appointed to perform the external audit of Newark & Sherwood District Council (the “Council”) for the year to 31 March 2026. The scope of our engagement is set out in the Statement of Responsibilities of Auditors and Audited Bodies, issued by Public Sector Audit Appointments Ltd (PSAA) available from the PSAA website: [Statement of responsibilities of auditors and audited bodies from 2023/24](#). Our responsibilities are principally derived from the Local Audit and Accountability Act 2014 (the 2014 Act) and the Code of Audit Practice issued by the National Audit Office (NAO), as outlined below.

## Audit opinion

We are responsible for forming and expressing an opinion on whether the financial statements are prepared, in all material respects, in accordance with the Code of Practice on Local Council Accounting.

Our audit does not relieve management or Audit & Accounts Committee, as those charged with governance, of their responsibilities.

The Director of Finance & Corporate Services (s151 Officer) is responsible for the assessment of Newark & Sherwood District Council’s ability to continue as a going concern. As auditors, we are required to obtain sufficient, appropriate audit evidence regarding, and conclude on:

- a) whether a material uncertainty related to going concern exists, and
- b) the appropriateness of the s151 Officer’s use of the going concern basis of accounting in the preparation of the financial statements.

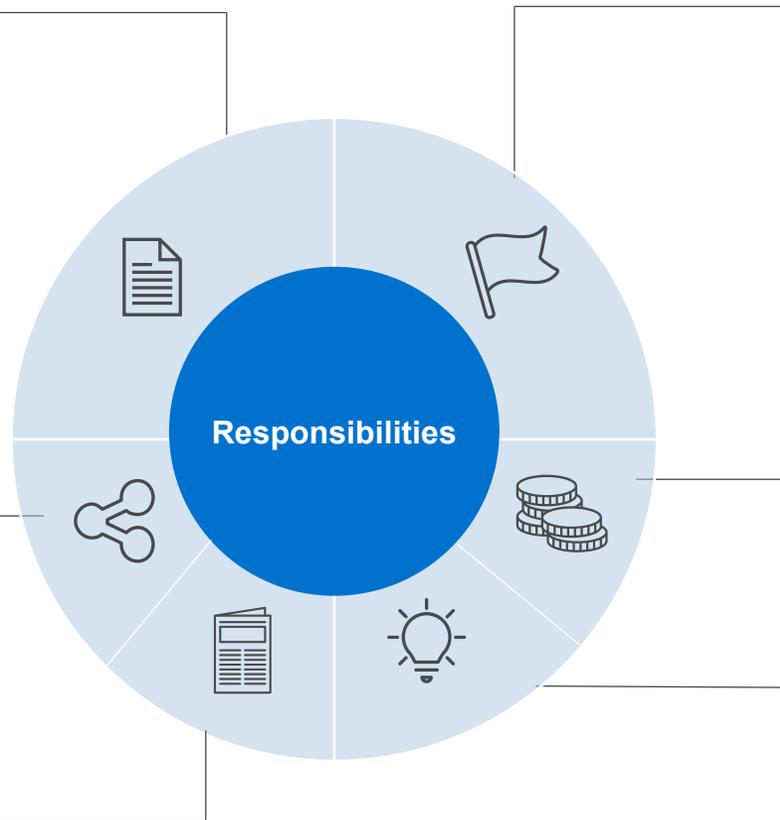
## Internal control

Management is responsible for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

We are responsible for obtaining an understanding of internal control relevant to our audit and the preparation of the financial statements to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Newark & Sherwood District Council’s internal control.

## Whole of Government Accounts

We report to the NAO on the consistency of the Council’s financial statements with its Whole of Government Accounts (WGA) submission.



## Fraud

The responsibility for safeguarding assets and for the prevention and detection of fraud, error, and non-compliance with law or regulations rests with both you and management. This includes establishing and maintaining internal controls over asset protection, compliance with relevant laws and regulations, and the reliability of financial reporting.

As part of our audit procedures in relation to fraud, we are required to inquire of you and key management personnel, on their knowledge of instances of fraud, and their views on the risks of fraud and on internal controls that mitigate those risks. In accordance with International Standards on Auditing (UK), we plan and perform our audit to obtain reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether due to fraud or error. However, our audit should not be relied upon to identify all such misstatements.

## Value for money

We are also responsible for forming a view on the arrangements that the Council has in place to secure economy, efficiency and effectiveness in its use of resources. We discuss our approach to Value for Money work further in the ‘Value for Money’ section of this report.

## Wider reporting and electors’ rights

The 2014 Act requires us to give an elector, or any representative of the elector, the opportunity to question us about the accounts of the Council and consider objections made to the accounts. We also have a broad range of reporting responsibilities and powers that are unique to the audit of local authorities in the United Kingdom.

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## Your audit team



**Mark Surridge**

**Key Audit Partner**

Mark.Surridge@mazars.co.uk



**Ellie West**

**Audit Manager**

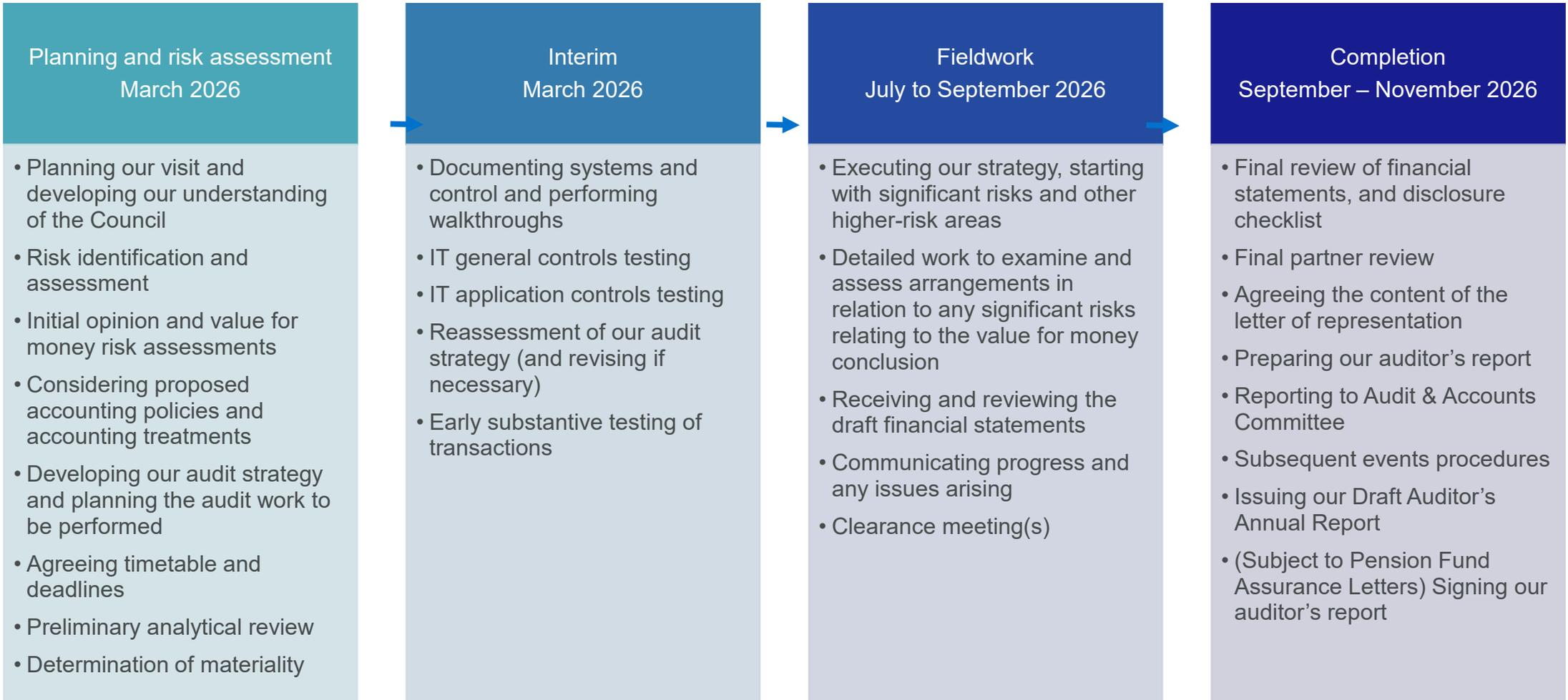
Ellie.West@mazars.co.uk

# Audit scope, approach, and timeline

## Risk-based Approach



# Audit scope, approach, and timeline



# Value for money

## The framework for value for money work

We are required to form a view as to whether the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The NAO issues guidance to auditors that underpins the work we are required to carry out in order to form our view and sets out the overall criterion and sub-criteria that we are required to consider.

Our responsibility remains to be satisfied that the Council has proper arrangements in place, and to report in the auditor's report where we are not satisfied that arrangements are in place. Where we have issued a recommendation in relation to a significant weaknesses this indicates we are not satisfied that arrangements are in place. Separately we provide a commentary on the Council's arrangements in the Auditor's Annual Report.

The 2024 Code of Audit Practice requires us to issue our Auditor's Annual Report for the year ending 31st March 2026 to you in draft by the 30th November 2026. This is required whether our audit is complete or not. Should our work not be complete, we will report the status of our work and any findings to up to that point (and since the issue of our previous Auditor's Annual Report).

## Specified reporting criteria

The Code requires us to structure our commentary to report under three specified criteria:

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

## Our approach

Our work falls into three primary phases as outlined opposite. We gather sufficient evidence to support our commentary on the Council's arrangements and to identify and report on any significant weaknesses in arrangements. Where significant weaknesses are identified, we are required to report these to the Council and make recommendations for improvement. Such recommendations can be made at any point during the audit cycle, and we are not expected to wait until issuing our overall commentary to do so.

Planning	Obtaining an understanding of the Council's arrangements for each specified reporting criteria. Relevant information sources will include: <ul style="list-style-type: none"><li>• NAO guidance and supporting information</li><li>• Information from internal and external sources including regulators</li><li>• Knowledge from previous audits and other audit work undertaken in the year</li><li>• Interviews and discussions with staff and members</li></ul>
Additional risk based procedures and evaluation	Where our planning work identifies risks of significant weaknesses, we will undertake additional procedures to determine whether there is a significant weakness.
Reporting	We will provide a summary of the work we have undertaken and our judgements against each of the specified reporting criteria as part of our commentary on arrangements which forms part of the Auditor's Annual Report. Our commentary will also highlight: <ul style="list-style-type: none"><li>• Significant weaknesses identified and our recommendations for improvement; and</li><li>• Emerging issues or other matters that do not represent significant weaknesses but still require attention from the Council.</li></ul>

# Audit fees and other services

## Fees for work as the Council's appointed auditor

Our proposed fees (exclusive of VAT) as the Council's appointed for the year ended 31 March 2026 are outlined below. Our fees are designed to reflect the time, professional experience, and expertise required to perform our audit.

Area of work	2025-26 Fees	2024-25 Fees*	2023/24
Code Audit Work (Scale Fee)	£167,540	£162,977	£148,208
Introduction of ISA315r – controls	N/A included in scale fee	N/A included in scale fee	£9,410
Additional costs of group audit work	TBC if included in scale	£3,662	£3,244
Additional costs of introduction of ISA600R on group audits which requires significantly more work on scoping, controls and evaluation by the Partner and Manager	TBC – expected to be less than 2024/25	£15,948	N/A
Increased audit risks compared to 2023/24 in relation to income and expenditure cut-off	N/A	£8,838	£5,426
Additional fees in respect of additional work on: <ul style="list-style-type: none"> <li>Impact of control findings and additional testing arising (journals, IT controls, leases and related parties)</li> <li>Bank letter delays</li> </ul>	N/A	£13,490	£21,048
Additional fees in respect of additional work from the introduction of new accounting standards (IFRS 16 Leases). Covers work on planning, with new requirements under ISA240 estimates, ISA315 planning and risk, plus consideration of completeness, disclosures and testing of the accounts, including work on leases disclosed and evaluation of impact	TBC – expected to be less than 2024/25	£8,548	N/A
<b>Total fees</b>	<b>£TBC</b>	<b>£213,157</b>	<b>£187,336</b>

\* Our proposed fee variation has been submitted to PSAA for final approval

# Contact

## Forvis Mazars

**Mark Surridge**

Partner

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Report to: Audit & Accounts Committee Meeting 4 March 2026

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

Lead Officer: Jenna Norton, Senior Accountant on ext. 5327

Report Summary	
<b>Report Title</b>	Treasury Management Strategy 2026/27
<b>Purpose of Report</b>	This report seeks approval for the Treasury Management Strategy, which incorporates the Borrowing Strategy, Investment Strategy, and Treasury Prudential Indicators, updated in accordance with latest guidance.
<b>Recommendations</b>	That Committee approves each of the following key elements and recommends these to Full Council on 5 March 2026 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: <ul style="list-style-type: none"> <li>• The Treasury Management Strategy 2026/27, incorporating the Borrowing Strategy and the Annual Investment Strategy (<b>Appendix A</b>).</li> <li>• The Treasury Prudential Indicators and Limits, contained within <b>Appendix A</b>.</li> <li>• The Authorised Limit Treasury Prudential Indicator contained within <b>Appendix A</b>.</li> </ul>
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## 1.0 Background

1.1 Treasury Management is defined as “The management of the local authority’s 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.”

1.2 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes to set Treasury Prudential Indicators for the next three years to

ensure that the Council's capital investment plans are affordable, prudent and sustainable.

- The Act therefore requires the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance subsequent to the Act). This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

### 1.3 CIPFA Requirements:

The primary requirements of the Code are as follows:

- The creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- The 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, a Mid-year Review Report and an Annual Report covering activities during the previous year.

1.4 This report seeks approval for the Treasury Management Strategy 2026/27 (Appendix A), which encompasses the Treasury Prudential Indicators, the Borrowing Strategy, and the Annual Investment Strategy, in accordance with latest guidance as follows:

### **2.0 Summary of Investment Limits and Indicators**

2.1 The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return). No investment limits have been amended for the financial year 2026/27. Also, it is proposed to use the same prudential indicators for the investing activity, further details are in the **Appendix**.

### **3.0 Summary of Borrowing Limits and Indicators**

3.1 The Council's borrowing limits are directly affected by the Council's approved capital programme and any capital expenditure financed by borrowing will therefore increase the Capital Financing Requirement (CFR). In respect of the tables within the documents, these reflect the proposed capital programme that will be presented to Cabinet on 24 February 2026 to be approved at Council on 5 March 2026. Where changes occur, these will be reflected in the documents as appropriate. The CFR is the level of expected borrowing and when compared to the actual external debt the variance represents the over or under borrowing position.

- 3.2 The Council is currently in an under borrowed position which means that previous capital expenditure financed by borrowing hasn't yet required actual external debt due to the timing of cash backed reserves that haven't yet been utilised. However, this is always a temporary position as ultimately when the cash backed reserves are used there will be a requirement for actual external borrowing.
- 3.3 The table below shows the Councils increasing CFR due to capital expenditure financed by borrowing less the actual external debt, with no new borrowing assumptions, less the cash backed reserves and working capital (debtors less creditors), further details are in **Appendix A**.

	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
<b>Loans CFR</b>	<b>198,947</b>	<b>213,221</b>	<b>217,034</b>
Less: External borrowing	-100,812	-94,766	-85,720
<b>Internal (over) borrowing</b>	<b>98,135</b>	<b>118,455</b>	<b>131,314</b>
Less: Usable reserves	-38,479	-36,589	-33,216
Less: Working capital	-10,500	-10,500	-10,500
<b>Investments / -New borrowing</b>	<b>-49,156</b>	<b>-71,366</b>	<b>-87,598</b>

The table indicates that between 2026/27 and 2028/29 it is estimated that there will potentially be a minimum requirement to borrow an additional £88m.

- 3.4 Within the borrowing strategy the following key limits are proposed for the operational boundary and authorised limit over the same period, further details in **Appendix A**.

	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
Operational Boundary	205,947	220,221	224,034
Authorised Limit	210,947	225,221	229,034

- 3.5 In the proposed Investment Strategy of the Treasury Management Strategy 2026/27 at appendix A, now includes a commitment to responsible and ethical investment practices. All investment decisions will be subject to rigorous due diligence to ensure alignment with our ethical standards and community expectations.

#### **Background Papers and Published Documents**

CIPFA Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes 2011 Edition and the 2017 revised Edition

CIPFA Prudential Code Local Government Act 2003

CIPFA Standard of Professional Practice on Treasury Management

**TREASURY MANAGEMENT STRATEGY STATEMENT 2026/27****Introduction**

The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

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 that the Council can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

CIPFA defines treasury management 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.”

This strategy covers the requirements of the Local Government Act 2003, the CIPFA Prudential Code, MHCLG MRP Guidance, the CIPFA Treasury Management Code and MHCLG Investment Guidance.

Investments held for service purposes or for commercial profit are considered in a different report, the Investment Strategy.

## Treasury Management Reporting

The Council is currently required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- a. **Prudential and treasury indicators and treasury strategy** (this report) - The first, and most important report is forward looking and covers:
  - the capital forecast summary;
  - the treasury management strategy, (how the investments and borrowings are to be organised), including treasury indicators; and
  - an investment strategy, (the parameters on how treasury investments are to be managed).
- b. **A mid-year treasury management report** – This is primarily a progress report and will update members on the treasury position, amending prudential indicators as necessary, and whether any policies require revision.
- c. **An annual treasury report** – This is a backward looking review document and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

## Scrutiny

The above reports and strategies are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Accounts Committee.

## Quarterly Reports

In addition to the three major reports detailed above, from 2024/25 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but are required to be adequately scrutinised. This role is undertaken by the Cabinet and the Prudential Indicators form part of the Quarterly Budget Monitoring Reports.

## Training

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Treasury Management training has been undertaken by members on 11 February 2026 and further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the finance department. Similarly, a formal record of the treasury

management/capital finance training received by members will also be maintained by democratic services.

### **Treasury Management Consultants**

The Council uses MUFG Corporate Markets, formally known as Link Group, Treasury solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon the services of external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, treasury advisers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

### Capital Summary and Liability Benchmark

On 31 December 2025, the Council held £109.213m of borrowing and £62.311m of investments. Forecast changes in these sums are shown in the balance sheet analysis table below.

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

Capital expenditure and financing:

	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
General Fund services	15,060	19,826	40,047	15,623	4,965
Council housing (HRA)	17,876	18,821	29,942	24,674	14,341
Capital Loan (GF)	0	21,786	0	0	0
<b>TOTAL</b>	<b>32,936</b>	<b>60,433</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>
Capital Grants	6,230	4,855	16,470	9,637	2,465
Other Contributions	3,472	3,225	927	218	0
CIL	31	0	0	0	0
Capital Receipts	1,943	4,430	3,593	3,021	1,164
Revenue/ Major Repairs	6,438	14,963	20,160	6,054	1,728
Borrowing	14,822	32,960	28,839	21,367	13,949
<b>TOTAL</b>	<b>32,936</b>	<b>60,433</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>

The Council's borrowing need (the Capital Financing Requirement)

	2024/25 Actual £'000	2025/26 Forecast £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
General Fund CFR	37,071	64,910	74,942	74,907	74,023
HRA CFR	109,638	109,049	124,005	138,314	143,011
<b>Total CFR</b>	<b>146,709</b>	<b>173,959</b>	<b>198,947</b>	<b>213,221</b>	<b>217,034</b>
Less: External borrowing	-108,897	-103,857	-100,812	-94,766	-85,720
<b>Internal (over) borrowing</b>	<b>37,812</b>	<b>70,102</b>	<b>98,135</b>	<b>118,455</b>	<b>131,314</b>
Less: Usable reserves	-68,452	-54,475	-38,479	-36,589	-33,216
Less: Working capital	2,541	-10,500	-10,500	-10,500	-10,500
<b>Investments / - New borrowing</b>	<b>28,099</b>	<b>-5,127</b>	<b>-49,156</b>	<b>-71,366</b>	<b>-87,598</b>

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's indebtedness and so it's underlying borrowing need. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing.

The Council has an increasing CFR due to the proposed capital programme and diminishing investments and will therefore be required to borrow up to a minimum of an additional £43m over the forecast period.

CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. The table above shows that the Council expects to comply with this recommendation during 2026/27.

**Liability benchmark:** A liability benchmark has been calculated showing the lowest level of borrowing required. This assumes the same forecasts as the table above, but that cash and investment balances are kept to a minimum level of £10m, as per MiFID II, at each year-end to maintain sufficient liquidity but minimise credit risk.

	<b>2024/25 Actual £'000</b>	<b>2025/26 Forecast £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
Loans CFR	146,709	173,959	198,947	213,221	217,034
Less: Usable reserves	-68,452	-54,475	-38,479	-36,589	-33,216
Less: Working capital	2,541	-10,500	-10,500	-10,500	-10,500
Plus: Minimum investments	10,000	10,000	10,000	10,000	10,000
<b>Liability Benchmark</b>	<b>90,798</b>	<b>118,984</b>	<b>159,968</b>	<b>176,132</b>	<b>183,318</b>

## Borrowing Strategy

The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Council's capital strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions.

**Objectives:** The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

### **Current Borrowing portfolio position**

The Council's treasury portfolio position, with forward projections are summarised below. The table shows the actual external debt (the treasury management operations), against the underlying capital borrowing need (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Debt at 1 April	105,432	108,897	103,857	100,812	94,766
Expected change in Debt	3,465	-5,040	-3,045	-6,046	-9,046
<b>Actual gross debt at 31</b>	<b>108,897</b>	<b>103,857</b>	<b>100,812</b>	<b>94,766</b>	<b>85,720</b>
<b>The Capital Financing Requirement</b>	<b>146,709</b>	<b>173,959</b>	<b>198,947</b>	<b>213,221</b>	<b>217,034</b>
<b>Under / (over) borrowing</b>	<b>37,812</b>	<b>70,102</b>	<b>98,135</b>	<b>118,455</b>	<b>131,314</b>

Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2026/27 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue purposes or speculative purposes.

The Director of Resources/Deputy Chief Executive reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

## IFRS16 – Leasing

The CIPFA LASAAC Local Authority Accounting Code Board required implementation of IFRS 16 from 1 April 2024, applying to the 2024/25 financial year. In line with this requirement, the Council has now implemented IFRS 16, bringing previously off-balance-sheet leased assets onto the balance sheet. The Council has completed its assessment of the impact and incorporated the necessary amendments within its accounting policies. Prudent assumptions and forecasts have been embedded within the strategy limits to ensure compliance and maintain financial resilience.

### Treasury Indicators: limits to borrowing activity

**Prudential Indicator 1: Operational Boundary for External Debt:** The operational boundary is based on the Council's estimate of most likely (i.e. prudent but not worst case) scenario for external debt. It links directly to the Council's estimates of capital expenditure, the capital financing requirement and cash flow requirements, and is a key management tool for in-year monitoring. Other long-term liabilities comprise of finance leases, Private Finance Initiatives and other liabilities that are not borrowing but form part of the Council's debt.

<b>Operational Boundary</b>	<b>2025/26 Revised £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
Borrowing	178,954	203,947	218,221	222,034
Impact of IFRS16	2,000	2,000	2,000	2,000
<b>Total Debt</b>	<b>180,954</b>	<b>205,947</b>	<b>220,221</b>	<b>224,034</b>

**Prudential Indicator 2 and 3: Authorised Limit for External Debt:** The authorised limit is the affordable borrowing limit determined in compliance with the Local Government Act 2003. It is the maximum amount of debt that the Council can legally owe. The authorised limit provides headroom over and above the operational boundary for unusual cash movements.

<b>Authorised Limit</b>	<b>2025/26 Revised £'000</b>	<b>2026/27 Estimate £'000</b>	<b>2027/28 Estimate £'000</b>	<b>2028/29 Estimate £'000</b>
Borrowing	183,954	208,947	223,221	227,034
Impact of IFRS16	2,000	2,000	2,000	2,000
<b>Total Debt</b>	<b>185,954</b>	<b>210,947</b>	<b>225,221</b>	<b>229,034</b>

Separately, following the removal of the HRA Debt cap set by Government on 30 October 2018, the Council chose to use the Interest Cover Ratio (ICR) as its borrowing boundary for the HRA. The ICR represents the cover that the HRA has against its interest cost liabilities in any year. The ICR is

set to a minimum which provides comfort that if there were a sudden drop in income or increase in operating costs, there would be sufficient headroom to continue to cover debt interest payments. The typical lending covenants used with the ratio varies between 1.10 and 1.50, the lower rate represents less cover and higher rate represents more cover, the Council will use the most prudent approach and therefore use 1.50 within the ratio to provide the most comfort of interest costs cover. The ICR has been modelled into the current HRA 30 year business plan and the maximum additional debt capacity set is £2.308m in order to maintain affordability in each financial year:

HRA Debt Limit	2025/26 Revised £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
HRA CFR	109,049	124,005	138,314	143,011
Additional ICR Debt	8,535	2,705	3,496	2,308
<b>HRA Authorised Limit</b>	<b>117,584</b>	<b>126,710</b>	<b>141,810</b>	<b>145,319</b>

**Prudential Indicator 4: Maturity structure of borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed and variable rate borrowing will be:

	Upper	Lower
Under 12 months	25%	0%
12 months and within 24 months	25%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	100%	0%
10 years and above	100%	0%

Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

**Strategy:** The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt. Instead, cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains relatively elevated in 2026 even if some rate cuts occur

Against this background and the risks within the economic forecast, caution will be adopted with the 2026/27 treasury operations. The Director of Resources/Deputy Chief Executive will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.

The benefits of internal or short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. MUFG will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2026/27 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

Alternatively, the Council may arrange forward starting loans during 2026/27, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

In addition, the Council may borrow (normally for up to one to six months) short-term loans to cover unplanned cash flow shortages. Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

**Sources of borrowing:** Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from the following additional sources.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- UK Municipal Bonds Agency plc any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds
- capital market bond investors
- Finance Leases

Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

**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. £3.5m of these LOBOs have options during 2026/27, and although the Council understands that lenders are unlikely to exercise their options in the current interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. Total borrowing via LOBO loans will be limited to £0m.

**Short-term and variable rate loans:** These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators.

**Debt rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. Rescheduling of current borrowing in our debt portfolio is unlikely to occur. If rescheduling was done, it will be reported to Council, at the earliest meeting following its action.

**Policy on borrowing in advance of need:** The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

**Policy on internal borrowing interest to the HRA:** On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long-term loans borrowed will be assigned in their entirety to one pool or the other.

Interest payable and other costs/income arising from long-term loans (e.g. premiums and discounts on early redemption) will be charged/ credited to the respective revenue account. Differences between the value of the HRA loans pool and the HRA's underlying need to borrow (capital financing requirement) will result in an internal borrowing situation. The internal borrowing on the HRA will be charged at the 25 year fixed maturity interest rate for PWLB for the 31 March for the relevant financial year with the credit going to the General Fund balance.

## Investment Strategy

### **Management of Risk**

The Ministry of Housing, Communities and Local Government (MHCLG) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy and Investment Strategy.

The Council's investment policy has regard to the following: -

- MHCLG's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's investment priorities will be security first, portfolio liquidity second and then yield, (return).

The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. The Council has adopted a prudent approach to managing risk.

The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 9 months, the Council's investment balance has ranged between £41 and £63 million. Levels available for investment are affected by capital expenditure and use of reserves, both will continue to be monitored throughout the financial year.

**Objectives:** As the CIPFA Code requires the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest 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. Where balances are expected to be invested for more than one year, the Council will aim to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested.

**Strategy:** Given the continued risk and market volatility, the Council aims to continue investing into secure and/or higher yielding asset classes during 2026/27. This is especially the case for the estimated £15m that is potentially available for longer-term investment. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds.

**Business models:** The IFRS 9 Statutory Override was originally scheduled to end on 31 March 2025. However, following feedback received during the 2025 Local Government Finance Settlement consultation, the Government has introduced transitional arrangements for legacy pooled investment funds.

Key Points:

- The statutory override will remain in place for existing pooled fund investments held as at 1 April 2024, and will continue to apply to these investments until 1 April 2029.
- Any new pooled fund investments made on or after 1 April 2024 will not benefit from the override and must comply fully with IFRS 9. This means that fair value movements on these investments will be recognised directly in the General Fund.

The Government's intention is that this transitional period will provide councils with additional time to review and adjust their pooled fund investment strategies, ensuring a smoother alignment with industry accounting standards and mitigating the potential impact of volatility on local authority budgets.

**Creditworthiness Policy:** The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:

1. It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security; and
2. It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

The Director of Resources/Deputy Chief Executive will maintain a counterparty list in compliance with the following criteria in the table below and will revise the criteria and submit them to Council for approval as necessary.

Credit rating information is supplied by MUFG, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating Watch applying to counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

As part of our commitment to responsible and ethical investment practices, the Council will not knowingly invest in any funds, financial instruments, or counterparties that may, directly or indirectly, reinvest our funds into products, industries, or activities that are considered socially or ethically inappropriate. This includes, but is not limited to, sectors such as tobacco, arms manufacturing, gambling, fossil fuels, or any other areas that conflict with our values and public responsibilities. All investment decisions will be subject to rigorous due diligence to ensure alignment with our ethical standards and community expectations.

**Use of additional information other than credit ratings.** Additional requirements under the Code require the Council to supplement credit rating information. Whilst the below criteria relies primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

**Time and monetary limits applying to investments.** The time and monetary limits for institutions on the Council’s counterparty list are as follows:

Credit rating	Banks unsecured	Banks secured	Government	Corporates	Registered Providers
UK Govt	n/a	n/a	£ Unlimited 50 years	n/a	n/a
AAA	£8m 5 years	£10m 20 years	£20m 50 years	£5m 20 years	£5m 20 years
AA+	£6m 5 years	£10m 10 years	£10m 25 years	£5m 10 years	£5m 10 years
AA	£6m 4 years	£10m 5 years	£10m 15 years	£5m 5 years	£5m 10 years
AA-	£6m 3 years	£10m 4 years		£5m 4 years	£5m 10 years
A+	£6m 2 years	£10m 3 years		£5m 3 years	£5m 5 years
A	£6m 13 months	£10m 2 years		£5m 2 years	£5m 5 years
A-	£5m 6 months	£10m 13 months		£5m 13 months	£5m 5 years
None		n/a			£5m 5 years
<b>Pooled funds and real estate investment trusts</b>		£15m per fund or trust			

This table must be read in conjunction with the notes below

**Credit rating:** Investment limits are set by reference to the lowest published long-term credit rating from a selection of external rating agencies. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used. However, investment decisions are never made solely based on credit ratings, and all other relevant factors including external advice will be considered.

**Banks unsecured:** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

**Banks secured:** Covered bonds, reverse repurchase agreements and other collateralised arrangements with banks and building societies. These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits. The combined secured and unsecured investments in any one bank will not exceed the cash limit for secured investments.

**Government:** Loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Central Government may be made in unlimited amounts for up to 50 years.

**Corporates:** Loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent. Loans to unrated companies will only be made as part of a diversified pool in order to spread the risk widely.

**Registered providers:** Loans and bonds issued by, guaranteed by or secured on the assets of registered providers of social housing and registered social landlords, formerly known as housing associations. These bodies are tightly regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

**Pooled funds:** Shares or units in diversified investment vehicles consisting of the any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while pooled funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term but are more volatile in the short term. These allow the Council to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Council's investment objectives will be monitored regularly.

**Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.

**Operational bank accounts:** The Council will incur operational exposures through its current accounts, with Lloyds Bank. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £850,000 net in the bank with an overdraft facility of £100,000. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Council maintaining operational continuity.

**Country and sector limits:** Due care will be taken to consider the country, group and sector exposure of the Council’s investments.

The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA (excluding UK) from Fitch (or equivalent). This list will be added to, or deducted from by officers should ratings change in accordance with this policy.

**Investment limits:** In order to limit the amount of reserves that will be potentially put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15 million. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers’ nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

**Investment limits**

	Cash limit
Any single organisation, except the UK Central Government	£15m each
UK Central Government	unlimited
Any group of organisations under the same ownership	£15m per group
Any group of pooled funds under the same management	£15m per manager
Negotiable instruments held in a broker’s nominee account	£10m per broker
Foreign countries	£10m per country
Registered providers and registered social landlords	£10m in total
Unsecured investments with building societies	£10m in total
Loans to unrated corporates	£15m in total

Local Authorities	£15m each
Money market funds	£12m each
Real estate investment trusts	£10m in total

**Liquidity management:** The forecast is compiled on a prudent basis to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Council’s medium-term financial plan and cash flow forecast.

**Policy on internal investment interest to the HRA:** On 1st April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. Interest receivable for HRA balance sheet resources available for investment will result in a notional cash balance. This balance will be measured at the end of the financial year and interest transferred from the General Fund to the HRA at the average investment rate for a DMO investment for the financial year due to the General Fund carrying all the credit risk per investment.

**Investment returns expectations:** The suggested budgeted investment earnings rates for returns on investments placed for periods up to about three months during each financial year are as follows:

Average earnings in each year	
2025/26 (residual)	3.80%
2026/27	3.40%
2027/28	3.30%
2028/29	3.30%
2029/30	3.50%

**Treasury Indicators: limits to investing activity**

The Council measures and manages its exposures to treasury management risks using the following indicators.

**Prudential Indicator 5: 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
Portfolio average credit rating	A

**Prudential Indicator 6: Liquidity:** 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.

Liquidity risk indicator	Target	Limit
Total cash available within;		
3 months	30%	100%
3 – 12 months	30%	80%
Over 12 months	40%	60%

**Prudential Indicator 7: Interest rate exposures:** This indicator is set to control the Council’s exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interest rates will be:

Interest rate risk indicator	Limit
Upper limit on one-year revenue impact of a 1% <u>rise</u> in interest rates	£400,000
Upper limit on one-year revenue impact of a 1% <u>fall</u> in interest rates	£400,000

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at current rates.

**Prudential Indicator 8: Principal sums invested for periods longer than a year:** 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. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Price risk indicator	2026/27	2027/28	2028/29
Limit on principal invested beyond year end	£15m	£15m	£15m

## **Treasury Management Practice (TMP1) – Credit and Counterparty Risk Management**

The MHCLG issued Investment Guidance in 2018, and this forms the structure of the Council's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for Councils to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective the guidance requires this Council to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code and will apply its principles to all investment activity. In accordance with the Code, the Director of Resources/Deputy Chief Executive has produced its treasury management practices (TMPs). This part, TMP 1, covering investment counterparty policy requires approval each year.

Annual investment strategy - The key requirements of both the Code and the investment guidance are to set an annual investment strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of following:

- The strategy guidelines for choosing and placing investments.
- The principles to be used to determine the maximum periods for which funds can be committed.

**Strategy guidelines** – The main strategy guidelines are contained in the body of the treasury strategy statement and in accordance with the Code, the Council has set additional criteria to set the time and amount of monies which will be invested in institutions.

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Council receives credit rating information (changes, rating watches and rating outlooks) from MUFG as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Director of Resources/Deputy Chief Executive, and if required new counterparties which meet the criteria will be added to the list.

## Treasury Management Scheme of Delegation

### **(i) Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.
- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;

### **(ii) Audit and Accounts Committee**

- reviewing the treasury management policy and procedures and making recommendations to the responsible body;
- receiving and reviewing regular monitoring reports and acting on recommendations; and
- approving the selection of external service providers and agreeing terms of appointment.

## The Treasury Management Role of the Section 151 Officer

### **The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers;
- preparation of a capital strategy to include capital expenditure, capital financing, and treasury management, with a long term timeframe;
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money;
- ensuring that due diligence has been carried out on all treasury is in accordance with the risk appetite of the authority;
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing;
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources;
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities;
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees ;
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority;
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above; and
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed.

## Economic Background and Interest Rate Forecast

- 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, but picked up to 0.1% m/m in August before falling back by 0.1% m/m in September.
  - The 3m/yy rate of average earnings growth excluding bonuses has fallen from 5.5% to 4.6% in September.
  - CPI inflation has ebbed and flowed but finished September at 3.8%, whilst core inflation eased to 3.5%.
  - The Bank of England cut interest rates from 4.50% to 4.25% in May, and then to 4% in August (and subsequently to 3.75% in December).
  - The 10-year gilt yield fluctuated between 4.4% and 4.8%, ending the half year at 4.70% (before falling back to 4.43% in early November).
- 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 (subsequently revised down to 0.2% q/q). Nonetheless, the 0.0% m/m change in real GDP in July, followed by a 0.1% m/m increase in August and a 0.1% decrease in September will have caused some concern. GDP growth for 2025 - 2028 is currently forecast by the Office for Budget Responsibility to be in the region of 1.5%.
- Sticking with future economic sentiment, the composite Purchasing Manager Index (PMI) for the UK increased to 52.2 in October. The manufacturing PMI output balance improved to just below 50 but it is the services sector (52.2) that continues to drive the economy forward. Nonetheless, the PMIs suggest tepid growth is the best that can be expected in the second half of 2025 and the start of 2026. Indeed, on 13 November we heard that GDP for July to September was only 0.1% q/q.
- Turning to retail sales volumes, and the 1.5% year-on-year rise in September, accelerating from a 0.7% increase in August, marked the highest gain since April. On a monthly basis, retail sales volumes rose 0.5%, defying forecasts of a 0.2% fall, following an upwardly revised 0.6% gain in August. Household spending remains surprisingly resilient, but headwinds are gathering.
- Prior to the November Budget, the public finances position looked weak. The £20.2 billion borrowed in September was slightly above the £20.1 billion forecast by the OBR. For the year to date, the £99.8 billion borrowed is the second highest for the April to September period since records began in 1993, surpassed only by borrowing during the COVID-19 pandemic. The main drivers of the increased borrowing were higher debt interest costs, rising government running costs, and increased inflation-linked benefit payments, which outweighed the rise in tax and National Insurance contributions.

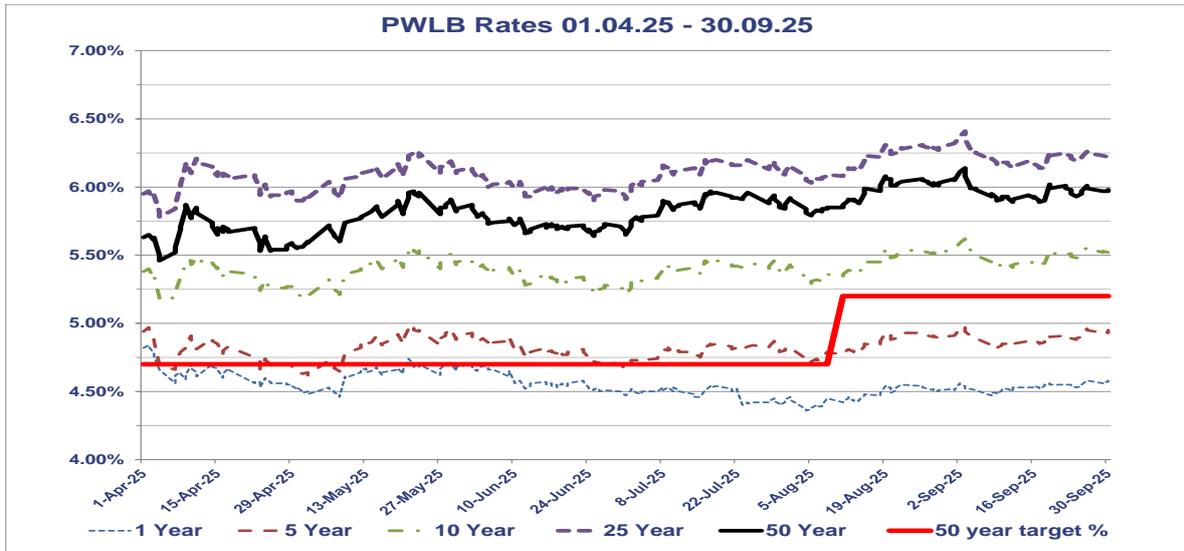
- Following the 26 November Budget, the Office for Budget Responsibility (OBR) calculated the net tightening in fiscal policy as £11.7bn (0.3% of GDP) in 2029/30, smaller than the consensus forecast of £25bn. It did downgrade productivity growth by 0.3%, from 1.3% to 1.0%, but a lot of that influence was offset by upgrades to its near-term wage and inflation forecasts. Accordingly, the OBR judged the Chancellor was going to achieve her objectives with £4.2bn to spare. The Chancellor then chose to expand that headroom to £21.7bn, up from £9.9bn previously.
- Moreover, the Chancellor also chose to raise spending by a net £11.3bn in 2029/30. To pay for that and the increase in her headroom, she raised taxes by £26.1bn in 2029/30. The biggest revenue-raisers were the freeze in income tax thresholds from 2028/29 (+£7.8bn) and the rise in NICs on salary-sacrifice pension contributions (+£4.8bn). The increase in council tax for properties worth more than £2.0m will generate £0.4bn.
- 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 nearly all the months since the Chancellor announced the rises in National Insurance Contributions (NICs) for employers and the minimum wage in the October 2024 Budget. The number of job vacancies in the three months to November 2025 stood at 729,000 (the peak was 1.3 million in spring 2022). All this suggests the labour market continues to loosen, albeit at a slow 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 4.6% in September (still at that level in November). The rate for the private sector has slipped just below 4% as the year end approaches.
- CPI inflation remained at 3.8% in September but dropped to 3.2% by November. Core inflation also fell to 3.2% by November while services inflation fell to 4.4%. Nonetheless, 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 recent 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 June 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 kept yields elevated over 4.70% although by late December had fallen back again to a little over 4.50%.
- 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 ended June at 8,761, around 2% higher than its value at the end of March 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 September 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. In early November, the FTSE100 climbed to a record high just above 9,900. By late December, the index had clung on to most of those gains standing at 9,870 on 23 December.

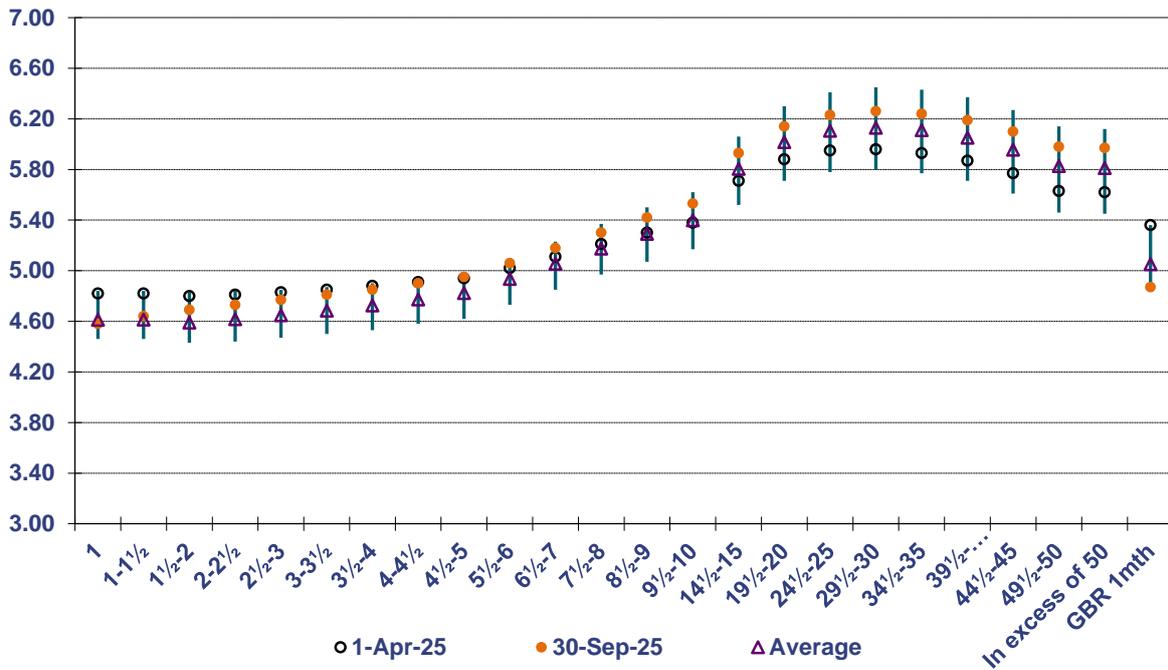
## MPC meetings: 8 May, 19 June, 7 August, 18 September, 6 November, 18 December 2025

- There were six Monetary Policy Committee (MPC) meetings held between April and December. In May, the Committee cut Bank Rate from 4.50% to 4.25%, while in June policy was left unchanged. In June's vote, three MPC members (Dhingra, Ramsden and Taylor) voted for an immediate cut to 4.00%, citing loosening labour market conditions. The other six members were more cautious, as they highlighted the need to monitor for "signs of weak demand", "supply-side constraints" and higher "inflation expectations", mainly from rising food prices. By repeating the well-used phrase "gradual and careful", the MPC continued to suggest that rates would be reduced further.
- In August, a further rate cut was implemented. However, a 5-4 split vote for a rate cut to 4% laid bare the different views within the Monetary Policy Committee, with the accompanying commentary noting the decision was "finely balanced" and reiterating that future rate cuts would be undertaken "gradually and carefully". Ultimately, Governor Bailey was the casting vote for a rate cut but with the CPI measure of inflation expected to reach at least 4% later this year, the MPC was wary of making any further rate cuts until inflation begins its slow downwards trajectory back towards 2%.
- With wages still rising by just below 5%, it was no surprise that the September meeting saw the MPC vote 7-2 for keeping rates at 4% (Dhingra and Taylor voted for a further 25bps reduction). Moreover, the Bank also took the opportunity to announce that they would only shrink its balance sheet by £70bn over the next 12 months, rather than £100bn. The repetition of the phrase that "a gradual and careful" approach to rate cuts is appropriate suggested the Bank still thought interest rates will fall further.
- At the 6 November meeting, Governor Bailey was once again the deciding vote, keeping Bank Rate at 4% but hinting strongly that a further rate cut was imminent if data supported such a move. By 18 December, with November CPI inflation having fallen to 3.2%, and with Q2 GDP revised down from 0.3% q/q to only 0.2% q/q, and Q3 GDP stalling at 0.1%, the MPC voted by 5-4 to cut rates further to 3.75%. However, Governor Bailey made it clear that any further reductions would require strong supporting data, and the pace of any further decreases would be slow compared to recent months. The markets expect Bank Rate to next be cut in April.

**PWLB Rates 01.04.25 - 30.09.25**



**PWLB Certainty Rate Variations 01.04.25 to 30.09.25**



**High/Low/Average PWLB Rates for 01.04.25 – 30.09.25**

	<b>1 Year</b>	<b>5 Year</b>	<b>10 Year</b>	<b>25 Year</b>	<b>50 Year</b>
<b>01/04/2025</b>	4.82%	4.94%	5.38%	5.95%	5.63%
<b>30/09/2025</b>	4.58%	4.95%	5.53%	6.23%	5.98%
<b>Low</b>	4.36%	4.62%	5.17%	5.78%	5.46%
<b>Low date</b>	04/08/2025	02/05/2025	02/05/2025	04/04/2025	04/04/2025
<b>High</b>	4.84%	4.99%	5.62%	6.41%	6.14%
<b>High date</b>	02/04/2025	21/05/2025	03/09/2025	03/09/2025	03/09/2025
<b>Average</b>	4.55%	4.82%	5.40%	6.11%	5.83%
<b>Spread</b>	0.48%	0.37%	0.45%	0.63%	0.68%



Report to: Audit & Accounts Committee Meeting 4 March 2026  
 Director: Sanjiv Kohli Deputy Chief Executive, Director – Resources & Section 151 Officer  
 Lead Officer: Jenna Norton, Senior Accountant, Financial Services on ext 5327

Report Summary	
<b>Report Title</b>	Capital Strategy 2026/27
<b>Purpose of Report</b>	To seek Committee approval to the Capital Strategy 2026/27, this incorporates the Minimum Revenue Provision Policy and Capital Prudential Indicators, updated in accordance with latest guidance.
<b>Recommendations</b>	That Committee approves each of the following key elements and recommends these to Full Council on 5 March 2026 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: <ul style="list-style-type: none"> <li>• The Capital Strategy 2026/27 <b>Appendix A</b>.</li> <li>• The Capital Prudential Indicators and Limits for 2026/27, contained within <b>Appendix A</b>.</li> <li>• The Minimum Revenue Provision (MRP) Policy Statement as contained within <b>Appendix C</b>, which sets out the Council’s policy on MRP.</li> <li>• The Flexible Use of Capital Receipts Strategy, contained with <b>Appendix D</b>.</li> </ul>
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## 1.0 Background

1.1 The Capital Strategy outlines the principles and framework that shape the Council’s capital decisions. The principal aim is to deliver a programme of capital investment that contributes to the achievement of the Council’s priorities and objectives as set out in the Corporate Plan.

1.2 The Strategy defines at the highest level how the capital programme is to be formulated; it identifies the issues and options that influence capital spending and sets out how the resources and capital programme will be managed.

1.3 Statutory Requirements:

- The Local Government Act 2003 (the Act) and supporting regulations requires the Council to ‘have regard to’ the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice to set Capital Prudential Indicators each financial year to ensure that the Council’s capital investment plans are affordable, prudent and sustainable.

#### 1.4 CIPFA Requirements:

- The Prudential Indicators set out the expected capital activities during the financial year (as required by the CIPFA Prudential Code for Capital Finance in Local Authorities).
- Delegation by the Council of the role of scrutiny of Capital Strategy and Policies to a specific named body. For this Council the delegated body is the Audit and Accounts Committee.

## 2.0 Summary of Capital Expenditure and Financing

2.1 The table below summaries the total forecasted capital expenditure and financing over the next three years, further breakdown is contained within the Strategy;

	<b>2026/27 Budget £'000</b>	<b>2027/28 Budget £'000</b>	<b>2028/29 Budget £'000</b>
<b>Total Capital Expenditure</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>
Capital Grants	16,470	9,637	2,465
Other Contributions	927	218	0
CIL	0	0	0
Capital Receipts	3,593	3,021	1,164
Revenue/ Major Repairs Reserve	20,160	6,054	1,728
Borrowing	28,839	21,367	13,949
<b>Total Capital Financing</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>

### Background Papers and Published Documents

CIPFA Prudential Code Local Government Act 2003  
CIPFA Treasury Management Code of Practice

## Capital Strategy Report 2026/27

### Introduction

This capital strategy gives a high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of local public services along with an overview of how associated risk is managed and the implications for future financial sustainability. It has been written in an accessible style to enhance stakeholders' understanding of these technical areas.

As well as detailing the approved capital programme, the document also sets out the Council's ambitions over the medium to longer term.

The basic elements of the Strategy therefore include:

- A direct relationship to the Community Plan;
- An investment programme expressed over the medium to long term;
- A framework that prioritises the use of capital resources;
- A consideration of the need to pursue external financing (grants, contributions, borrowing etc), which reconcile external funding opportunities with the Council's priorities and organisational objectives, so that it is the achievement of the latter that directs effort to secure the former; and
- A direct relationship with the Treasury Management Strategy, and the limitations on activity through the treasury management Prudential Indicators.

This document is intended for the use by all stakeholders to show how the Council makes decisions on capital investment:

- for Cabinet and Council – to decide on capital investment policy within the overall context of investment need/opportunity and affordability;
- for Councillors – to provide an understanding of the need for capital investment and help them scrutinise policy and management;
- for Officers – to provide an understanding of the Council's capital investment priorities, to assist them in bidding for capital resources, and to confirm their role in the capital project management and monitoring arrangements;
- for taxpayers – to demonstrate how the Council seeks to prudently manage capital resources and look after its assets; and
- for partners – to share with them our Vision and help to co-ordinate and seek further opportunities for joint ventures.

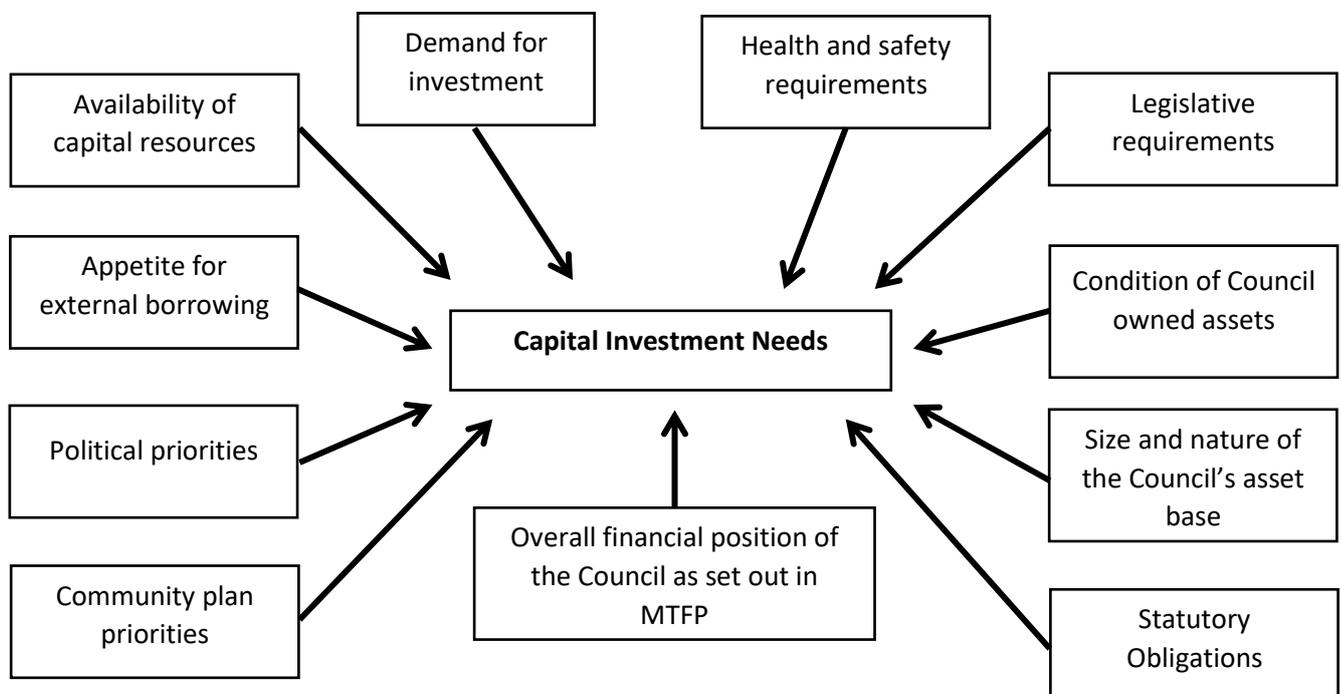
## CAPITAL INVESTMENT PRIORITIES

Newark and Sherwood's Community Plan covers the period from 2023 to 2027 and sets out what the Council intends to achieve over the next four years providing a focus for activities and prioritisation of public money.

The Council's Purpose and Values:

- **Ambitious and forward thinking:** Focused on achieving the very best and always looking to improve and innovate.
- **Caring and compassionate:** Sensitive to the different needs and circumstances of others; seeks to empower people to fulfil their potential.
- **Commercial and business-like:** Careful and creative with resources; securing value for money.
- **Professional and trustworthy:** Open, honest, and transparent. Consistently delivering on promises; providing good quality and demonstrating integrity.
- **Welcoming and responsive:** Approachable, friendly, and inclusive. Open to feedback and challenge and swift to act.

Capital investment should be directly linked to the objectives as outlined in the Community Plan. There are however a number of other factors that affect the need for capital investment both internal and external. The diagram below identifies a number of these:



## **Capital Expenditure and Financing**

Capital expenditure is where the Council spends money on assets, such as property or vehicles that will be used for more than one year. In local government this includes spending on assets owned by other bodies and loans and grants to other bodies enabling them to buy assets. The Council has some limited discretion on what counts as capital expenditure, for example assets costing below £15,000 are not capitalised and are charged to revenue in year in accordance with its de minimis limits as set out in the Financial Regulations.

- For details of the Council's policy on capitalisation, see: Accounting Policy 1.17 under note 1 of the Councils Statement of Accounts.

In 2026/27, the Council is planning capital expenditure of £69.989m as summarised below:

### **Prudential Indicator 9: Estimates of Capital Expenditure in £'000**

	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
General Fund services	11,846	19,826	40,047	15,623	4,965
Council housing (HRA)	17,876	18,821	29,942	24,674	14,341
Capital Loan (GF)	3,214	21,786	0	0	0
<b>TOTAL</b>	<b>32,936</b>	<b>60,433</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>

The Housing Revenue Account (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately and has a proposed budget for 2026/27 of £29.942m, which supports the maintenance of the Councils circa 5,570 council houses.

**Governance:** During early July a 'Capital Bid Request Form' is sent to all Business Managers and Directors. Each bid is required to include details of the nature of the scheme and how it meets the priorities within the Community Plan. It must also include detailed costs for expenditure and all financing costs (which can be nil if the project is fully externally financed) in order to assess the viability of each scheme against the available resources. All bids are required to be authorised by the relevant director and then collated by the Capital Finance team.

The Senior Leadership Team appraises all bids based on a comparison of service priorities against financing costs. Criteria can be found at **Appendix E**. Based on this assessment a final Capital Programme report is prepared for submission to Cabinet in February before final approval by Council in March.

- Full details of the 'Capital Bid Request Form' and the prioritisation criteria can be found at **Appendix E**.

All capital expenditure must be financed, either from external sources (government grants and other contributions), the Council’s own resources (revenue, reserves and capital receipts) or debt (borrowing, leasing and Private Finance Initiative). The planned financing of the above expenditure is as follows:

**Prudential Indicator 10: Capital financing in £’000**

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
<u>External sources</u>					
Capital Grants	6,230	4,855	16,470	9,637	2,465
Other Contributions	3,472	3,225	927	218	0
<u>Own resources</u>					
CIL	31	0	0	0	0
Capital Receipts	1,943	4,430	3,593	3,021	1,164
Revenue/ Major Repairs Reserve	6,438	14,963	20,160	6,054	1,728
<u>Debt</u>					
Borrowing	14,822	32,961	28,839	21,367	13,949
Leasing	0	0	0	0	0
<b>TOTAL</b>	<b>32,936</b>	<b>60,434</b>	<b>69,989</b>	<b>40,297</b>	<b>19,306</b>

Debt is only a temporary source of finance, since loans and leases must be repaid this is therefore replaced over time by other financing, usually from revenue which is known as Minimum Revenue Provision (MRP). This is a charge to the General Fund Balance and is mandated by legislation to ensure that a prudent charge for the repayment of debt be made by the revenue account. An MRP Statement which sets out how this charge should be calculated each year must be produced which is appended at **Appendix C**.

As the HRA account is self-financing there is no requirement for an MRP charge as the actual debt repayments are made as the loans mature. Alternatively, proceeds from selling capital assets (known as capital receipts) may be used to replace debt finance. The forecast General Fund MRP charge and the HRA actual debt loan repayments are below:

*Replacement of debt finance in £’000*

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
General Fund - MRP	837	669	807	1,046	1,088
HRA - Debt Repayment	3,037	5,041	3,044	6,046	9,045

The Council’s cumulative outstanding amount of debt finance is measured by the capital financing requirement (CFR). This increases with new debt-financed capital expenditure and

reduces with MRP and loan debt repayments and capital receipts used to replace debt. The CFR is expected to increase by £24.8m during 2026/27. Based on the above figures for expenditure and financing, the Council’s estimated CFR is as follows:

**Prudential Indicator 11: Estimates of Capital Financing Requirement in £’000**

	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
General Fund services	33,857	39,910	49,942	49,907	49,023
Council housing (HRA)	109,638	109,049	124,004	138,314	143,011
Capital investments	3,213	25,000	25,000	25,000	25,000
<b>TOTAL CFR</b>	<b>146,709</b>	<b>173,959</b>	<b>198,946</b>	<b>213,221</b>	<b>217,034</b>

**Asset management:** The overriding objective of asset management within the council is to achieve a corporate portfolio of property assets that is appropriate, fit for purpose and affordable. The council’s property portfolio consists of operational property and property held for specific community or regeneration purposes. The council has specific reasons for owning and retaining property:

- Operational purposes e.g. assets that support core business and service delivery e.g. office buildings.
- Parks, playgrounds and open spaces.
- Regeneration, enabling strategic place shaping and economic growth.

Asset management is an important part of the council’s business management arrangements and is crucial to the delivery of efficient and effective services, the ongoing management and maintenance of capital assets will be considered as part of this strategy. The asset management planning includes an objective to optimise the council’s land and property portfolio through proactive estate management and effective corporate arrangements for the acquisition and disposal of land and property assets.

**Asset disposal:** The Council will continue to realise the value of any properties that have been declared surplus to requirements in a timely manner, having regard to the prevailing market conditions in order to maximise the sale proceeds, known as capital receipts, which can then be spent on new assets or repay debt. The Council is currently also permitted to spend capital receipts on service transformation projects until 2026/27, although the Council does not expect to utilise this ability during 2026/27. Repayments of capital grants, loans and investments also generate capital receipts.

- The Council’s Flexible Use of Capital Receipts Policy is available at **Appendix D**.

## Treasury Management

Treasury management is concerned with keeping sufficient, but not excessive, cash available to meet the Council's spending needs, while managing the risks involved. Surplus cash is invested until required, while a shortage of cash will be met by borrowing, to avoid excessive credit balances or overdrafts in the bank current account. The Council typically has a surplus of cash in the short-term as revenue income is received before it is spent, but a shortfall of cash in the long-term as capital expenditure is incurred before being financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce overall borrowing.

Due to decisions taken in the past, the Council at 31 December 2025 had £109m borrowing at an average interest rate of 5.89% and £62.3m treasury investments at an average rate of 4.03%.

**Borrowing strategy:** The Council's main objectives when borrowing are to achieve a low but certain cost of finance while retaining flexibility should plans change in future. These objectives are often conflicting, and the Council therefore seeks to strike a balance between cheap short-term loans (currently available at around 4.75%) and long-term fixed rate loans where the future cost is known but higher (currently between 4.5% to 5.0% depending on the length of the loan).

The table below shows the Council's actual debt position against the forecasted capital financing requirement, where no additional borrowing has been included based on the proposed capital program.

### *Gross Debt and the Capital Financing Requirement in £'000*

<b>Debt</b>	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
External Debt at 1 April	105,432	108,897	103,857	100,812	94,766
Expected change in Debt	3,465	-5,040	-3,045	-6,046	-9,046
Actual gross debt at 31 March	<b>108,897</b>	<b>103,857</b>	<b>100,812</b>	<b>94,766</b>	<b>85,720</b>
The Capital Financing Requirement	<b>146,709</b>	<b>173,959</b>	<b>198,947</b>	<b>213,221</b>	<b>217,034</b>
<b>Under / (over) borrowing</b>	<b>37,812</b>	<b>70,102</b>	<b>98,135</b>	<b>118,455</b>	<b>131,314</b>

Statutory guidance is that debt should remain below the capital financing requirement, except in exceptional circumstances that may incur for a short-term. As can be seen from the table above, the Council expects to comply with this in the medium term.

**Affordable borrowing limit:** The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower "operational boundary" is also set as a warning level should debt approach the limit.

*Authorised limit and operational boundary for external debt in £'000*

	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Authorised limit – total external debt	185,954	210,764	225,221	229,034
Operational boundary – total external debt	180,954	205,764	220,221	224,034

- Further details on borrowing are in pages 4 to 7 of the treasury management strategy.

**Investment strategy:** Treasury investments arise from receiving cash before it is paid out again. Investments made for service reasons may be for purely financial gain or in order to stimulate the local economy and are not generally considered to be part of treasury management.

The Council’s policy on treasury investments is to prioritise security and liquidity over yield, which is to focus on minimising risk rather than maximising returns. Cash that is likely to be spent over the short - term is invested securely, for example with the government, other local authorities or selected high-quality banks, to minimise the risk of loss. Money that will be held for longer terms is invested more widely, including in bonds, shares and property funds, to balance the risk of loss against the risk of receiving returns below inflation. Both short-term and longer-term investments may be held in pooled funds, where an external fund manager makes decisions on which particular investments to buy and the Council may request its money back at short notice.

*Treasury management investments in £'000*

	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
Short-term investments	36,528	43,980	27,285	25,962	23,601
Longer-term investments	12,500	10,995	11,694	11,423	10,656
<b>TOTAL</b>	<b>49,028</b>	<b>54,975</b>	<b>38,979</b>	<b>37,089</b>	<b>33,716</b>

- Further details on treasury investments are in pages 8 to 13 of the treasury management strategy.

**Governance:** Decisions on treasury management investment and borrowing are made daily and are therefore delegated to the Director of Resources/Deputy Chief Executive and treasury staff, who must act in line with the Treasury Management Strategy approved by Full Council. Half yearly reports on treasury management activity are presented to the Audit and Accounts committee and then to Full Council. The Audit and Accounts committee is responsible for scrutinising treasury management decisions. Quarterly reporting against the Prudential

Indicators will be included within Budget Monitoring and Forecasting reports from April 2023 which will be presented to the Audit and Accounts Committee.

### **Investments for Service Purposes**

The Council makes investments to assist local public services, including making loans to and buying shares in local service providers, local small businesses to promote economic growth and the Council's subsidiaries that provide services. In light of the public service objective, the Council is willing to take more risk than with treasury investments, however it still plans for such investments to break even after all costs.

**Governance:** Decisions on service investments are made by the relevant Business Manager in consultation with the Director of Resources/Deputy Chief Executive and must meet the criteria and limits laid down in the investment strategy. Most loans and shares are capital expenditure and purchases will therefore also be approved as part of the capital programme.

- Further details on service investments are contained within the investment strategy.

### **Commercial Activities**

With central government financial support for local public services declining, the Council has the ability to invest in commercial property if it meets both wider Council objectives and provides a financial return that can be used to support Council services.

The Chartered Institute of Public Finance and Accountancy (CIPFA) define investment property as property held solely to earn rentals or for capital appreciation or both. Returns from property ownership can be both income driven (through the receipt of rent) and by way of appreciation of the underlying asset value (capital growth). The combination of these is a consideration in assessing the attractiveness of a property for acquisition.

With financial return being the main objective, the Council accepts higher risk on commercial investment than with treasury investments. In the context of the Capital Strategy, the council is using capital to invest in property to provide a positive surplus/financial return. The council may fund the purchase of the property by borrowing money. The rental income paid by the tenant should exceed the cost of repaying the borrowed money each year. The annual surplus then supports the council's budget position and enables the council to continue to provide services for local people. Property investment is not without risk as property values can fall as well as rise and changing economic conditions could cause tenants to leave with properties remaining vacant. In order that commercial investments remain proportionate to the size of the council, these are subject to an overall maximum investment limit of £15m. However, the Council does not hold any investment properties on its balance sheet and has no plans to invest in these types of assets.

**Governance:** Property and most other commercial investments would be classed as capital expenditure and purchases will therefore be approved as part of the capital programme.

- Further details on commercial investments and limits on their use are contained within the investment strategy.

### **Liabilities**

In addition to debt of £109m detailed above, the Council is committed to making future payments to cover its pension fund deficit (valued at £8.3m 2024/25).

**Governance:** Decisions on incurring new discretionary liabilities are taken by Business Managers in consultation with the Director of Resources/Deputy Chief Executive. The risk of liabilities crystallising and requiring payment is monitored by the corporate finance team. New liabilities are reported to full Council for approval/notification as appropriate.

- Further details on liabilities and guarantees are on pages 84 to 85 of the 2024/25 statement of accounts.

### **Revenue Budget Implications**

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.

#### **Prudential Indicator 12: Proportion of financing costs to net revenue stream in £'000**

	<b>2024/25 Actual</b>	<b>2025/26 Forecast</b>	<b>2026/27 Budget</b>	<b>2027/28 Budget</b>	<b>2028/29 Budget</b>
<b><u>General Fund</u></b>					
MRP Charge	837	669	807	1,046	1,088
Interest Payable	50	152	333	739	750
Less: Investment Income	-2,221	-2,337	-2,598	-3,472	-4,396
<b>Total GF Financing costs</b>	<b>-1,334</b>	<b>-1,516</b>	<b>-1,458</b>	<b>-1,687</b>	<b>-2,558</b>
Proportion of net revenue stream	-6.87%	-8.47%	-10.56%	-13.62%	-18.34%
<b><u>Housing Revenue Account</u></b>					
Interest Payable	3,497	3,942	4,281	4,597	4,909
Depreciation	5,839	6,369	6,364	6,623	6,788
MRR contributions including debt repayments	1,073	-2,675	-700	-3,504	-6,410
Less: Investment Income	-98	-51	-51	-47	-52
<b>Total HRA Financing costs</b>	<b>10,311</b>	<b>7,585</b>	<b>9,894</b>	<b>7,669</b>	<b>5,235</b>
Proportion of net revenue stream	33.99%	24.54%	30.69%	23.04%	15.22%

- Further details on the revenue implications of capital expenditure are contained within the 2026/27 revenue budget.

**Sustainability:** Due to the very long-term nature of capital expenditure and financing, the revenue budget implications of expenditure incurred in the next few years will extend for potentially up to 50 years into the future. The Director of Resources/Deputy Chief Executive is satisfied that the proposed capital programme is prudent, affordable and sustainable.

### **Knowledge and Skills**

The Council employs professionally qualified and experienced staff in senior positions with responsibility for making capital expenditure, borrowing and investment decisions. For example, the Director of Resources, Deputy Chief Executive is a qualified accountant, the Business Manager – Major Projects Delivery, Repairs and Compliance is a Chartered Construction Manager both with over 20 years' experience. The Council pays for junior staff to study towards relevant professional qualifications including CIPFA, AAT, ACT (treasury) and actively encourages staff to attend relevant training courses and seminars.

Where Council staff do not have the knowledge and skills required, use is made of external advisers and consultants that are specialists in their field. The Council currently employs Link Group as treasury management advisers. This approach is more cost effective than employing such staff directly and ensures that the Council has access to knowledge and skills commensurate with its risk appetite.

- The Council's policy on the use of temporary agency workers and consultants is available on the Councils Intranet.

**MANAGING THE CAPITAL PROGRAMME**

A key role in the monitoring of the capital programme is undertaken by the Capital Monitoring Group, which meets on a quarterly basis. This Group is attended by responsible officers and is chaired by the Senior Accountant for Financial Services. It is a supportive environment in which problem areas are identified and corrective actions agreed and implemented at an early stage to avoid slippage. Each scheme has a nominated project manager who is responsible for the successful completion of the scheme both to time and on budget.

The Council maintains comprehensive and robust procedures for managing and monitoring its Capital Programme. Ongoing monitoring arrangements for the delivery of the approved programme consist of:

- Project Managers are identified for each scheme who are responsible for monitoring progress, spend and income and producing action plans to respond to variations in pace or cost of delivery;
- The Deputy Chief Executive/Director of Resources and S151 Officer co-ordinates high level monthly reporting and detailed quarterly reporting to the Management Senior Leadership Team and Cabinet;
- The quarterly capital monitoring where project managers report on performance outputs on each of their capital projects in progress. Variations and unexpected items are discussed and appropriate action taken; and
- Business Managers are responsible for ensuring that their Project Manager's monitoring reports are quality assured and challenged, and that corporate implications arising from capital monitoring are brought to the attention of the Senior Leadership Team and Cabinet for approval of variations where necessary.

**PROCUREMENT**

The purchase of capital assets should be conducted in accordance with the Contract Procedure Rules, ensuring value for money, legality and sustainability at all times. Contract standing orders and rules governing the disposal or write off of assets are contained in the Constitution which is consistently reviewed.

**VALUE FOR MONEY**

The Council recognises that effective procurement lies at the heart of delivering value for money and is essential if the Council is to obtain real improvements to quality and service costs. The Council seeks to achieve value for money by applying rigorous procurement standards in the selection of suppliers and contractors to ensure efficiency, economy and effectiveness is received throughout the life of a contract. The significant resources applied to capital expenditure require the adopted principles of value for money to be at the heart of our capital strategy. Specifically, we will seek to strengthen the outcome indicators as part of post project reviews.

## ANNUAL MINIMUM REVENUE PROVISION STATEMENT 2026/27

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Council has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (the minimum revenue provision - MRP). The Council is required by statute to make a prudent provision for the repayment of its debt. It is also required to 'have regard' to guidance on how to calculate this provision, issued by the Ministry of Housing, Communities and Local Government, most recently in 2024.

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

In developing this policy statement, the Council is satisfied that the guidelines for their annual amount of MRP will result in it making a prudent provision.

MRP is calculated by reference to the capital financing requirement (CFR) which is the total amount of past capital expenditure that has yet to be permanently financed, noting that debt must be repaid and therefore can only be a temporary form of funding. The CFR is calculated from the Council's balance sheet in accordance with the Chartered Institute of Public Finance and Accountancy's Prudential Code for Capital Expenditure in Local Authorities, 2021 edition.

The Council reserves the right to determine alternative MRP approaches in particular cases, in the interests of making a prudent provision, where this is material, taking account of local circumstances, including specific project timetables and revenue-earning profiles.

*The Council is recommended to approve the following MRP Statement:*

Where capital expenditure was incurred before 1 April 2008, the guidance suggests writing down the remaining Capital Financing Requirement by providing MRP of 4% per annum on a reducing balance method.

However, due to the lack of financial information on capital expenditure financed by borrowing incurred before 1 April 2016, the MRP Policy will be:

- **2% Straight Line Basis** - as the Council deems it more prudent MRP will be charged on a 2% straight line basis, net of 'Adjustment A'. This ensures that the debt will be repaid within 50 years, which will be far sooner than under the 4% reducing balance method.

From 1 April 2016 for all unsupported borrowing the MRP policy will be:

- **Asset life method** – MRP will be based on the estimated life of the assets, with a maximum of 50 years life, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction) (option 3);

This option provides for a reduction in the borrowing need over approximately the asset's useful life.

Capital expenditure incurred during 2026/27 will not be subject to an MRP charge until 2027/28 or the first year following the date that an asset becomes operational.

The Council will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

The Council has determined that MRP is not required for borrowing or credit arrangements used to finance capital expenditure on housing assets and accounted for within the Housing Revenue Account (HRA) as it has determined, through its duty to charge depreciation and hold a Major Repairs Reserve, that prudent provision has been made.

For the following types of capital expenditure, the Council has determined that an alternative methodology for determining the annual MRP charge should be adopted:

- MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than the PFI contract, where MRP will be calculated on an asset life basis.
- MRP in respect of leases where a right of use asset is on the balance sheet will equal the repayment amount in year that writes down the balance sheet liability.

### **Capital Loans**

For capital expenditure on loans to third parties which were made primarily for service purposes, the Council will make nil MRP except where an expected credit loss is recognised during the year, the MRP charge in respect of the loan will be no lower than the loss recognised. Instead, the Council will apply the capital receipts arising from the repayments of the loan principal to finance the expenditure in the year they are received.

For capital expenditure on loans to third parties which were made primarily for financial return rather than direct service purposes, MRP will be charged in accordance with the policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. This MRP charge will be reduced by the value of any repayments of loan principal received during the financial year with the capital receipts received applied to finance the expenditure instead.

### **Capital Receipts**

Capital receipts - proceeds from the sale of capital assets are classed as capital receipts and are typically used to finance new capital expenditure. Where the Council decides instead to use capital receipts to repay debt and hence reduce the CFR, the calculation of MRP will be adjusted as follows:

- Capital receipts arising on the repayment of principal on capital loans to third parties will be used to lower the MRP charge in respect of the same loans in the year of receipt, if any.

### **MRP Overpayments**

Under the MRP guidance, charges made more than the statutory MRP can be made and are known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made up to 31 March 2025 are £1.793m.

Each year a new MRP statement will be presented.

**FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY****Introduction and Background**

Traditionally, capital receipts could only be used for specific purposes as set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) regulations 2003 made under section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure. The use of capital receipts to support revenue expenditure is not permitted by the regulations.

The proposals within this Flexible use of Capital Receipts Strategy have been prepared based on a capitalisation direction issued by the Secretary of State under Sections 16(2)(b) and 20 of the Local Government Act 2003: Treatment of Costs as Capital Expenditure.

The government allows local authorities further flexibilities to fund revenue costs from capital sources including allowing borrowing to fund general cost pressures (with a commitment to future efficiency savings), funding specific invest to save revenue costs from borrowing, and allowing authorities to use the proceeds from selling investment assets to fund revenue pressures or increase reserves or repay debt.

The current government directive allowing the flexible use of capital receipts ends on 31 March 2030.

In summary, the key elements of the MHCLG guidance on the flexible use of capital receipts are:

**Types of qualifying expenditure**

1. Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.
2. Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure. In addition, one off costs, such as banking savings against temporary increases in costs/pay cannot be classified as qualifying expenditure.

**Financing of the qualifying expenditure**

1. Up to 100% of capital receipts from property, plant and equipment disposals received from 2026/27(excluding Right to Buy receipts) can be used to finance qualifying

expenditure (existing capital receipts in hand prior to 2026/27 are not permitted to be used).

2. Local authorities may not borrow to finance qualifying expenditure.
3. The guidance will apply for 2026/27.

NEWARK & SHERWOOD DISTRICT COUNCIL  
CAPITAL PROJECT APPRAISAL FORM

PORTFOLIO	
DIRECTORATE	
BUSINESS MANAGER	
PROJECT OFFICER	
PROJECT TITLE	

1. **DESCRIPTION OF PROJECT**

2. **DEMONSTRATION OF NEED** (is a statutory requirement to carry out the works, can you provide evidence to support this)

3. **DETAIL HOW THE PROJECT LINKS TO THE COMMUNITY PLAN**

4. **DESCRIBE THE IMPACT OF THIS PROJECT ON OTHER BUSINESS UNITS** (including officers in other BU's involvement in the project) *Particularly Legal and Asset Management.*

**5. PROJECT DEPENDANCIES**

**6. RESOURCE REQUIREMENTS**

**6a. LAND/BUILDINGS CURRENTLY IN COUNCIL OWNERSHIP** (State whether General Fund or HRA).

**6b. ESTIMATED CAPITAL COSTS INCLUDING PROFILE OF SPEND OVER FINANCIAL YEARS** (best estimates should be given which can be firmed up when details scoping has been completed)

**\*Consideration to be given to inflation and contingency**

2027/28 £	2028/29 £	2029/30 £	2030/31 £

**6d. FUNDING AVAILABLE**

Source	2027/28 £	2028/29 £	2029/30 £	2030/31 £

**6e. REVENUE IMPLICATIONS** (this should include costs associated with implementation, ongoing revenue costs and ongoing savings and should be agreed with relevant accountant).

**6f. VAT IMPLICATIONS** (do we need to consider an option to tax?) Please do not assume no, for advice on this please contact Jenna Norton, Financial Services.

**7. OTHER INFORMATION**

**7a. HEALTH & SAFETY ISSUES**

**7b. EQUALITIES IMPLICATIONS**

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**7c. CRIME & DISORDER ISSUES**

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**7d. PLANNING IMPLICATIONS** (if a planning application is required, has this cost been factored into the cost in section 6?)

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**7e. LISTED BUILDING IMPLICATIONS**

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**7f. PROJECT RISKS AND UNCERTAINTIES**

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**7f. HAVE ALTERNATIVE PROCUREMENT STRATEGIES SUCH AS JOINT PROCUREMENT BEEN EXPLORED?**

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**8. ANTICIPATED START AND END DATES FOR PROJECT ONCE APPROVED**

**9. ANY ADDITIONAL INFORMATION** (results of tenant survey, cost breakdown per site or type of work etc)

**FORM COMPLETED BY:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

**SIGNATURE OF SPONSORING DIRECTOR:** \_\_\_\_\_

## PRIORITISATION CRITERIA

	<b>STAGE 1 FACTOR</b>	<b>Comments</b>	<b>STAGE 2 DETAILED PRIORITISATION</b>	<b>STAGE 2 WEIGHTING</b>
1	<p><b>Key Priorities</b></p> <p>Scheme must link to at least one of the Council's priorities and be an objective contained within a Service Plan.</p>	<p>If a scheme does not clearly relate to these areas it will not be considered further.</p>	<p>Each scheme to be marked as to how well it fits with the Community Plan</p>	<b>35%</b>
2	<p><b>Evidence of Need</b></p> <p>Service Strategy National Strategy or Guidelines Statutory Obligation</p>	<p>In some cases local demands are in excess of national guidelines and strategies and this tries to acknowledge that the two must be balanced. This will cover Health and Safety related schemes.</p>	<p>The following factors will receive equal weighting :-</p> <ul style="list-style-type: none"> <li>• Statutory Obligation</li> <li>• National Strategy</li> <li>• Validity of consultation in relation to project. e.g. How specific to this project? Who was consulted, was this comprehensive?</li> <li>• Quality of evidence of need for project .e.g. size of sample base, date of evidence, format of evidence</li> </ul>	<b>10%</b>
3	<p><b>Partnership</b></p> <p>Eligibility under existing criteria can be demonstrated.</p>	<p>Show that work has been done to ensure that the obtaining of external finance is realistic. The degree to which the partnership will add value to the project.</p>	<p>The proportion of finance which will be met by third party. The likelihood of receiving support.</p> <p>Assessment of the value the partner will add to the project.</p>	<b>15%</b>

	<b>STAGE 1 FACTOR</b>	<b>Comments</b>	<b>STAGE 2 DETAILED PRIORITISATION</b>	<b>STAGE 2 WEIGHTING</b>
4	<p><b>Outputs and Outcomes</b></p> <p>These have been clearly identified and can be justified from supporting evidence.</p> <p>Specific comments should be made as to how the scheme represents value for money when compared to other options</p>	<p>This will enable the council to improve the way it reports its work and clearly show what is being achieved. The comments should refer to any performance indicators which the proposal is addressing specifying what the improvement target is.</p>	<p>Assessment then made on what the scheme will achieve.</p>	<p><b>15%</b></p> <p>Assessment of all factors or group of factors</p>
5	<p><b>Financial</b></p> <p>Capital costs have been based on internal or external professional advice</p> <p>Revenue implications have been properly developed</p>	<p>Capital costs include both works and land purchase and cover all associated costs.</p> <p>Try and avoid “guesstimates” which result in schemes requiring increased finance or having to be reduced to meet finance available.</p>	<p><u>Capital</u> will be based on the quality of work which has been put into estimate. e.g. costed feasibility studies.</p> <p><u>Revenue</u> will be based on whether the effect is positive, neutral or negative on the revenue budget.</p> <p>Positive effect scores 10</p> <p>Neutral effect scores 3</p> <p>Negative effect scores 0</p>	<p><b>5%</b></p> <p><b>10%</b></p>

6	<p><b>Risk Assessment</b></p> <p>Identify the level of risk in a project not being able to proceed. For example planning appeals, listed building consent. Over subscription of partnership funds</p>	<p>Try and ensure that not all schemes selected are high risk with the danger that there will be delays in delivery or no-delivery.</p>	<p>The following will all need to be considered:-</p> <ul style="list-style-type: none"> <li>Technical Issues</li> <li>Financial Uncertainty</li> <li>Partnership uncertainty</li> <li>Planning Issues</li> <li>Legal issues</li> <li>Timescale</li> </ul>	<p><b>10%</b></p>
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Report to: Audit & Accounts Committee Meeting 4 March 2026

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

Lead Officer: Andrew Snape, Assistant Business Manager Financial Services on ext 5523

Report Summary	
<b>Report Title</b>	Non-Treasury Investment Strategy 2026/27
<b>Purpose of Report</b>	This investment strategy is for 2026/27, meeting the requirements of statutory guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) Investment Guidance in January 2018.
<b>Recommendations</b>	That Committee approves each of the following key elements and recommends these to Full Council on 5 March 2026 while noting that as the budgets are still being finalised some of the figures within the Strategy may alter: <ul style="list-style-type: none"> <li>• The Investment Strategy 2026/27 <b>Appendix A</b>.</li> <li>• The Investment Prudential Indicators and Limits for 2026/27, contained within <b>Appendix A</b>.</li> </ul>
<b>Reason for Recommendation</b>	To ensure that the Committee discharges its responsibilities as per its delegated authority within the Councils constitution.

## 1.0 Background

- 1.1 The definition of an investment covers all of the financial assets of the Council as well as other non-financial assets that the organisation holds primarily or partially to generate a profit; for example, investment property portfolios. This may therefore include investments that are not managed as part of normal treasury management processes or under treasury management delegations.
- 1.2 A loan is a written or oral agreement where a local authority temporarily transfers cash to a third party, joint venture, subsidiary or associate who promises to return it according to the terms of the agreement, normally with interest. This definition does not include a loan to another local authority, which is classified as a specified investment.

### 1.3 Statutory Requirements:

- The MHCLG Investment Guidance is issued by the Secretary of State under section 15(1)(a) of the Local Government Act 2003. Under that section local authorities are required to “have regard” to “such guidance as the Secretary of State may issue”.
- For each financial year, a local authority should prepare at least one Investment Strategy (“the Strategy”). The Strategy should contain the disclosures and reporting requirements specified in this guidance. The Strategy should be approved by the full council.

### 2.0 Summary of Limits

2.1 The below table summarises the proposed limits within the Investment Strategy 2026/27 for the non-treasury investments, each category has further details within the **Appendix**;

Category of borrower	2024/25 actual			2026/27
	Balance owing	Loss allowance	Net figure in accounts	Approved Limit
	£m	£m	£m	£m
Service Investments: Loans	3.232	0	3.232	26.500
Service Investments: Shares	4.039	-0.078	3.961	5.000
Commercial Investments: Property	0	0	0	0

### Background Papers and Published Documents

MHCLG Investment Guidance 3rd Edition

Non-Treasury Investment Strategy Report 2026/27

Introduction

The Council invests its money for three broad purposes:

- because it has surplus cash as a result of its day-to-day activities, for example when income is received in advance of expenditure (known as **treasury management investments**),
- to support local public services by lending to, or buying shares in, other organisations (**service investments**), and
- to earn investment income (known as **commercial investments** where this is the main purpose).

This non-treasury investment strategy meets the requirements of statutory guidance issued by the government in January 2018 and focuses on the second and third of these categories and has been created in line with the Council's Treasury Management Strategy Statement and Capital Strategy. The initial strategy may be replaced with a revised strategy at any time during the year in cases where any treasury management issues (including investment issues) need to be brought to the attention of Full Council.

The Council typically receives its income in cash (e.g. from taxes and grants) before it pays for its expenditure in cash (e.g. through payroll and invoices). It also holds reserves for future expenditure and collects local taxes on behalf of other local authorities and central government. These activities, plus the timing of borrowing decisions, lead to a cash surplus which is invested in accordance with guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA). The balance of treasury management investments is expected to fluctuate between £15m and £49m during the 2026/27 financial year.

Treasury Management Investments

**Contribution:** The contribution that these investments make to the objectives of the Council is to support effective treasury management activities.

**Further details:** Full details of the Council's policies and its plan for 2026/27 for treasury management investments are covered in a separate document, the treasury management strategy.

### Service Investments: Loans

**Contribution:** The Council can lend money to its subsidiaries, local businesses, local charities and any other bodies to support local public services and stimulate local economic growth. The Council currently does not intend to invest further in service loans.

**Security:** The main risk when making service loans is that the borrower will be unable to repay the principal lent and/or the interest due. In order to limit this risk, and ensure that total exposure to service loans remains proportionate to the size of the Council, upper limits on the outstanding loans to each category of borrower have been set as follows:

#### **Prudential Indicator 13: Loans for service purposes**

Category of borrower	2024/25 actual			2025/26	2026/27
	Balance owing £m	Loss allowance £m	Net figure in accounts £m	Forecast Actual £m	Approved Limit £m
Subsidiaries	3.214	0	3.2135	21.786	25.000
Local businesses	0	0	0	0	0.500
Local charities	0	0	0	0	0.500
Other Bodies	0.018	0	0.018	0.018	0.500
<b>TOTAL</b>	<b>3.232</b>	<b>0</b>	<b>3.232</b>	<b>21.804</b>	<b>26.500</b>

Accounting standards require the Council to set aside loss allowance for loans, reflecting the likelihood of non-payment. The figures for loans in the Council's statement of accounts will be shown net of this loss allowance. However, the Council makes every reasonable effort to collect the full sum lent and has appropriate credit control arrangements in place to recover overdue repayments.

#### **Prudential Indicator 14: Net income from service investments to net revenue stream**

	2024/25 Actual	2025/26 Forecast	2026/27 Budget	2027/28 Budget	2028/29 Budget
<b><u>General Fund</u></b>					
<b>Total GF Service Investment Income</b>	2.221	2.337	2.598	3.472	4.396
Proportion of net revenue stream	6.87%	8.47%	10.56%	13.62%	18.34%

<b>Housing Revenue Account</b>					
<b>Total Service Investment Income</b>	0.098	0.051	0.051	0.047	0.052
Proportion of net revenue stream	0.32%	0.16%	0.16%	0.14%	0.15%

**Risk assessment:** The Council assesses the risk of loss before entering into service loans by assessing the counterparty’s resilience, the service users’ needs that the loan is designed to help meet, and how these will evolve over time. During the life of the loan any change in original assumptions will be monitored. The Council will use external advisors if felt appropriate by the Director of Resources/Deputy Chief Executive or Business Manager for Financial Services. All loans will be subject to contract agreed by the Legal Business Unit and the credit risk will be determined by reference to the “expected credit loss” model for loans and receivables as set out in International Reporting Standard (IFRS) 9 Financial Instruments. All loans must be approved by full Council and will be monitored by the Director of Resources/Deputy Chief Executive, or Business Manager for Financial Services.

#### **Service Investments: Shares**

**Contribution:** The Council can invest in the shares of its subsidiaries, its suppliers, and local businesses to support local public services and stimulate local economic growth. Currently the Council does not intend to invest further in any shares with suppliers or local businesses; however the Council has invested £4m of equity funding into Arkwood Development Limited for which it has received 100% of the share capital issued, making it wholly owned by the Council.

**Security:** One of the risks of investing in shares is that they fall in value meaning that the initial outlay may not be recoverable. In order to limit this risk, upper limits on the sum invested in each category of shares have been set as follows:

#### **Prudential Indicator 15: Shares held for service purposes**

Category of company	Original Investment £m	Previous Years Accumulated Gains or (Losses) £m	2024/25 actual			2026/27
			Amounts invested £m	Gains or (losses) £m	Value in accounts £m	Approved Limit £m
Subsidiaries	4.000	0.039	4.039	-0.078	3.961	5.000
Suppliers	0	0	0	0	0	0
Local businesses	0	0	0	0	0	0
<b>TOTAL</b>	<b>4.000</b>	<b>0.039</b>	<b>4.039</b>	<b>-0.078</b>	<b>3.961</b>	<b>5.000</b>

Shares are classed as capital expenditure and purchases will therefore be approved as part of the capital programme.

**Risk assessment:** The Council would assess the risk of loss before entering into and whilst holding shares by going through an extensive process of risk analysis. The risk analysis will include an assessment of the market that the subsidiary will be active in; including the nature and level of competition, how the market/customer needs will evolve over time, the barriers to entry and exit and any ongoing investment requirements. The Council will use external advisors as thought appropriate by Director of Resources/Deputy Chief Executive, or Business Services Manager for Finance.

**Liquidity:** Although this type of investment is fundamentally illiquid, in order to limit this the Council, when it sets a limit in this area, will initially set out the maximum periods for which funds may prudently be committed and how the Council will ensure it stays within its stated investment limits.

**Non-specified Investments:** Shares are the only investment type that the Council has identified that meets the definition of a non-specified investment in the government guidance. The limits above on share investments are therefore also the Council's upper limits on non-specified investments. The Council has not adopted any procedures for determining further categories of non-specified investment since none are likely to meet the definition.

#### **Commercial Investments: Property**

**Contribution:** The Council can invest in local, regional and UK commercial and residential property with the intention of making a profit that will be spent on local public services. Currently none of the Council properties meet the investment property definition as defined in International Accounting Standard 40: Investment Property.

**Security:** In accordance with government guidance, the Council considers a property investment to be secure if its accounting valuation is at or higher than its purchase cost including taxes and transaction costs.

**Risk assessment:** The Council assesses the risk of loss before entering into and whilst holding property investments by ensuring they are prudent and has fully considered the risk implications, with regard to both the individual property and that the cumulative exposure of the council is proportionate and prudent. The Council will ensure that a full due diligence exercise is undertaken and adequate security is in place, before entering into any commercial property investment and the business case will balance the benefits and risks. All investments of this type will be agreed by Cabinet.

**Liquidity:** Compared with other investment types, property is relatively difficult to sell and convert to cash at short notice and can take a considerable period to sell in certain market conditions. The non-treasury investment strategy for the Council for 2026/27 is proposed to

remain broadly unchanged as it is considered overall to be well structured to limit any undue risks to the security of assets and preservation of liquidity whilst also allowing the council and delegated officers to access suitable investment opportunities.

### **Loan Commitments and Financial Guarantees**

Although not strictly counted as investments, since no money has exchanged hands at the point of entry, loan commitments and financial guarantees carry similar risks to the Council and are included here for completeness. The Council does not provide such commitments and guarantees, and this strategy does not include them for 2026/27.

### **Borrowing in Advance of Need**

The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long-term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

The total amount borrowed will not exceed the authorised borrowing limit of £210.9 million. The maximum period between borrowing and expenditure is expected to be two years.

### **Capacity, Skills and Culture**

**Elected members and statutory officers:** The Council recognises that those elected Members and statutory officers involved in the investments decision making process must have appropriate capacity, skills and information to enable them to:

- take informed decisions as to whether to enter into a specific investment;
- to assess individual assessments in the context of the strategic objectives and risk profile of the Council; and
- to enable them to understand how new decisions have changed the overall risk exposure of the Council.

The Council establishes project teams from all the professional disciplines from across the Council as and when required. External professional advice is taken where required and will always be sought in consideration of any major commercial property investment decision.

The investment decisions are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Audit and Accounts Committee.

The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management, which includes investment decisions, receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Members

of the Audit and Accounts Committee received training from the Council’s treasury advisers, Link Group, on 9 December 2024. Further training will be arranged as required.

The training needs of treasury management officers are periodically reviewed.

**Commercial deals:** The Council will ensure that the Audit and Accounts Committee, Cabinet and officers negotiating commercial deals are aware of the core principles of the prudential framework and of the regulatory regime within which local authorities operate.

**Corporate governance:** Any investment decisions will be scrutinised by Senior Leadership Team before final approval by Members.

### **Investment Indicators**

The Council has set the following quantitative indicators to allow elected members and the public to assess the Council’s total risk exposure as a result of its investment decisions.

**Total risk exposure:** The first indicator shows the Council’s total exposure to potential investment losses. This includes amounts the Council is contractually committed to lend but have yet to be drawn down and guarantees the Council has issued over third party loans.

<b>Total investment exposure</b>	<b>2024/25 Actual £m</b>	<b>2025/26 Forecast £m</b>	<b>2026/27 Estimate £m</b>
Treasury management investments	49.028	23.471	17.466
Service investments: Loans	3.232	21.804	25.000
Service investments: Shares	3.961	5.000	5.000
Commercial investments: Property	0	0	0
<b>TOTAL INVESTMENTS</b>	<b>56.221</b>	<b>50.275</b>	<b>47.466</b>
Commitments to lend	0	0	0
Guarantees issued on loans	0	0	0
<b>TOTAL EXPOSURE</b>	<b>56.221</b>	<b>50.275</b>	<b>47.466</b>

**How investments are funded:** Government guidance is that these indicators should include how investments are funded. Since the Council does not normally associate particular assets with particular liabilities, this guidance is difficult to comply with. However, the following investments could be described as being funded by borrowing. The remainder of the Council’s investments are funded by usable reserves and income received in advance of expenditure.

<b>Investments funded by borrowing in year</b>	<b>2024/25 Actual £m</b>	<b>2025/26 Forecast £m</b>	<b>2026/27 Estimate £m</b>
Treasury management investments	0	0	0
Service investments: Loans	3.214	21.786	0
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
<b>TOTAL FUNDED BY BORROWING</b>	<b>3.214</b>	<b>21.786</b>	<b>0</b>

**Rate of return received:** This indicator shows the investment income received less the associated costs, including the cost of borrowing where appropriate, as a proportion of the sum initially invested. Note that due to the complex local government accounting framework, not all recorded gains and losses affect the revenue account in the year they are incurred.

<b>Investments net rate of return</b>	<b>2024/25 Actual £m</b>	<b>2025/26 Forecast £m</b>	<b>2026/27 Estimate £m</b>
Treasury management investments	4.74%	4.14%	3.40%
Service investments: Loans	5.34%	5.34%	4.39%
Service investments: Shares	0	0	0
Commercial investments: Property	0	0	0
<b>ALL INVESTMENTS</b>	<b>5.04%</b>	<b>4.74%</b>	<b>3.90%</b>



Report to: Audit & Accounts Committee: 4 March 2026

Director Lead: Sanjiv Kohli – Deputy Chief Executive, Director of Resources and S151 Officer

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

Report Summary	
<b>Report Title</b>	Budget Reports 2026/27
<b>Purpose of Report</b>	To provide Members with the attached reports which have been approved at Cabinet on 24 February 2026: General Fund Revenue Budget 2026/27 General Fund Medium Term Financial Plan 2026/27 – 2029/30 Capital Programme 2026/27 – 2029/30
<b>Recommendations</b>	That Members receive and note the reports that were presented to Cabinet on 24 February 2026
<b>Reason for Recommendation</b>	To ensure that the Audit and Accounts Committee have reviewed the General Fund Revenue budget, Medium Term Financial Plan and Capital Programme, to ensure the financial sustainability of the Council

## 1.0 **Background Information**

- 1.1 The appendices attached are the budget setting reports (both Capital and Revenue) together with the Council’s proposed Medium Term Financial Plan for the 2026/27 financial year.
- 1.2 Part C of the Council’s Constitution sets out that the Audit and Accounts Committee are delegated with the responsibility of scrutinising the Council’s Medium Term Financial Plan, annual budget and in-year monitoring of these in the context of financial sustainability.

## 2.0 **Proposals**

- 2.1 That members of the committee scrutinise the reports in the context of the financial sustainability of the Council over the medium term.

## 3.0 **Implications**

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.

<b>Implications Considered</b>			
<b>Yes – relevant and included / NA – not applicable</b>			
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

### 3.1 **Financial Implications**

All financial implications are included within the individual reports.

### **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.

None

Report to: Cabinet Meeting - 24 February 2026  
 Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance  
 Director Lead: Sanjiv Kohli, Director – Resources and Deputy Chief Executive  
 Lead Officer: Nick Wilson, Business Manager – Financial Services, Ext. 5317

<b>Report Summary</b>	
<b>Type of Report</b>	Open Report / Key Decision
<b>Report Title</b>	2026/27 Proposed General Fund Revenue Budget
<b>Purpose of Report</b>	To enable Cabinet to consider the spending proposals in the Council’s proposed 2026/27 General Fund revenue budget and make recommendations to Full Council for its meeting on 5 March 2026.
<b>Recommendations</b>	<p>That Cabinet recommends to Full Council at its meeting on 5 March 2026 that:</p> <ul style="list-style-type: none"> <li>i. the following amounts be now calculated by the Council for the 2026/27 financial year, in accordance with Sections 31 to 36 of the Local Government Finance Act 1992 as amended by the Localism Act 2011:           <ul style="list-style-type: none"> <li>1. £57,909,340 being the aggregate of the amounts which the Council estimates for items set out in Section 31A(2)(a) to (f) of the Act, as the District Council’s gross expenditure for 2026/27);</li> <li>2. £37,209,230 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)(a) to (d) of the Act, as the District Council’s gross income for 2026/27); and</li> <li>3. £20,700,110 being the amount by which the aggregate at (b)(i) above exceeds the aggregate at (b)(ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, as its Net Budget Requirement for the year;</li> </ul> </li> <li>ii. the figures shown as i.1. and i.3. above to be increased only by the amount of Parish Precepts for 2026/27;</li> <li>iii. the budget amounts included in the report be the Council’s budget for 2026/27; and</li> <li>iv. the fees and charges shown in Appendices C1-C23 be implemented with effect from 1 April 2026.</li> </ul>

<b>Alternative Options Considered</b>	Not applicable, the Cabinet is required to make recommendations on the budget to Full Council.
<b>Reason for Recommendations</b>	To enable Cabinet to make recommendations to Full Council of the amounts to be calculated in accordance with Sections 31 to 36 of the Local Government Finance Act 1992, as amended by the Localism Act 2011, for the purposes of setting Council Tax levels for the 2026/27 financial year.

## 1.0 Background

- 1.1 This report sets out details of the Council’s proposed General Fund (GF) revenue budget for the 2026/27 financial year. The GF revenue budget has been prepared in accordance with the Council’s budget setting strategy for 2026/27 which was approved by Cabinet on 8 July 2025.
- 1.2 The 2026/27 GF revenue budget has accordingly been derived from the 2026/27 base budget within the Medium-Term Financial Plan (MTFP) approved by Full Council on 6 March 2025. In accordance with the Budget Strategy, growth and efficiencies have been included based on the engagement with Portfolio Holders throughout the budget setting process. Additionally, changes as described in the Budget Strategy around pay awards and inflation, have also amended that base position.

## 2.0 Financial Summary

- 2.1 The Council’s proposed 2026/27 GF revenue budget is shown in further detail, including information on priority areas in **Appendices A1** to **A2** to this report. The current overall position is summarised below:

Line in Appendix A1		2026/27 (£)
9	Total service budgets	23,835,950
14	Total other operating income & expenditure	1,525,100
20	Total financing and investment income & expenditure	(1,453,440)
29 & 30	Less capital reversals	(3,207,500)
	<b>Net Budget Requirement</b>	<b>20,700,110</b>
21 to 25	Other government grants	(7,827,000)
26 & 27	Non-Domestic Rates (NDR) (Business Rates)	(5,018,000)
29 to 31	Contributions to or (from) Usable Reserves	738,800
34	<b>Net call on Council Tax</b>	<b>8,593,910</b>
35	Council Tax Adjustments	0
36	<b>Amount to collect through Council Tax</b>	<b>8,593,910</b>

- 2.2 As the total service budgets (line 9 of **Appendix A1**) include capital costs, the table below breaks down the total service budgets for each Committee by the amounts which relate to capital costs and which relate to cash budgets:

Line in Appendix A1	Portfolio	2026/27 base budget (March 2025) (£)	2026/27 base budget (February 2026) (£)	Variance (£)
Without Capital costs	Climate and the Environment	3,859,260	3,700,000	(159,260)
	Health, Wellbeing and Leisure	819,770	440,440	(379,330)
	Heritage, Culture and the Arts	917,140	764,730	(152,410)
	Housing	435,190	325,060	(110,130)
	Public Protection and Community Relations	3,781,900	4,235,820	453,920
	Strategy, Performance and Finance	10,282,150	10,982,490	700,340
	Sustainable Economic Development	2,120,540	2,197,700	77,160
	Vacancy Factor and Notional Savings	(1,169,680)	(2,017,790)	(848,110)
	<b>Cash Service Budgets</b>	<b>21,046,270</b>	<b>20,628,450</b>	<b>(417,820)</b>
Capital costs	Climate and the Environment	938,260	883,670	(54,590)
	Health, Wellbeing and Leisure	882,570	623,380	(259,190)
	Heritage, Culture and the Arts	335,840	188,630	(147,210)
	Housing	50,740	75,030	24,290
	Public Protection and Community Relations	230,840	317,900	87,060
	Strategy, Performance and Finance	1,497,580	1,115,750	(381,830)
	Sustainable Economic Development	6,480	3,140	(3,340)
	Vacancy Factor and Notional Savings	0	0	0
<b>28 &amp; 29</b>	<b>Capital Service Budgets</b>	<b>3,942,310</b>	<b>3,207,500</b>	<b>(734,810)</b>
1	Climate and the Environment	4,797,520	4,583,670	(213,850)
2	Health, Wellbeing and Leisure	1,702,340	1,063,820	(638,520)
3	Heritage, Culture and the Arts	1,252,980	953,360	(299,620)
4	Housing	485,930	400,090	(85,840)
5	Public Protection and Community Relations	4,012,740	4,553,720	540,980
6	Strategy, Performance and Finance	11,779,730	12,098,240	318,510
7	Sustainable Economic Development	2,127,020	2,200,840	73,820
8	Vacancy Factor and Notional Savings	(1,169,680)	(2,017,790)	(848,110)
<b>9</b>	<b>Total Service Budgets</b>	<b>24,988,580</b>	<b>23,835,950</b>	<b>(1,152,630)</b>

2.3 The budget above delivers the Council’s ambitions within the community plan. **Appendix B** summarises within each Portfolio, where large proportions of spend is directed.

2.4 The table below shows how the 2026/27 base budget approved by Full Council on 6 March 2025, has been adjusted for changes totalling £417,820 based on paragraph 2.2 above. Paragraph 3.37 describes the main changes between the assumed base budget and the proposed within this paper.

Portfolio	2026/27 base budget (March 2025) (£)	Realignments	Salary Uplift	Approved Variations	Inflation	Requested Changes	2026/27 base budget (February 2026) (£)
CE	3,859,260	0	(27,310)	0	900	(132,850)	3,700,000
HWL	819,770	(329,610)	0	53,070	30	(102,820)	440,440
HCA	917,140	(10,000)	(150)	0	(880)	(141,380)	764,730
H	435,190	0	18,090	(94,990)	300	(33,530)	325,060
PPCR	3,781,900	350,960	57,380	(27,920)	(4,010)	77,510	4,235,820
SPF	10,282,150	10,000	10,640	161,030	20,830	497,840	10,982,490
SED	2,120,540	0	(15,040)	56,320	2,060	33,820	2,197,700
VF-NS	(1,169,680)	(21,350)	(816,820)	(12,550)	0	2,610	(2,017,790)
<b>Non-Capital</b>	<b>21,046,270</b>	<b>0</b>	<b>(773,210)</b>	<b>134,960</b>	<b>19,230</b>	<b>201,200</b>	<b>20,628,450</b>

### 3.0 Development of Proposed 2026/27 General Fund Revenue Budget

3.1 The development of the proposed 2026/27 General Fund budget was set out in the Budget Strategy document that was presented to Cabinet on 8 July 2025. This document set out the strategy for the year which was to build upon the notional 2026/27 budget as compiled in the preparation of the MTFP for the period 2025/26 to 2028/29 and was approved by Council on 6 March 2025.

3.2 Directors and Business Managers worked with their allocated Finance Officers to go through the budget and MTFP estimates in order to ascertain whether the actions under each of the 8 Community Plan objectives have been included in the base budget, are growth items for inclusion either in the budget for 2026/27 and/or MTFP period, or do not require a financial allocation as the activities are to be delivered by a third party with the Council having a facilitating and monitoring role. Portfolio Holders then met with responsible Directors to ensure that all actions necessary to meet the ambitions set out within the Community Plan were resourced. The portfolio holder for Strategy, Performance and Finance has also reviewed the overall Council Position. Subsequently, this budget has therefore been proposed for the 2026/27 financial year.

3.3 The proposed 2026/27 General Fund revenue budget collates various types of information, such as the:

- a) level of government grant receivable;
- b) expected level of council tax and business rates income;

- c) expected level of other income, such as from fees and charges;
- d) expected level of spend on employees; and
- e) expected use of reserves.

3.4 The sub-sections in this part of the report summarise these and other areas of importance.

Local Government Finance Settlement: Settlement Funding Assessment (SFA) and Core Spending Power 2026/27 to 2028/29

3.5 The annual Local Government Finance Settlement provides councils with the amount of government grant and other information pertinent for setting the next financial year's budget. The provisional settlement was announced on 17 December 2025, and the final settlement is expected during February 2026.

3.6 The settlement sets out a new needs-based funding system following the Fair Funding Review 2.0. For district councils, the LGFS is expected to result in a relative reduction in funding for most authorities, as updated needs formulas and changes to the tier split shift resources towards counties and metropolitan areas. While transitional protections will ensure that funding reduction are phased in over three years – typically with a 95% funding floor – many districts will still face a gradual decrease in their allocations.

3.7 Additionally, grants such as the Homelessness Prevention Grant will be rolled into new consolidated funding streams.

3.8 Core Spending Power (CSP) is a measure of the resources made available to local authorities to fund service delivery, based on the Government's annual Local Government Finance Settlement (LGFS). Government makes assumptions within this based on levels of Council Tax and growth in an authorities Tax Base (the Band D equivalent number of properties to charge Council Tax over).

3.9 For 2026/27 the long-awaited Fair Funding Review 2.0 has been completed and fed into the LGFS for this year. This settlement will result in more redistribution of funding within the sector than any other for at least the last 13 years. Funding distribution was last updated in 2013-14 (with damping frozen within funding allocations), and since then there has been an updated 4-year settlement (from 2016-17) and a series of one-year settlements.

3.10 Added to this, is a full baseline reset (for the first time since the Business Rate Retention Scheme was introduced in 2013-14), major changes to all of the Relative Needs Formulas (through the Fair Funding Review 2.0), and the simplification of many grants into either Settlement Funding Assessment or into one of four Consolidated grants.

3.11 The reset included two levels of protection for authorities depending on their pre and post reform 2025/26 levels of income.

- Eligibility for 100% income protection is determined where a Shire District has a protection metric of less than or equal to 15%.
- Eligibility for 95% income protection is determined where a Shire District has a protection metric of greater than 15%.

3.12 The protection metric is based upon pre and post reform 2025/26 income levels and for this Council the metric is above 15% meaning that at least 95% of 2025/26 income levels are protected.

3.13 Over the course of the three-year settlement, it is expected that the Council will receive 95% of the post funding reform revised 2025/26 CSP.

3.14 The table below includes the strands of income that are used to calculate the Income protection floor, and hence demonstrates the post reform 2025/26 CSP compared with the 2026/27 CSP at slightly higher than 95% for 2026/27:

	<b>2025/26 Post reform revised CSP</b>	<b>2026/27 Core Spending Power</b>	<b>2026/27 budget as at March 2025</b>	<b>2026/27 proposed budget</b>
Legacy Business Rates Retention Funding	£9.308m	£3.873m	£8.640m	£3.873m
Revenue Support Grant	£1.663m	£6.533m	£0.554m	£6.533m
Adjustment Support Grant	£0m	£0.814m	£0m	£0.814m
Council Tax	£8.484m	£8.883m	£8.730m	£8.593m
Recovery Grant	£0.321m	£0.321m	£0m	£0.321m
Consolidated grants:				
Employer NI contribution	£0m	£0m	£0.146m	£0m
Other consolidated grants	£0.228m	£0m	£0m	£0m
<b>Total</b>	<b>£20.004m</b>	<b>£20.424m</b>	<b>£18.070m</b>	<b>£20.134m</b>

3.15 As can be seen from the table, funding is significantly higher than expected at the time of writing the 2025/26 to 2028/29 Medium Term Financial Plan in March 2025.

3.16 The consolidated grants referred to above relate to:

<b>Grant</b>	<b>Value</b>
Biodiversity Net Gain Planning Requirement Grant	£0.027m
Enforcement of Location and Volume Price Promotions Restrictions Grant	£0.001m
Enforcement of OOH Calorie Labelling Regulations Grant	£0.001m
Homelessness Prevention Grant - Temporary Accommodation	£0.198m
Local Government Finance Data Review New Burdens Grant	£0.001m
<b>Total</b>	<b>£0.228m</b>

3.17 The LGFS for this year is a three-year settlement allowing meaning authorities are aware of funding allocations over a longer period, rather than the single year allocations since 2020/21. This will be reported further within the 2026/27 to 2029/30 Medium Term Financial Plan.

3.18 The Baseline Funding level for Business Rates has also been revised further in that previously Government would compensate Councils where their Business Rates income fell below 92.5% of their Baseline Funding level. This was determined as the safety net payment. The remainder of any shortfall in funding would be subject to agreement

through the relevant Business Rates Pool for the authority or would need to be made up through their reserves.

- 3.19 For 2026/27 the safety net threshold has been set at 100% meaning that should any authorities actual Business Rates income fall below the Business Rates baseline, this would be compensated by MHCLG.

#### Proposed 2026/27 Council Tax

- 3.20 Chapter IVA (Limitation of Council Tax and Precepts) of the *Local Government Finance Act 1992* requires billing authorities to hold referenda if their relevant basic amount of council tax for a financial year is in excess of a set of principles determined by the Secretary of State.
- 3.21 An authority's relevant basic amount of council tax is its average band D council tax excluding local precepts. The relevant basic amount of council tax for Newark & Sherwood District Council (NSDC) includes the levy that Internal Drainage Boards charge the Council.
- 3.22 The proposed core principle for 2026/27 is 3%. The Government's proposed council tax referendum principle for shire district councils therefore permits increases in the Council's 2026/27 relevant basic amount of council tax of up to (and including) the greater of 2.99% or £5.00 without holding a referendum.
- 3.23 The proposal within this paper is a Council Tax freeze for the 2026/27 financial year. This would therefore mean a charge of £198.60 for a Band D property. 41% of properties within the District are assigned to Band A meaning a charge of £132.40.
- 3.24 The Council Tax base (being the number of band D equivalent properties within the district) assumes a 1.3% increase on 2025/26. The Tax Base for 2026/27 is set at 43,272.45 (42,720.66 for 2025/26). This is calculated taking all the properties in the district and weighting them depending on their banding, adjusting for estimated discounts and premiums.
- 3.25 The tax base is then multiplied by the annual charge in order to calculate the total Council Tax receivable for the year being £8,593,910. Where further discounts or premiums are actually charged/awarded during the year and the amount of properties charged Council Tax is different to the assumptions above, the surplus or deficit in the Collection Fund will be calculated and will be distributed/clawed back in the following financial year.
- 3.26 Annually, in January, each year the Council must declare whether it expects, by the 31<sup>st</sup> March, to generate a surplus or deficit on the Collection Fund for Council Tax. A surplus would be generated where the actual number of properties charged is higher than anticipated (through the tax base), conversely a deficit arises from a lower number of properties charged. Where a surplus is generated, this would be distributed to preceptors in the following financial year, similarly a deficit would be recouped from preceptors in the following financial year.

3.27 For 2025/26 the Council anticipates a balanced position on the Council Tax collection fund, and hence no surplus nor deficit will be paid/recouped during 2026/27.

Proposed 2026/27 Business Rates

3.28 There has been significant change for the 2026/27 financial year within Business Rates. The retained rates system has been overhauled (within the LGFS) together with a revaluation of businesses ratable values and the introduction of a number of new multipliers.

3.29 Businesses will now pay one of five different multipliers depending on their ratable values and trade:

- Small multiplier (applicable to non- Retail, Hospitality and Leisure (RHL) businesses with a ratable value of less than £51,000) – 43.2p multiplied by their ratable value.
- Standard multiplier (applicable to non- Retail, Hospitality and Leisure businesses with a ratable value of £51,000 or above) – 48.0p multiplied by their ratable value.
- Small RHL multiplier (applicable to Retail, Hospitality and Leisure businesses with a ratable value of less than £51,000) – 38.2p multiplied by their ratable value.
- Standard RHL multiplier (applicable to Retail, Hospitality and Leisure businesses with a ratable value of £51,000 or above) – 43.0p multiplied by their ratable value.
- High value multiplier (applicable to all businesses with a ratable value of £500,000 and above) – 50.8p multiplied by their ratable value.

3.30 Although businesses will pay the various rates, the income the Council will generate from business rates will be equivalent to the standard multiplier, s any additional money it receives from the high value multiplier will be passed to MHCLG, and any loss in income from lower multipliers will be compensated for by MHCLG.

3.31 Based upon all of the above, and the Governments assumptions on appeals provision and bad debt provision, the Business Rates baseline funding level (referred above at paragraph 3.11) has been calculated based upon:

Business Rates baseline (NSDC share at 40% of collectable rates)	£24.180m
Tariff payable to MHCLG	£20.307m
Baseline funding level	£3.873m

3.32 As part of the LGFS revamped the Business Rates Retention system, all business rates baselines have been more accurately matched with the anticipated 2026/27 actual figures. Hence there is unlikely to be any upside variance and hence growth in the business rates system. Due to this, the Council has not included any forecast growth within its budget for 2026/27.

3.33 As there is unlikely to be any growth, the Nottinghamshire Business Rates Pool conducted a review as to whether to continue to pool for the 2026/27 financial year. The outcome of that review found that the risks outweighed the rewards and hence the

Pool would be dissolved at the end of the 2025/26 financial year. This was approved via Portfolio Holder decision on the 12<sup>th</sup> January 2026.

3.34 As per paragraph 3.15 above, should NSDC's share of collectable rates fall below the £24.180m (paragraph 3.25) MHCLG would compensate the Council back to the baseline funding level of £3.873m through a safety net payment.

Proposed 2026/27 Budget – General Principles

3.35 The appropriate bases agreed in the Budget Strategy and used in the preparation of the budget are:

a)	Employees	Some of the main assumptions used to budget for employee costs for 2026/27 are: <ul style="list-style-type: none"> <li>• a 3.5% increase in basic pay; and</li> </ul> 7.5% of the Council's total salary budget, or £1,767,790, has been budgeted to be saved from posts that remain vacant for a period of time before being filled. This is often referred to as the vacancy factor.
b)	Employer's Superannuation	Pension-related costs have been budgeted for in line with the actuarial review which took place as at 31 March 2025 for the three years between 2026/27 and 2028/29.  The Council's budgeted pension-related costs have increased, because its total 2026/27 basic pay budgets have increased. The Council's primary rate (charged as a proportion of basic salary at employee level) is 16.4%.
c)	General Inflation	Most non-pay expenditure budgets have been uplifted by 2.5%. Specific budgets have had larger increases on where applicable. Some costs, such as insurance and utilities, are expected to increase by around 5%; and others, such as fixed-price goods and services, are expected to increase by less than 2.5%. Income Budgets have been increased where appropriate based on the Fees and Charges schedule.
d)	Average Interest Rate re External Debt	The Council's General Fund borrowing will be in accordance with the Prudential Code for Capital Finance in Local Authorities. The cost of borrowing will depend on the rates available at the time that funding is required.
e)	Capital Charges	The proposed budgets for each Portfolio ( <b>Appendix A1</b> , lines 1-9) includes the notional costs of assets used in delivering services, so that the Council can reflect the true cost of delivering services.  Statute, however, requires these capital charges be reversed out ( <b>Appendix A1</b> , lines 29 & 30) and replaced with the cost to the Council taxpayer of the underlying capital decisions that have yet to be financed (Minimum Revenue Provision (MRP)) ( <b>Appendix A1</b> , line 15). Legislation determines that council taxpayers cannot be charged for the notional costs of assets used.
f)	Capital Financing Charges	The Council's General Fund (GF) revenue budget is charged when the Council borrows to fund the purchase or creation of non-current assets. These charges will be in line with the Council's Minimum

		Revenue Provision (MRP) policy for 2026/27 to be approved by Council on 5 March 2026.  MRP is a charge to the taxpayer, calculated by apportioning the value borrowed for assets over their expected useful lives.
g)	Internal Drainage Boards	There is a 3% increase in cost for the 2026/27 financial year, the anticipated cost of levies to the two Internal Drainage Boards (Trent Valley and Upper Witham) for 2026/27 is £981,370.  This cost had increased by 40% from the 2022/23 financial year. During 2023/24 the Council received £239,690 towards contribute towards the increase in cost. The Council has budgeted to receive £158,000 towards the additional costs of the IDB, which is equivalent to the grant received during 2025/26.

3.36 The table below details the Council's net budget requirement for 2026/26, broken down by gross expenditure and gross income:

Line		2026/27 gross expenditure (£)	2026/27 gross income (£)	2026/27 net expenditure (£)
9	Total service budgets	59,307,400	(35,471,450)	23,835,950
29 & 30	Reversal of Capital Charges	(4,067,500)	860,000	(3,207,500)
	<b>Sub Total Service Budget (Appendix A2)</b>	<b>55,239,900</b>	<b>(34,611,450)</b>	<b>20,628,450</b>
14	Other operating income & expenditure	1,525,100	0	1,525,100
20	Total Financing and Investment income & expenditure	1,144,340	(2,597,780)	(1,453,440)
	<b>Net Budget Requirement</b>	<b>57,909,340</b>	<b>(37,209,230)</b>	<b>20,700,110</b>

3.37 A summary of the main reasons for changes requested in the table at paragraph 3.3 are listed below:

Changes requested for 2026/27 base budget compared to 2026/27 base budget (MTFP as at March 2025)	Variance (£)
<b>Requested Changes by Members</b>	
Parks and Playing fields feasibility	30,000
Programme of Prison Me, No Way initiatives, the Safety Challenge Events and In Her Shoes Programme	50,000
Environmental Schemes	150,000
Feasibility for Middle Beck Green and Blue Basin	50,000
Domestic Violence x3 Domestic Homicide Reviews	34,650
Council Motion for Discretionary Council Tax relief for the Terminally ill	23,720
Facilitate and lead on environmental behavioural change projects	10,000
<b>Requested Changes by Officers</b>	
Vehicle Pool HVO budget removed and reduction in volatility contingency for diesel	(129,000)
Electricity budgets have been revised in line with energy prices and projected future trends.	(76,370)

Contract car park barriers	45,000
Review of Planning income in line with updated Fees and Charges and number of applications. Expected Majors to be less than in previous years given current trends.	51,830
Care leavers discount a council tax discretionary scheme based on actuals from previous years	75,000
Asylum Seekers - not due to receive any income in 2026/27	75,500
Homes for Ukraine - Income previously received from Nottinghamshire County Council, this level of income is not expected to be received going forward as it is based on a fixed charge per house visit	148,780
Alexander Lodge reduction of service charges budget in line with the previous financial year	79,450
Corporate Estate Fire Doors Repairs	106,200
Revenue and Benefits - Civica Re-licence and increased annual licence	358,700
<b>Holistic Service Changes</b>	
Changes to Pension from 18.6% to 16.4%	(386,920)
Business Rates adjustment following change to the multiplier	(53,420)
<b>Commercial Strategy and MTFP Changes</b>	
Active 4 Today Management Fee removed following review of the management agreement.	(142,760)
Increase income to reflect recent trends at the palace theatre	(98,470)
Savings relating to the new cleaning contract	(14,520)
Saving made due to no longer using the Concerto system for managing corporate estate	(45,000)
The Beacon has projected to reach 97% occupancy by Q3 of 2025–26.	(84,620)
Trade Refuse Income increase due to simpler recycling legislation requiring additional bins / collections	(64,290)
Expecting an increase in the price of Glass Recycling	(64,360)
Private Sector Speech Call expenditure is recharged from HRA to reflect the costs for the private customers. This has not increased as much as previously anticipated therefore reduce.	(64,320)
<b>Others</b>	
Salary Uplift 3% to 3.5%	43,603
Vacancy Factor change from 5% to 7.5%	(816,820)
Changes to budget approved during the year	134,967
Inflation	19,230
Other various changes < £10k	136,420
<b>Total Change</b>	<b>(417,820)</b>

### 2026/27 Employee Plan

3.38 The salary budget for the General Fund has been based on 514.66 FTE posts in 2026/27 (489.65 in 2025/26). Any changes to the establishment will require the relevant approvals.

## Fees and Charges Review

- 3.39 The fees and charges for many services administered by the local authority are set by statute. The amounts for these, and their timing and review, are therefore prescribed by central government. There remains, however, many services where the Council has the ability to review and if necessary, amend its charges or charging regime.
- 3.40 In accordance with the Council's Constitution, each service area should consider the level of fees and charges to be implemented in the following financial year as part of the process of service planning and budget setting.
- 3.41 The proposals for the levels of fees and charges to be implemented from 1 April 2026 were reviewed by Directors during November and have now been updated where appropriate. The Council is currently budgeting to receive £5.8m of income from fees and charges in 2026/27. This is an increase of £0.404m from 2025/26.
- 3.42 The table below summarises the services which provide the Council with most of its fees and charges income and the fees and charges income budgeted from these services for 2026/27:

Service	2026/27 base budget (March 2025) (£)	2026/27 base budget (February 2026) (£)	Summary
<b>Fees and Charges</b>			
Trade Waste, Recycling and Garden Bins	1,911,440	2,011,570	Businesses based in Newark and Sherwood have to pay for their waste to be collected and disposed of. Nottinghamshire County Council sets the waste disposal charges for all district and borough councils in the county, through its statutory role as the Waste Disposal Authority for these authorities.  Further details of these and the other proposed charges for 2026/27 can be found in <b>Appendix C13</b> .
Car and Lorry Parking	929,860	952,130	The car parking charges proposed for 2026/27 are largely the same as those in 2025/26, though increases have been proposed for lorry parking.  Further details can be found in <b>Appendix C16</b> .
Planning	1,123,820	1,071,990	Planning application fees are statutory, set by the Government, whereas pre-application advice fees are discretionary, set by the Council. The Council categorises its pre-application advice fees by the size and type of developments. Further details, including the statutory fees chargeable, can be found in <b>Appendix C1 &amp; C2</b> .

Culture	761,010	944,750	The charges related to the Palace Theatre Newark, National Civil War Centre, and Newark Castle and Gardens.  Further details can be found in <b>Appendix C6</b> .
<b>Rents</b>			
Corporate Property	2,127,590	2,131,200	The rents for Corporate Property include income at the Newark Beacon, the Industrial units across the District, the Air and Space Institute, Castle House rents and the ButterMarket to name a few.
Housing Services	452,340	470,260	Rental income at various properties across the District, also including the income for the rental of the Careline technology

3.43 Details of the Council’s proposed charges for 2026/27 for all services can be found in **Appendices C1-C23**.

Total Financing and Investment income & expenditure (**Appendix A1**, line 20)

3.44 Capital financing costs have been estimated based on assumptions of interest rates going forward, taking into account the forecasts of cash balances over the next year. Due to their nature and composition, however, they are subject to change on a regular basis. This reflects movements in the financial markets as well as changes to the predicted cashflow.

3.45 The Council will seek to borrow money from the most efficient and effective institution in order to support its cash flow position. Regard will be taken to the Council’s Treasury Strategy (which is subject to a separate report which is to be considered by the Audit and Accounts Committee on 4 March 2026 and is due to be approved by Full Council on 5 March 2026) and due diligence through the Council’s Treasury Advisers.

3.46 In previous financial years, decisions regarding capital expenditure have been taken to utilise internal resources and maintain an under-borrowed position against its Capital Financing Requirement. This is not uncommon across the Local Government sector, at a time when budgets have been squeezed, but reserves have existed. The Council is proposing to utilise some of its reserves on projects such as Yorke Drive, Clipstone Holding Centre, Castle Gatehouse, Bilsthorpe Hub and the Southern link Road. This means that as cash backed by these reserves will be utilised, there is a potential need to borrow money to ensure that the Council has cash at hand to service its day to day costs.

3.47 There is an overall decrease in the total net Financing and Investment income & expenditure by £0.726m (**Appendix A1**, line 20) in 2026/27. The 2026/27 interest payable and MRP budget is lower than was budgeted for in March 2025, mainly due to the reprofiling of larger capital projects which are financed by borrowing. Additionally there is a £0.260m budgeted increase of the financial contribution, which includes dividend and interest investment income, due from Arkwood Developments Ltd.

3.48 All treasury investments are made in line with the Council’s Treasury Management Strategy. Advice from the Council’s external treasury consultants will be sought prior to

the investment of any funds to ensure maximum scrutiny is taken on any decision making.

#### Contribution to or From Reserves

3.49 Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the Council’s proposed budget and robustness of estimates made.

3.50 The Council’s s151 Officer has reviewed the adequacy of the Council’s financial reserves to ensure that these are neither too low (imprudent) or too high (over prudent) based on their purpose and likely use.

3.51 The table below summarises the amount of council earmarked reserves as at 31 March 2025, and forecasts of these as at 31 March 2026 and 31 March 2027.

	<b>At 31 March 2025 (£)</b>	<b>Forecast at 31 March 2026 (£)</b>	<b>Forecast at 31 March 2027 (£)</b>
Budget Funding Reserves	9,011,918	8,924,549	8,924,549
Earmarked for Known Pressures	9,153,586	5,491,013	3,651,620
Ring Fenced Reserves	2,163,126	1,490,219	1,717,219
Un-ringfenced Reserves	15,286,934	14,736,618	3,583,703
<b>Total Revenue Reserves</b>	<b>35,615,564</b>	<b>30,642,399</b>	<b>17,877,092</b>
Capital Reserves	14,587,997	14,136,895	14,686,697
<b>Total Revenue and Capital Reserves and Balances</b>	<b>50,203,561</b>	<b>44,779,294</b>	<b>32,563,788</b>

The main reductions relate to the usage of the Change Management/Capital Fund over the next two years, which will draw down the balances held. Large capital projects include:

- Yorke Drive
- Southern Link Road
- Clipstone Holding Centre
- Belvoir Iron Works
- Castle Gatehouse
- Bilsthorpe Hub

#### General Fund Balance

3.52 The Council’s £1.500m General Fund balance has been set aside to pay for exceptional items. Officers consistently review the appropriateness (prudence) of this amount in light of internal and external risks identified. For the Council to maintain this balance, it is intended that it will only be used to fund expenditure once other appropriate reserves have been fully utilised.

- 3.53 The Council's total forecast reserves and general fund balance to 31 March 2026 is £30,642,399. The s151 Officer of the Council is satisfied with the adequacy of the levels of reserves and balances.
- 3.54 The budget has been prepared in accordance with the budget strategy approved Cabinet on 8 July 2025. The draft budget has been scrutinised and challenged by the Council's Senior Leadership Team, the Leader and Portfolio Holders. The draft budget (and Medium Term Financial Plan) has also been scrutinised informally by the ruling administration. The s151 Officer of the Council is therefore satisfied by the robustness of the estimates and assumptions underpinning the budget for 2026/27.

#### Parish and Town Council Precepts

- 3.55 Parish and town councils can raise money to help meet their spending requirements by issuing a 'precept' (mandatory demand) to the district council. The district council must account for such precepts when calculating its council tax requirement. Council tax requirement is the amount of money that councils need to raise from council tax to fund council spending once income from other sources (such as government grants) have been deducted.
- 3.56 The Council is still awaiting confirmation from each parish and town council regarding their level of precept for 2026/27. These details will be included in the revenue budget and council tax setting report to be presented to Council on 5 March 2026.

#### Subjective Analysis

- 3.57 **Appendix A2** contains a breakdown of the Council's General Fund revenue budget for 2026/27 by statutory categories used to categorise expenditure and income.

#### Risk Assessment and Sensitivity

- 3.58 As mentioned in paragraph 3.49, section 25 of the *Local Government Act 2003* requires the Council's chief finance officer, currently the Director of Resources and Deputy Chief Executive, to report on the robustness of estimates made in the Council's proposed budget. This section fulfils that requirement.
- 3.59 In considering the Council's proposed budget for 2026/27 and the sensitivity of expenditure and income to changes, it should be noted that:
- a) a 1% increase in Council Tax is equivalent to £85,939 of net expenditure; and
  - b) a £1 increase in Council Tax is equivalent to £43,272 of net expenditure.
- 3.60 Various assumptions were required to be made when preparing the proposed 2026/27 budget. The two areas where it seems that variations between the proposed budget and reality could be greatest are employee pay and income receivable. Further details on each of these are below.

## 2026/27 Pay Award and changes in National Insurance

- 3.61 Employee costs form a significant proportion of all district council budgets. As mentioned in paragraph 3.35, the 2026/27 budgets have been prepared assuming a 3.5% annual increase in basic pay.
- 3.62 The National Joint Council (NJC) for Local Government Services' pay award for 2026/27 has not yet been finalised. If the 2026/27 pay award agrees a more than 3.5% increase in basic pay, and if reductions in employee costs elsewhere cannot offset the increase in pay award costs, the additional costs unbudgeted for will need to be funded from council reserves. A 1% increase over and above the budgeted 3.5% in basic pay for 2026/27 would result in around £198,000 needing to be funded from reserves.

## Income

- 3.63 A significant part of the Council's annual net budget is dependent on income from rents; sales, fees and charges; and other receipts. Officers have reviewed the income that services have achieved against the current and previous years' budgets and have considered factors expected to affect future income levels, to ensure the 2026/27 income budgets for services have been set at levels considered achievable.
- 3.64 Significant underperformance against budgeted income would increase the Council's annual net expenditure and thus place unbudgeted demand on council reserves. A 1% reduction in council income from fees and charges would cost £58,000, or a council tax increase equivalent to £1.35 per property (0.68%).
- 3.65 Officers closely monitor income levels as part of the Council's monthly budget monitoring processes.
- 3.66 Officers plan to develop a more detailed understanding of the volumes of activity which underpin each of the Council's main income sources. This will allow the Council to more accurately model changes to expected activity levels, as well as increase assurance regarding the risks of such changes materialising.

## Other Significant Potential Risks

- 3.67 Though less likely, but other assumptions which could result in the Council's actual expenditure and/or income varying significantly from its proposed budgets are below:

a)	Interest rates	<p>The proposed 2026/27 budget includes amounts for both interest payable (<b>Appendix A1</b>, line 17) and interest receivable (<b>Appendix A1</b>, line 18). This is because the Council expects that it will both borrow money and lend money throughout the 2026/27 financial year.</p> <p>The budgeted amounts for 2026/27 have accounted for factors such as the amount of council funds expected to be available. The actual amounts of council interest payable and receivable for 2026/27 will likely differ from those budgeted.</p>
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		The impact of a 1% change in interest rate would be insignificant on the Council's overall budget.
b)	General Inflation	As mentioned in paragraph 3.35, the proposed service budgets for 2026/27 include increases for inflation where appropriate.  The most recent month for which inflation data was available at the time of writing is December 2025. There was a 2.7% increase in inflation (Consumer Prices Index (CPI)) from December 2024.  Though it is likely that actual inflation rates throughout 2026/27 will differ from the Government's own forecasts for 2026/27 and the 2.5% the Council has generally budgeted for, the small differences anticipated are expected to have insignificant impact on the Council's budget.
c)	Apprenticeship Scheme	In addition to Apprenticeship Levy payments the Council is required to make to the Government ( <b>Appendix A1</b> , line 10), the Council employs apprentices which have been budgeted for within the revenue budget.
d)	Reserves	As mentioned in paragraph 3.50, the Council has reviewed the adequacy of the financial reserves proposed in the 2026/27 budget, as statutorily required.

#### 4.0 **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

#### **Equalities Implications**

4.1 Business Managers consider the implications on equalities when assessing how best to deliver the services they are responsible for.

#### 5.0 **Community Plan – Alignment to Objectives**

5.1 The Community Plan 2023-2027 was approved by Full Council on 12 December 2023 and sets out the Council's objectives over the next three years, building on previous published plans for the same time period.

5.2 The Community Plan was further revised at the meeting of Cabinet on 1 April 2025.

5.3 The budget proposed has the appropriate allocation of resources in order to ensure the delivery of all the objectives within the Community Plan.

**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.

None.

## SUMMARY OF DISTRICT COUNCIL BUDGET REQUIREMENT

A	B	C	D = C - B
Portfolio	2026/27 Base Budget (March 2025) £	2026/27 Base Budget (February 2026) £	More or (Less) £
1 Climate and the Environment	4,797,520	4,583,670	(213,850)
2 Health, Wellbeing and Leisure	1,702,340	1,063,820	(638,520)
3 Heritage, Culture and the Arts	1,252,980	953,360	(299,620)
4 Housing	485,930	400,090	(85,840)
5 Public Protection and Community Relations	4,012,740	4,553,720	540,980
6 Strategy, Performance and Finance	11,779,730	12,098,240	318,510
7 Sustainable Economic Development	2,127,020	2,200,840	73,820
8 Vacancy Factor and Notional Savings	(1,169,680)	(2,017,790)	(848,110)
<b>9 Total Service Budgets</b>	<b>24,988,580</b>	<b>23,835,950</b>	<b>(1,152,630)</b>
<b>Other Operating Income &amp; Expenditure</b>			
10 Apprenticeship Levy	77,250	89,730	12,480
11 Pensions - employer's lump sum	382,390	354,000	(28,390)
12 Corporate Contingencies	100,000	100,000	0
13 Drainage Levy	954,000	981,370	27,370
<b>14 Total other operating income &amp; expenditure</b>	<b>1,513,640</b>	<b>1,525,100</b>	<b>11,460</b>
<b>Financing and Investment income &amp; expenditure</b>			
15 Minimum Revenue Provision (MRP)	1,075,430	807,490	(267,940)
16 Financial Instruments Adjustment	3,650	3,650	0
17 Interest Payable	826,935	333,200	(493,735)
18 Interest Receivable	(1,793,700)	(1,497,780)	295,920
19 Financial Contribution from Arkwood Developments Ltd (incl interest and dividend)	(840,000)	(1,100,000)	(260,000)
<b>20 Total Financing and Investment income &amp; expenditure</b>	<b>(727,685)</b>	<b>(1,453,440)</b>	<b>(725,755)</b>
<b>Taxation and Non Specific Grant Income</b>			
<b>Other Government Grants</b>			
21 Revenue Support Grant	(554,000)	(6,533,000)	(5,979,000)
22 Recovery Grant	0	(321,000)	(321,000)
23 National Insurance Grant	(145,930)	0	145,930
24 Internal Drainage Board Levy Grant	(119,000)	(158,000)	(39,000)
25 Adjustment Grant	0	(815,000)	(815,000)
<b>Non Domestic Rates (NDR)</b>			
26 Retained NDR- Including Pool Surplus	(9,785,330)	(5,313,500)	4,471,830
27 Business Rates Deficit from 2024/25	0	295,500	295,500
<b>28 Total Taxation and Non Specific Grant Income</b>	<b>(10,604,260)</b>	<b>(12,845,000)</b>	<b>(2,240,740)</b>
<b>Contributions to or (from) Reserves and Balances</b>			
<b>Contributions to or (from) Unusable Reserves</b>			
29 Reversal of capital expenditure	(4,802,310)	(4,067,500)	734,810
30 Reversal of capital income	860,000	860,000	0
<b>Contributions to or (from) Usable Reserves</b>			
31 Contributions to or (from) usable reserves	(1,613,187)	738,800	2,351,987
32 Shortfall mitigations identified in the MTFP - March 2025	(885,000)	0	885,000
<b>33 Total Contributions to or (from) Reserves and Balances</b>	<b>(6,440,497)</b>	<b>(2,468,700)</b>	<b>3,971,797</b>
<b>34 Net call on Council Tax</b>	<b>8,729,778</b>	<b>8,593,910</b>	<b>(135,868)</b>
<b>Council Tax Adjustments</b>			
35 Brought forward Council Tax deficit	0	0	0
<b>36 To be collected through Council Tax</b>	<b>8,729,778</b>	<b>8,593,910</b>	<b>(135,868)</b>

Appendix A2

BUDGET SUMMARY - SUBJECTIVE (GENERAL FUND (GF) CASH SERVICES REVENUE) - EXCL CAPTIAL

COST CENTRE	CENTRE NAME	2026/27 EST SET IN MARCH	FINAL 2026/27 BASE BUDGET	MORE OR (LESS)
111	SALARIES AND WAGES	17,025,510	16,684,120	(341,390)
112	OTHER SALARIES/WAGES PAYMENTS	104,780	104,800	20
113	NATIONAL INSURANCE	2,309,010	2,353,815	44,805
114	SUPERANNUATION	3,490,820	3,162,560	(328,260)
115	OTHER EMPLOYERS CONTRIBUTIONS	39,600	39,790	190
	<b>EMPLOYEES</b>	<b>22,969,720</b>	<b>22,345,085</b>	<b>(624,635)</b>
211	REPAIRS AND MAINTENANCE	1,039,660	1,550,580	510,920
212	ENERGY COSTS	779,000	619,430	(159,570)
213	RENT	471,550	558,230	86,680
214	RATES	589,270	552,130	(37,140)
215	WATER SERVICES	207,760	170,920	(36,840)
216	FIXTURES AND FITTING	11,440	16,470	5,030
217	CLEANING AND DOMESTIC	40,070	38,120	(1,950)
218	COMPLIANCE SERVICING	163,700	182,520	18,820
219	CONTRIBUTION TO FUNDS	721,750	517,870	(203,880)
311	TRANSPORT	1,267,520	1,146,140	(121,380)
313	CONTRACT HIRE OP LEASE	8,160	10,850	2,690
315	CAR ALLOWANCES	83,360	82,910	(450)
411	EQUIPMENT AND FURNITURE	478,870	510,920	32,050
412	MATERIALS	49,860	59,500	9,640
421	CATERING	166,590	190,250	23,660
431	CLOTHING AND UNIFORMS	45,210	46,400	1,190
441	GENERAL OFFICE EXPENSES	401,760	430,540	28,780
451	CONTRACTUAL	1,275,370	1,448,010	172,640
452	OTHER SERVICES	1,251,120	1,748,535	497,415
461	COMMUNICATIONS AND COMPUTING	1,734,340	1,447,740	(286,600)
471	STAFF	33,240	31,150	(2,090)
472	MEMBERS	363,440	378,860	15,420
473	CHAIRMAN	8,510	8,550	40
481	GRANTS	627,380	579,530	(47,850)
482	SUBSCRIPTIONS	99,810	100,870	1,060
491	INSURANCE	463,710	515,000	51,290
492	CONTRIBS TO FUNDS AND PROVISION	260,110	252,210	(7,900)
493	OTHER PROFESSIONAL SERVICES	2,215,620	2,629,370	413,750
497	DISCOUNTS	36,210	35,750	(460)
611	HOUSING BENEFITS	16,562,230	16,562,230	0
612	OTHER TRANSFER PAYMENTS	503,670	473,230	(30,440)
	<b>RUNNING EXPENSES</b>	<b>31,960,290</b>	<b>32,894,815</b>	<b>934,525</b>
911	GOVERNMENT GRANTS	(17,164,120)	(17,813,830)	(649,710)
922	CONTRIBUTIONS FROM OTHER LAS	(402,150)	(244,830)	157,320
928	RECHARGE NON GF ACCOUNTS	(4,989,460)	(4,798,660)	190,800
931	SALES	(742,930)	(870,240)	(127,310)
932	FEES AND CHARGES	(6,520,960)	(6,734,580)	(213,620)
933	RENTS	(3,426,730)	(3,434,430)	(7,700)
939	OTHER RECEIPTS	(637,390)	(714,880)	(77,490)
	<b>INCOME</b>	<b>(33,883,740)</b>	<b>(34,611,450)</b>	<b>(727,710)</b>
	<b>PORTFOLIO TOTAL</b>	<b>21,046,270</b>	<b>20,628,450</b>	<b>(417,820)</b>

PORTFOLIO HOLDER Climate and the Environment

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
EMPLOYEE EXPENSES	111	SALARIES AND WAGES	3,300,140	0	(162,310)	0	270	317,830	3,455,930
	112	OTHER SALARIES/WAGES PAYMENTS	4,780	0	0	0	20	0	4,800
	113	NATIONAL INSURANCE	415,130	0	(5,710)	0	0	0	409,420
	114	SUPERANNUATION	616,980	0	(8,980)	0	0	(72,020)	535,980
	115	OTHER EMPLOYERS CONTRIBUTIONS	0	0	0	0	0	0	0
<b>EMPLOYEE EXPENSES Total</b>			<b>4,337,030</b>	<b>0</b>	<b>(177,000)</b>	<b>0</b>	<b>290</b>	<b>245,810</b>	<b>4,406,130</b>
RUNNING EXPENSES	211	REPAIRS AND MAINTENANCE	34,240	80,610	0	0	400	2,000	117,250
	212	ENERGY COSTS	530	0	0	0	30	0	560
	213	RENT	6,350	0	0	0	0	(130)	6,220
	217	CLEANING AND DOMESTIC	1,130	0	0	0	10	0	1,140
	219	CONTRIBUTION TO FUNDS	124,430	(69,420)	0	0	0	(55,010)	0
	311	TRANSPORT	1,267,520	(2,650)	0	0	10,270	(129,000)	1,146,140
	313	CONTRACT HIRE OP LEASE	0	2,650	0	0	0	0	2,650
	315	CAR ALLOWANCES	1,860	0	0	0	10	0	1,870
	411	EQUIPMENT AND FURNITURE	238,000	0	0	0	1,160	0	239,160
	412	MATERIALS	36,950	0	0	0	190	10,000	47,140
	421	CATERING	3,600	0	0	0	20	0	3,620
	431	CLOTHING AND UNIFORMS	26,770	0	0	0	130	0	26,900
	441	GENERAL OFFICE EXPENSES	30,600	0	0	0	150	0	30,750
	451	CONTRACTUAL	137,270	(11,190)	0	0	600	6,000	132,680
	452	OTHER SERVICES	202,710	0	0	0	(110)	423,680	626,280
	461	COMMUNICATIONS AND COMPUTING	0	0	0	0	0	0	0
	471	STAFF	20	0	0	0	0	0	20
	492	CONTRIBS TO FUNDS AND PROVISIONS	18,700	0	0	0	40	(1,510)	17,230
	493	OTHER PROFESSIONAL SERVICES	436,530	0	0	0	2,150	(20,500)	418,180
	612	OTHER TRANSFER PAYMENTS	44,910	0	0	0	0	33,880	78,790
	821	CAPITAL	938,260	0	0	(65,110)	13,890	0	883,670
<b>RUNNING EXPENSES Total</b>			<b>3,550,380</b>	<b>0</b>	<b>0</b>	<b>(65,110)</b>	<b>28,940</b>	<b>269,410</b>	<b>3,780,250</b>
INCOME	911	GOVERNMENT GRANTS	0	0	0	0	0	0	0
	922	CONTRIBUTIONS FROM OTHER LAS	(17,190)	0	0	0	(40)	0	(17,230)
	928	RECHARGE NON GF ACCOUNTS	(862,370)	0	0	0	(6,070)	(168,490)	(1,036,930)
	931	SALES	(254,390)	0	0	0	(1,250)	(64,360)	(320,000)
	932	FEES AND CHARGES	(2,127,130)	0	0	0	(7,080)	(93,730)	(2,227,940)
	933	RENTS	(610)	0	0	0	0	0	(610)
	939	OTHER RECEIPTS	0	0	0	0	0	0	0
<b>INCOME Total</b>			<b>(3,261,690)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(14,440)</b>	<b>(326,580)</b>	<b>(3,602,710)</b>
<b>Grand Total</b>			<b>4,625,720</b>	<b>0</b>	<b>(177,000)</b>	<b>(65,110)</b>	<b>14,790</b>	<b>188,640</b>	<b>4,583,670</b>

PORTFOLIO HOLDER Climate and the Environment

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
A10701	UPKEEP OF DYKES	9,990	0	0	0	40	0	10,030
A10901	CLIMATE CHANGE	3,370	0	0	0	0	0	0
A10902	DECARBONISATION	0	0	0	0	0	0	0
A11002	WASTE & RECYCLING	2,167,650	0	(91,190)	0	(26,460)	(55,930)	1,994,070
A11103	SEWERAGE WORKS	0	0	0	0	0	44,910	44,910
A11105	CLEANER, SAFER, GREENER	0	0	0	0	0	10,000	10,000
A11331	PARKS AND PLAYING FIELDS	108,380	0	0	0	1,480	24,460	134,320
A11334	PRIVATE ESTATES	10,040	0	0	0	30	(4,010)	6,060
A11335	CLOSED CHURCHYARDS	5,420	0	0	0	10	(2,820)	2,610
A11336	VICAR WATER PARK	70,860	0	(1,250)	0	(10)	5,980	75,580
A11338	SCONCE & DEVON PARK	81,290	0	(1,590)	0	2,390	10,880	92,970
A11340	ENV SERV MANAGEMENT	285,950	0	(8,860)	0	(50)	18,390	295,430
A11582	LIFE SAVING	520	0	0	0	0	2,000	2,520
A11702	ENVIRONMENTAL SCHEMES	27,020	0	0	0	3,190	(5,120)	25,090
A11842	DEVELOPMENT COSTS	0	0	0	0	0	200,000	200,000
A15003	BRUNEL DRIVE DEPOT	69,240	0	0	0	27,560	0	96,800
A15023	STREET SCENE GROUNDS MAINT	314,570	0	(65,790)	0	(3,210)	46,410	291,980
A26901	VEHICLE POOL AND WORKSHOP	1,471,420	0	(8,320)	(65,110)	9,820	(106,510)	1,301,300
<b>Grand Total</b>		<b>4,625,720</b>	<b>0</b>	<b>(177,000)</b>	<b>(65,110)</b>	<b>14,790</b>	<b>188,640</b>	<b>4,583,670</b>

PORTFOLIO HOLDER Health, Wellbeing and Leisure

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
EMPLOYEE EXPENSES	111	SALARIES AND WAGES	394,050	(176,130)	(20,480)	36,280	0	25,700	259,420
	113	NATIONAL INSURANCE	55,210	(25,580)	0	5,310	0	0	34,940
	114	SUPERANNUATION	77,120	(36,360)	0	7,500	0	(5,720)	42,540
<b>EMPLOYEE EXPENSES Total</b>			<b>526,380</b>	<b>(238,070)</b>	<b>(20,480)</b>	<b>49,090</b>	<b>0</b>	<b>19,980</b>	<b>336,900</b>
RUNNING EXPENSES	213	RENT	1,200	0	0	0	0	0	1,200
	315	CAR ALLOWANCES	4,080	(3,000)	0	0	0	1,000	2,080
	411	EQUIPMENT AND FURNITURE	0	0	0	0	0	0	0
	441	GENERAL OFFICE EXPENSES	510	0	0	0	0	(510)	0
	451	CONTRACTUAL	900	0	0	0	0	0	900
	452	OTHER SERVICES	8,830	0	0	0	40	(510)	8,360
	471	STAFF	100	0	0	0	0	0	100
	481	GRANTS	152,760	0	0	0	0	(152,760)	0
	492	CONTRIBS TO FUNDS AND PROVISIONS	0	0	0	0	0	0	0
	493	OTHER PROFESSIONAL SERVICES	109,240	(69,240)	0	0	0	55,680	95,680
	821	CAPITAL	882,570	0	0	0	(64,600)	530	623,380
<b>RUNNING EXPENSES Total</b>			<b>1,160,190</b>	<b>(72,240)</b>	<b>0</b>	<b>0</b>	<b>(64,560)</b>	<b>(96,570)</b>	<b>731,700</b>
INCOME	911	GOVERNMENT GRANTS	0	0	0	0	0	0	0
	922	CONTRIBUTIONS FROM OTHER LAS	0	0	0	0	0	0	0
	928	RECHARGE NON GF ACCOUNTS	0	0	0	0	0	0	0
	932	FEES AND CHARGES	(2,520)	0	0	0	(10)	0	(2,530)
	933	RENTS	(2,250)	0	0	0	0	0	(2,250)
<b>INCOME Total</b>			<b>(4,770)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(10)</b>	<b>0</b>	<b>(4,780)</b>
<b>Grand Total</b>			<b>1,681,800</b>	<b>(310,310)</b>	<b>(20,480)</b>	<b>49,090</b>	<b>(64,570)</b>	<b>(76,590)</b>	<b>1,063,820</b>

PORTFOLIO HOLDER Health, Wellbeing and Leisure

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27		2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
			REALIGNMENTS	SALARY UPLIFT				
A11101	PUBLIC CONVENIENCES	900	0	0	0	0	0	900
A11110	PUBLIC HEALTH FUNERALS	5,800	0	0	0	30	0	5,830
A11305	SOUTHWELL LEISURE CENTRE	10,000	0	0	0	0	(10,000)	0
A11314	LINCOLN ROAD SPORTS HALL	80,160	0	0	0	(64,600)	0	15,560
A11339	NEWARK SPORTS & FITNESS CENTRE	(540)	0	0	0	0	20	(520)
A11576	ACTIVE 4 TODAY	945,170	0	0	0	0	(142,760)	607,290
A11577	TOUR OF BRITAIN	0	0	0	0	0	0	0
A11583	HEALTH & COMMUNITY DEVELOPMENT	640,310	(310,310)	(20,480)	49,090	0	20,470	379,080
A11915	COST OF LIVING RESPONSE	0	0	0	0	0	55,680	55,680
C54467	HOUSEHOLD SUPPORT GRANT	0	0	0	0	0	0	0
C54471	COVID-NCC EAF FOOD COORDINATOR	0	0	0	0	0	0	0
C54473	THE HOLIDAY ACTIVITY & FOOD GR	0	0	0	0	0	0	0
C54477	SHERWOOD LEVELLING UP SCHEME	0	0	0	0	0	0	0
C54495	FOOD ENVIRONMENT GRANT	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>1,681,800</b>	<b>(310,310)</b>	<b>(20,480)</b>	<b>49,090</b>	<b>(64,570)</b>	<b>(76,590)</b>	<b>1,063,820</b>

PORTFOLIO HOLDER Heritage, Culture and the Arts

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
EMPLOYEE EXPENSES	111	SALARIES AND WAGES	826,050	(4,920)	(32,880)	19,810	150	72,650	880,860
	112	OTHER SALARIES/WAGES PAYMENTS	0	0	0	0	0	0	0
	113	NATIONAL INSURANCE	106,820	(630)	(730)	2,570	0	(11,530)	96,500
	114	SUPERANNUATION	156,300	(920)	(1,340)	3,680	0	(34,370)	123,350
	115	OTHER EMPLOYERS CONTRIBUTIONS	0	0	0	0	0	0	0
<b>EMPLOYEE EXPENSES Total</b>			<b>1,089,170</b>	<b>(6,470)</b>	<b>(34,950)</b>	<b>26,060</b>	<b>150</b>	<b>26,750</b>	<b>1,100,710</b>
RUNNING EXPENSES	211	REPAIRS AND MAINTENANCE	8,090	6,240	0	0	50	0	14,380
	213	RENT	0	0	0	0	0	0	0
	216	FIXTURES AND FITTING	0	0	0	0	0	0	0
	217	CLEANING AND DOMESTIC	3,920	0	0	0	20	0	3,940
	219	CONTRIBUTION TO FUNDS	6,240	(6,240)	0	0	0	0	0
	315	CAR ALLOWANCES	1,680	0	0	0	0	(500)	1,180
	411	EQUIPMENT AND FURNITURE	13,490	0	0	0	70	0	13,560
	412	MATERIALS	0	0	0	0	0	0	0
	421	CATERING	89,550	15,950	0	0	450	4,940	110,890
	431	CLOTHING AND UNIFORMS	1,090	0	0	0	0	0	1,090
	441	GENERAL OFFICE EXPENSES	47,770	0	0	0	240	0	48,010
	451	CONTRACTUAL	18,260	0	0	0	90	0	18,350
	452	OTHER SERVICES	133,760	0	0	0	600	4,790	139,150
	461	COMMUNICATIONS AND COMPUTING	11,860	0	0	0	30	0	11,890
	471	STAFF	1,720	0	0	0	0	0	1,720
	481	GRANTS	16,940	0	0	0	80	0	17,020
	482	SUBSCRIPTIONS	780	0	0	0	0	0	780
	492	CONTRIBS TO FUNDS AND PROVISIONS	0	0	0	0	0	0	0
	493	OTHER PROFESSIONAL SERVICES	622,910	136,540	0	0	3,040	2,350	764,840
	821	CAPITAL	335,840	0	0	0	(77,710)	(69,500)	188,630
<b>RUNNING EXPENSES Total</b>			<b>1,313,900</b>	<b>152,490</b>	<b>0</b>	<b>0</b>	<b>(73,040)</b>	<b>(57,920)</b>	<b>1,335,430</b>
INCOME	911	GOVERNMENT GRANTS	(27,340)	6,470	0	0	0	200	(20,670)
	922	CONTRIBUTIONS FROM OTHER LAS	0	0	0	0	0	0	0
	928	RECHARGE NON GF ACCOUNTS	0	0	0	(26,060)	0	0	(26,060)
	931	SALES	(292,180)	(13,870)	0	0	(1,440)	(42,230)	(349,720)
	932	FEES AND CHARGES	(775,600)	(125,820)	0	0	(3,810)	(31,780)	(937,010)
	933	RENTS	0	0	0	0	0	0	0
	939	OTHER RECEIPTS	(92,710)	(22,800)	0	0	(450)	(33,360)	(149,320)
<b>INCOME Total</b>			<b>(1,187,830)</b>	<b>(156,020)</b>	<b>0</b>	<b>(26,060)</b>	<b>(5,700)</b>	<b>(107,170)</b>	<b>(1,482,780)</b>
<b>Grand Total</b>			<b>1,215,240</b>	<b>(10,000)</b>	<b>(34,950)</b>	<b>0</b>	<b>(78,590)</b>	<b>(138,340)</b>	<b>953,360</b>

PORTFOLIO HOLDER Heritage, Culture and the Arts

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
A10101	NCWC & NEWARK MUSEUM	327,800	(3,780)	(10,990)	0	(5,110)	5,410	313,330
A10105	NEWARK CASTLE/CASTLE GROUNDS	192,140	(10,000)	(2,620)	0	(63,240)	3,670	119,950
A10108	RESOURCE CENTRE	43,880	0	(2,520)	0	10	2,740	44,110
A10110	CULTURAL EVENTS	47,280	0	(1,010)	0	60	2,080	48,410
A10111	L&P EDUCATION/OUTREACH	98,660	0	(3,470)	0	(90)	5,680	100,780
A11443	PALACE THEATRE	283,420	3,780	(14,050)	0	(10,730)	(88,840)	173,580
A11573	PROMOTION OF TOURISM	222,060	0	(290)	0	510	(69,080)	153,200
C54022	CASTLE GATEHOUSE HLF	0	0	0	0	0	0	0
C54026	BUILDING BRIDGES - NEWARK CAST	0	0	0	0	0	0	0
C54031	NPO 2025-26	0	0	0	0	0	0	0
C54492	WORKING TOGETHER FOR H&W	0	0	0	0	0	0	0
C54599	NEWARK CREATES	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>1,215,240</b>	<b>(10,000)</b>	<b>(34,950)</b>	<b>0</b>	<b>(78,590)</b>	<b>(138,340)</b>	<b>953,360</b>

PORTFOLIO HOLDER Housing

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
EMPLOYEE EXPENSES	111	SALARIES AND WAGES	876,690	(10)	(33,630)	(66,440)	0	168,330	944,940
	112	OTHER SALARIES/WAGES PAYMENTS	0	0	0	0	0	0	0
	113	NATIONAL INSURANCE	121,030	10	3,810	(11,230)	0	7,660	121,280
	114	SUPERANNUATION	172,800	0	2,270	(13,130)	0	(9,240)	152,700
	115	OTHER EMPLOYERS CONTRIBUTIONS	0	0	0	0	0	0	0
<b>EMPLOYEE EXPENSES Total</b>			<b>1,170,520</b>	<b>0</b>	<b>(27,550)</b>	<b>(90,800)</b>	<b>0</b>	<b>166,750</b>	<b>1,218,920</b>
RUNNING EXPENSES	211	REPAIRS AND MAINTENANCE	79,480	5,200	0	0	30	0	84,710
	212	ENERGY COSTS	66,860	8,000	0	0	0	2,800	77,660
	213	RENT	4,320	0	0	0	20	13,470	17,810
	214	RATES	0	0	0	0	0	1,710	1,710
	215	WATER SERVICES	28,530	(8,000)	0	0	0	(8,560)	11,970
	216	FIXTURES AND FITTING	11,440	0	0	0	30	5,000	16,470
	217	CLEANING AND DOMESTIC	8,320	(5,320)	0	0	0	0	3,000
	219	CONTRIBUTION TO FUNDS	41,610	(5,200)	0	0	0	(31,210)	5,200
	315	CAR ALLOWANCES	5,050	0	0	0	0	4,080	9,130
	411	EQUIPMENT AND FURNITURE	7,510	0	0	0	0	(1,500)	6,010
	441	GENERAL OFFICE EXPENSES	500	0	0	0	0	0	500
	451	CONTRACTUAL	25,090	2,980	0	0	0	(18,230)	9,840
	452	OTHER SERVICES	5,310	0	0	0	10	20,130	25,450
	461	COMMUNICATIONS AND COMPUTING	17,930	0	0	0	90	(550)	17,470
	471	STAFF	1,720	0	0	0	0	(1,070)	650
	481	GRANTS	144,240	21,480	0	0	(100)	0	165,620
	492	CONTRIBS TO FUNDS AND PROVISIONS	16,070	0	0	0	80	100,000	116,150
	493	OTHER PROFESSIONAL SERVICES	193,930	5,320	0	0	140	(18,220)	181,170
	612	OTHER TRANSFER PAYMENTS	458,760	0	0	0	0	(64,320)	394,440
	821	CAPITAL	910,740	0	0	0	0	24,290	935,030
<b>RUNNING EXPENSES Total</b>			<b>2,027,410</b>	<b>24,460</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>27,820</b>	<b>2,079,990</b>
INCOME	911	GOVERNMENT GRANTS	(1,207,850)	(47,150)	0	0	0	(287,520)	(1,542,520)
	922	CONTRIBUTIONS FROM OTHER LAS	(192,880)	0	0	0	0	148,780	(44,100)
	928	RECHARGE NON GF ACCOUNTS	(195,790)	0	0	0	0	48,230	(147,560)
	932	FEES AND CHARGES	(50,000)	47,150	0	0	0	2,850	0
	933	RENTS	(849,820)	(24,460)	0	0	0	(19,460)	(893,740)
	939	OTHER RECEIPTS	(267,960)	0	0	0	0	(2,940)	(270,900)
<b>INCOME Total</b>			<b>(2,764,300)</b>	<b>(24,460)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(110,060)</b>	<b>(2,898,820)</b>
<b>Grand Total</b>			<b>433,630</b>	<b>0</b>	<b>(27,550)</b>	<b>(90,800)</b>	<b>300</b>	<b>84,510</b>	<b>400,090</b>

PORTFOLIO HOLDER Housing

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
A10204	MISCELLANEOUS HOUSING (GF)	0	0	0	0	0	0	0
A10211	NORTHGATE ROUGH SLEEPER ACCOM	63,720	(27,060)	(2,270)	0	70	2,010	36,470
A10212	PRIVATE SECTOR SPEECH CALL	(199,680)	0	0	0	0	(40,700)	(240,380)
A10213	HOUSING OPTIONS	325,480	11,360	(740)	(27,820)	200	(135,530)	172,950
A10215	STRATEGIC HOUSING	190,670	0	(13,730)	(51,740)	0	68,580	193,780
A10217	SYRIAN VP RESETTLEMENT SCHEME	0	2,030	(150)	0	0	110	1,990
A10219	AFGHAN RESETTLEMENT SCHEME	0	75,570	(5,670)	0	0	4,900	74,800
A10220	COLD WEATHER/SWEP SCHEME	0	0	0	0	0	0	0
A10223	HOMES FOR UKRAINE	30,410	(59,870)	(1,230)	(11,240)	130	78,760	36,960
A10224	HOARDING SUPPORT	0	0	0	0	0	0	0
A10225	BARRATT MANAGED PROPERTIES	0	0	0	0	0	0	0
A10226	ALEXANDER LODGE	(99,360)	1,480	(890)	0	0	17,400	(81,370)
A10227	WELLOW GREEN	(1,020)	(3,510)	(590)	0	0	19,280	14,160
A10228	ASYLUM SEEKERS	(75,500)	0	0	0	0	75,500	0
A11607	ENERGY AND HOME SUPPORT	78,290	0	(2,280)	0	0	(5,800)	70,210
A11922	COMMISSIONING CONTRIBUTIONS	120,620	0	0	0	(100)	0	120,520
A11932	COMMUNITY LOTTERY	0	0	0	0	0	0	0
C54475	VICTIM CARE - CATCH 22	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>433,630</b>	<b>0</b>	<b>(27,550)</b>	<b>(90,800)</b>	<b>300</b>	<b>156,510</b>	<b>400,090</b>

PORTFOLIO HOLDER Public Protection and Community Relations

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
<b>EMPLOYEE EXPENSES</b>	<b>111</b>	SALARIES AND WAGES	2,298,730	339,720	(70,962)	14,432	250	297,190	2,879,360
	<b>112</b>	OTHER SALARIES/WAGES PAYMENTS	0	0	0	0	0	0	0
	<b>113</b>	NATIONAL INSURANCE	305,510	51,570	5,783	2,187	0	0	365,050
	<b>114</b>	SUPERANNUATION	440,930	74,280	8,005	2,675	0	(62,230)	463,660
	<b>115</b>	OTHER EMPLOYERS CONTRIBUTIONS	0	0	0	0	0	0	0
<b>EMPLOYEE EXPENSES Total</b>			<b>3,045,170</b>	<b>465,570</b>	<b>(57,174)</b>	<b>19,294</b>	<b>250</b>	<b>234,960</b>	<b>3,708,070</b>
<b>RUNNING EXPENSES</b>	<b>211</b>	REPAIRS AND MAINTENANCE	0	2,100	0	0	0	0	2,100
	<b>213</b>	RENT	0	0	0	0	0	0	0
	<b>219</b>	CONTRIBUTION TO FUNDS	36,710	(36,710)	0	0	0	0	0
	<b>311</b>	TRANSPORT	0	0	0	0	0	0	0
	<b>313</b>	CONTRACT HIRE OP LEASE	8,160	0	0	0	40	0	8,200
	<b>315</b>	CAR ALLOWANCES	20,280	2,580	0	0	90	(1,320)	21,630
	<b>411</b>	EQUIPMENT AND FURNITURE	8,670	280	0	0	40	0	8,990
	<b>412</b>	MATERIALS	6,400	(360)	0	0	30	(320)	5,750
	<b>421</b>	CATERING	0	0	0	0	0	0	0
	<b>431</b>	CLOTHING AND UNIFORMS	11,230	740	0	0	50	0	12,020
	<b>441</b>	GENERAL OFFICE EXPENSES	11,930	(60)	0	0	60	(300)	11,630
	<b>451</b>	CONTRACTUAL	110,130	1,770	0	(51,000)	290	(7,540)	53,650
	<b>452</b>	OTHER SERVICES	106,690	(1,720)	0	0	510	94,490	199,970
	<b>461</b>	COMMUNICATIONS AND COMPUTING	15,540	0	0	0	80	(2,350)	13,270
	<b>471</b>	STAFF	2,050	420	0	0	0	(790)	1,680
	<b>481</b>	GRANTS	4,890	0	0	0	0	(4,890)	0
	<b>482</b>	SUBSCRIPTIONS	4,430	3,000	0	0	30	(1,030)	6,430
	<b>491</b>	INSURANCE	463,710	50,000	0	0	1,950	(660)	515,000
	<b>492</b>	CONTRIBS TO FUNDS AND PROVISIONS	198,200	(75,260)	0	0	290	(31,630)	91,600
	<b>493</b>	OTHER PROFESSIONAL SERVICES	289,800	(49,690)	0	3,790	220	106,080	350,200
	<b>821</b>	CAPITAL	230,840	0	0	41,090	45,970	0	317,900
<b>RUNNING EXPENSES Total</b>			<b>1,529,660</b>	<b>(102,910)</b>	<b>0</b>	<b>(6,120)</b>	<b>49,650</b>	<b>149,740</b>	<b>1,620,020</b>
<b>INCOME</b>	<b>911</b>	GOVERNMENT GRANTS	0	0	0	0	0	0	0
	<b>922</b>	CONTRIBUTIONS FROM OTHER LAS	(19,080)	0	0	0	(40)	8,620	(10,500)
	<b>928</b>	RECHARGE NON GF ACCOUNTS	(302,690)	(50,000)	0	0	(6,080)	8,390	(350,380)
	<b>931</b>	SALES	(127,800)	0	0	0	(630)	(1,820)	(130,250)
	<b>932</b>	FEES AND CHARGES	(230,600)	(2,350)	0	0	(1,160)	(44,620)	(278,730)
	<b>939</b>	OTHER RECEIPTS	(5,590)	0	0	0	(30)	1,110	(4,510)
<b>INCOME Total</b>			<b>(685,760)</b>	<b>(52,350)</b>	<b>0</b>	<b>0</b>	<b>(7,940)</b>	<b>(28,320)</b>	<b>(774,370)</b>
<b>Grand Total</b>			<b>3,889,070</b>	<b>310,310</b>	<b>(57,174)</b>	<b>13,174</b>	<b>41,960</b>	<b>356,380</b>	<b>4,553,720</b>

PORTFOLIO HOLDER Public Protection and Community Relations

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
A10210	DOMESTIC ABUSE SUPPORT	5,200	0	0	0	30	40,000	45,230
A10814	LICENSING ADMIN	23,470	0	(5,300)	0	(780)	(10,200)	7,190
A10816	COMMUNITY SAFETY	44,720	(1,570)	(1,130)	0	(2,210)	560	40,370
A10823	ANTI-SOCIAL BEHAVIOUR	243,830	1,070	(6,934)	4,294	110	13,800	256,170
A10826	DOMESTIC VIOLENCE	31,900	0	(1,630)	0	(2,790)	38,000	65,480
A10899	INSURANCE	452,600	0	(2,760)	0	1,730	12,930	464,500
A11104	STREET SCENE STREET CLEANSING	1,234,470	0	5,240	0	46,120	58,880	1,344,710
A11107	DOG CONTROL	21,570	500	0	0	110	0	22,180
A11122	SAFETY & RISK MANAGEMENT	79,250	0	(4,570)	0	(310)	19,010	93,380
A11126	CCTV	441,160	(12,040)	2,420	41,090	80	22,610	495,320
A11135	ENV HEALTH & COM PROTECTION	0	0	0	0	0	0	0
A11136	NEIGHBOURHOOD WARDENS	199,050	0	(7,170)	0	250	10,900	203,030
A11138	ENVIRONMENTAL HEALTH	495,890	0	(21,300)	7,060	(450)	31,800	513,000
A11139	COMMUNITY PROTECTION	375,650	0	(11,330)	(43,060)	0	74,060	395,320
A11442	COMMUNITY DEVELOPMENT	37,720	310,310	880	0	0	(8,750)	340,160
A11923	EMERGENCY PLANNING	96,200	12,040	(3,590)	3,790	70	9,170	117,680
A11940	COMMUNITY GRANT SCHEME	106,390	0	0	0	0	43,610	150,000
A11941	FLOODING - OCTOBER 2023	0	0	0	0	0	0	0
A11942	FLOODING - JANUARY 2024	0	0	0	0	0	0	0
C54461	SANCTUARY (PREV DV FORUM)	0	0	0	0	0	0	0
C54507	OPCC LOCALITY FUNDING 2024-26	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>3,889,070</b>	<b>310,310</b>	<b>(57,174)</b>	<b>13,174</b>	<b>41,960</b>	<b>356,380</b>	<b>4,553,720</b>

PORTFOLIO HOLDER Strategy, Performance and Finance

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
<b>EMPLOYEE EXPENSES</b>	<b>111</b>	SALARIES AND WAGES	7,271,860	(99,290)	(334,823)	154,833	80	861,810	7,854,470
	<b>112</b>	OTHER SALARIES/WAGES PAYMENTS	100,000	0	0	0	0	0	100,000
	<b>113</b>	NATIONAL INSURANCE	1,017,150	(3,190)	(3,200)	21,010	500	5,544	1,037,820
	<b>114</b>	SUPERANNUATION	1,622,530	(5,990)	(3,840)	30,410	0	(155,837)	1,487,270
	<b>115</b>	OTHER EMPLOYERS CONTRIBUTIONS	39,600	0	0	0	190	0	39,790
<b>EMPLOYEE EXPENSES Total</b>			<b>10,051,140</b>	<b>(108,470)</b>	<b>(341,863)</b>	<b>206,253</b>	<b>770</b>	<b>711,517</b>	<b>10,519,350</b>
<b>RUNNING EXPENSES</b>	<b>211</b>	REPAIRS AND MAINTENANCE	917,850	451,430	0	0	3,420	(40,560)	1,332,140
	<b>212</b>	ENERGY COSTS	711,610	(4,140)	0	0	6,160	(172,420)	541,210
	<b>213</b>	RENT	459,680	0	0	0	80	73,240	533,000
	<b>214</b>	RATES	589,190	0	0	0	13,910	(52,720)	550,380
	<b>215</b>	WATER SERVICES	179,230	(11,850)	0	0	1,050	(9,480)	158,950
	<b>217</b>	CLEANING AND DOMESTIC	26,700	1,070	0	0	60	2,210	30,040
	<b>218</b>	COMPLIANCE SERVICING	163,700	18,010	0	0	810	0	182,520
	<b>219</b>	CONTRIBUTION TO FUNDS	507,080	(455,810)	0	0	0	461,400	512,670
	<b>311</b>	TRANSPORT	0	0	0	0	0	0	0
	<b>315</b>	CAR ALLOWANCES	35,440	0	0	0	130	(4,210)	31,360
	<b>411</b>	EQUIPMENT AND FURNITURE	210,810	0	0	0	30	31,780	242,620
	<b>412</b>	MATERIALS	6,510	0	0	0	20	80	6,610
	<b>421</b>	CATERING	73,440	0	0	0	170	2,130	75,740
	<b>431</b>	CLOTHING AND UNIFORMS	5,120	0	0	0	20	140	5,280
	<b>441</b>	GENERAL OFFICE EXPENSES	241,210	10,000	0	0	1,190	17,480	269,880
	<b>451</b>	CONTRACTUAL	773,610	71,640	0	(93,810)	1,790	217,960	971,190
	<b>452</b>	OTHER SERVICES	542,630	(20,500)	0	40,000	1,010	84,075	647,215
	<b>461</b>	COMMUNICATIONS AND COMPUTING	1,664,840	(297,920)	0	0	3,160	9,700	1,379,780
	<b>471</b>	STAFF	18,870	0	0	0	80	(60)	18,890
	<b>472</b>	MEMBERS	363,440	0	0	0	2,420	13,000	378,860
	<b>473</b>	CHAIRMAN	8,510	0	0	0	40	0	8,550
	<b>481</b>	GRANTS	306,550	0	0	0	0	6,330	312,880
	<b>482</b>	SUBSCRIPTIONS	85,160	8,070	0	0	440	(10,970)	82,700
	<b>491</b>	INSURANCE	0	0	0	0	0	0	0
	<b>493</b>	OTHER PROFESSIONAL SERVICES	451,960	0	0	0	2,230	102,867	557,055
	<b>497</b>	DISCOUNTS	36,210	0	0	0	0	(460)	35,750
	<b>611</b>	HOUSING BENEFITS	16,562,230	(6,440)	0	0	0	6,440	16,562,230
	<b>821</b>	CAPITAL	1,497,580	0	0	0	0	(386,270)	1,115,750
<b>RUNNING EXPENSES Total</b>			<b>26,439,160</b>	<b>(236,440)</b>	<b>0</b>	<b>(53,810)</b>	<b>38,220</b>	<b>351,682</b>	<b>26,543,250</b>
<b>INCOME</b>	<b>911</b>	GOVERNMENT GRANTS	(16,738,930)	6,440	0	0	0	53,850	(16,678,640)
	<b>922</b>	CONTRIBUTIONS FROM OTHER LAS	(173,000)	0	0	0	0	0	(173,000)
	<b>928</b>	RECHARGE NON GF ACCOUNTS	(3,600,980)	348,470	0	0	(11,900)	30,100	(3,234,310)
	<b>931</b>	SALES	(68,360)	0	0	0	(10)	(1,700)	(70,070)
	<b>932</b>	FEES AND CHARGES	(2,010,390)	0	0	0	(4,160)	(36,310)	(2,050,860)
	<b>933</b>	RENTS	(2,574,050)	0	0	0	(2,050)	38,270	(2,537,830)
	<b>939</b>	OTHER RECEIPTS	(193,910)	0	0	0	(40)	(25,700)	(219,650)
<b>INCOME Total</b>			<b>(25,359,620)</b>	<b>354,910</b>	<b>0</b>	<b>0</b>	<b>(18,160)</b>	<b>58,510</b>	<b>(24,964,360)</b>
<b>Grand Total</b>			<b>11,130,680</b>	<b>10,000</b>	<b>(341,863)</b>	<b>152,443</b>	<b>20,830</b>	<b>1,121,709</b>	<b>12,098,240</b>

PORTFOLIO HOLDER Strategy, Performance and Finance

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
A10104	GILSTRAP INTERPRETATION CENTR	33,080	0	0	0	220	(18,220)	15,080
A10601	ELECTORAL REGISTRATION	235,670	0	(3,810)	0	620	46,750	279,230
A10802	ICT	1,482,030	67,890	14,500	0	30	49,310	1,613,760
A10803	INTERNAL AUDIT	93,010	0	0	0	0	0	93,010
A10804	PAYMENTS & RECEIPTS	(2,600)	0	0	0	170	7,790	5,360
A10805	INCOME SECTION	202,270	0	(3,990)	0	100	9,670	208,050
A10806	BANK CHARGES	129,340	0	0	0	800	(35,570)	94,570
A10809	CUSTOMER SERVICES	843,850	0	(40,350)	0	(6,730)	89,290	886,060
A10810	COMMUNICATIONS	445,830	10,000	(8,210)	0	600	33,900	482,120
A10812	HUMAN RESOURCES	579,910	0	(19,660)	0	(1,830)	50,277	605,165
A10818	COMMITTEE SECTION	220,950	0	710	0	(30)	38,190	259,820
A10819	LEGAL SECTION	466,310	0	(20,943)	6,523	330	61,860	514,080
A10832	CENTRAL TELEPHONES	112,190	(67,890)	0	0	470	1,330	46,100
A10833	CENTRAL POSTAGES	59,460	0	0	0	290	10,170	69,920
A10841	CENTRAL PERSONNEL EXPENSES	285,430	0	0	0	1,390	16,135	302,955
A10842	OTHER EMPLOYEE EXPENSES	58,190	0	0	0	280	4,380	62,850
A10845	INFORMATION GOVERNANCE	106,070	0	(3,160)	0	(10)	7,300	110,200
A10864	SENIOR LEADERSHIP TEAM	1,023,150	0	(75,480)	0	(450)	38,480	985,700
A10865	CORPORATE ASSET DEVELOPMENT	272,030	344,510	(12,770)	0	0	104,980	708,750
A10895	FINANCIAL SERVICES	606,400	0	(23,110)	0	(1,310)	31,880	613,860
A10896	TRANSFORMATION	409,850	0	(20,140)	0	(270)	34,530	423,970
A10897	PROCUREMENT	41,790	0	0	0	210	5,520	47,520
A10898	ADMINISTRATION SERVICES	398,750	0	(15,370)	105,920	30	(41,820)	447,510
A10904	REVENUES	112,030	0	(54,210)	0	220	448,747	506,790
A10905	RENT ALLOWANCES	(14,300)	0	0	0	0	6,440	(7,860)
A10907	RENT REBATES	(27,200)	0	0	0	0	48,650	21,450
A10908	HOUSING BENEFIT ADMIN	198,030	0	(34,160)	0	310	61,220	225,400
A10911	BUSINESS RATES PROPERTY UNIT	6,890	0	(2,290)	0	30	5,130	9,760
A11321	NEIGHBOURHOOD CENTRES	72,480	0	0	0	30	(17,720)	54,790
A11574	SHERWOOD YOUTH HOSTEL	(12,850)	0	0	0	0	0	(12,850)
A11810	NEWARK BEACON	61,240	(19,620)	19,320	0	2,220	(165,940)	(102,780)
A11813	SUTTON ON TRENT WORKSHOPS	(33,930)	0	0	0	10	(3,030)	(36,950)
A11814	CREWE CLOSE BLIDWORTH WORKSHOP	(47,770)	0	0	0	0	(6,040)	(53,810)
A11815	BOUGHTON WORKSHOPS	(34,070)	0	0	0	0	(8,290)	(42,360)
A11816	CHURCH FARM WORKSHOPS	(34,400)	0	0	0	50	15,400	(18,950)
A11817	BILSTHORPE WORKSHOPS	(36,720)	0	0	0	10	(9,450)	(46,160)
A11818	BURMA ROAD WORKSHOPS	(13,810)	0	0	0	0	600	(13,210)
A11819	JUBILEE BRIDGE	8,620	0	0	0	30	(220)	11,430
A11821	CLIPSTONE WORKSHOPS	(36,070)	0	0	0	10	(2,620)	(38,680)
A11822	BOUGHTON ADVANCE FACTORY	(42,540)	0	0	0	0	(1,150)	(43,690)
A11823	CLIPSTONE ADVANCED FACTORIES	(43,170)	0	0	0	0	(3,060)	(46,230)
A11824	SHERWOOD FOREST CRAFT CENTRE	(10,760)	0	0	0	340	(2,730)	(13,150)
A11826	CLIPSTONE HOLDING CENTRE	69,450	0	0	0	0	(50,450)	19,000
A11828	LEACH WAY BLIDWORTH ADV	(41,110)	0	0	0	0	(6,810)	(47,920)
A11831	CASTLE HOUSE	471,660	0	10,470	0	4,930	(90,970)	402,910
A11835	BUTTERMARKET	(74,180)	0	(230)	0	270	4,730	(69,410)
A11836	GATEWAY LODGE	(12,690)	0	0	0	0	1,130	(11,560)
A11837	FARRAR CLOSE	(72,970)	0	0	0	150	54,400	(18,420)
A11838	ROBIN HOOD WALK(BEAMOND CROSS)	(49,580)	0	0	0	10	(3,660)	(53,230)
A11839	OLLERTON OFFICE	(6,470)	0	0	0	0	1,700	(4,770)
A11841	CORPORATE PROPERTY	731,100	(344,510)	(25,970)	0	650	(45,780)	315,490
A11846	VICAR WATER PROPERTY	71,270	0	0	0	310	(15,240)	56,340
A11847	LINCOLN ROAD PROPERTY	0	0	0	0	0	500	500
A11848	SCONCE & DEVON PROPERTY	45,170	0	0	0	100	1,910	47,180
A11849	BRUNEL DRIVE DEPOT PROPERTY	190,460	0	0	0	1,910	(2,310)	190,060
A11850	TOM MANN PAVILION PROPERTY	710	0	0	0	0	(600)	110
A11855	NEWARK CASTLE PROPERTY	107,650	0	0	0	40	(81,040)	26,650
A11856	NCWM PROPERTY	126,800	0	0	0	1,480	8,180	136,460
A11857	PALACE THEATRE PROPERTY	233,420	0	0	0	1,610	(30,110)	204,920
A11858	RESOURCE CENTRE PROPERTY	31,580	0	0	0	390	(11,040)	20,930
A11861	COMPLIANCE SERVICING	218,920	0	0	0	1,450	10,810	231,180
A11886	32 STODMAN STREET	205,190	0	0	0	0	(15,720)	189,470
A11887	ASI	(41,570)	0	0	0	(170)	(5,830)	(47,570)
A11888	ACTIVE4TODAY - PROPERTY NONREC	46,030	0	0	0	0	0	46,030
A11889	LLOYDS BANK, OLLERTON	7,710	0	0	40,000	230	1,280	53,240
A11901	MEMBERS EXPENSES	407,750	0	0	0	3,020	15,470	426,240
A11902	CIVIC EXPENSES	14,350	0	0	0	70	0	14,420
A11911	OTHER FINANCIAL TRANSACTIONS	57,640	0	0	0	0	250,000	307,640
A11921	GRANTS AND CONCESSIONS	306,550	0	0	0	0	6,330	312,880
A11943	NEWARK BEACON CAFE	0	19,620	0	0	0	830	20,450
A12001	PARKING SERVICES ADMIN	228,910	0	(22,050)	0	0	32,960	239,820
A12011	SURFACE CAR PARKS NEWARK	(539,740)	0	0	0	(350)	34,800	(511,670)
A12014	NEWARK LORRY PARK	(392,450)	0	(960)	0	3,680	(9,630)	(398,850)
A12016	SURFACE CAR PARKS NEWARK HOSPI	(100,000)	0	0	0	200	(200)	(100,000)
A12019	SURFACE CAR PARK OLLERTON	9,330	0	0	0	30	2,090	11,450
A12301	ELECTION EXPENSES	43,590	0	0	0	210	0	43,800
A12401	OTHER PROPERTIES & WSHOP VOIDS	79,630	0	0	0	1,090	133,640	214,360
A12520	CORPORATE MANAGEMENT	138,550	0	0	0	160	24,650	163,360
A12530	NON DISTRIBUTED COSTS	214,460	0	0	0	0	0	214,460
A15002	CREW LANE DEPOT	(12,320)	0	0	0	0	(15,910)	(28,230)
A15028	COMBINED SERVICE COSTS	218,640	0	0	0	1,050	1,930	221,620
A15029	CORPORATE PRINTERS	22,580	0	0	0	140	7,600	30,320
<b>Grand Total</b>		<b>11,130,680</b>	<b>10,000</b>	<b>(341,863)</b>	<b>152,443</b>	<b>20,830</b>	<b>1,121,709</b>	<b>12,098,240</b>

PORTFOLIO HOLDER Sustainable Economic Development

	CODE	CODE DESCRIPTION	2026/27 EST SET IN MARCH	2026/27 REALIGNMENTS	2026/27 SALARY UPLIFT	2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
<b>EMPLOYEE EXPENSES</b>	<b>111</b>	SALARIES AND WAGES	2,057,990	0	(110,630)	38,030	0	191,540	2,176,930
	<b>112</b>	OTHER SALARIES/WAGES PAYMENTS	0	0	0	0	0	0	0
	<b>113</b>	NATIONAL INSURANCE	288,160	0	(1,380)	5,580	0	(3,550)	288,810
	<b>114</b>	SUPERANNUATION	404,160	0	(2,190)	7,850	0	(52,760)	357,060
	<b>115</b>	OTHER EMPLOYERS CONTRIBUTIONS	0	0	0	0	0	0	0
<b>EMPLOYEE EXPENSES Total</b>			<b>2,750,310</b>	<b>0</b>	<b>(114,200)</b>	<b>51,460</b>	<b>0</b>	<b>135,230</b>	<b>2,822,800</b>
<b>RUNNING EXPENSES</b>	<b>211</b>	REPAIRS AND MAINTENANCE	0	5,680	0	0	0	(5,680)	0
	<b>214</b>	RATES	80	0	0	0	0	(40)	40
	<b>219</b>	CONTRIBUTION TO FUNDS	5,680	(5,680)	0	0	0	0	0
	<b>315</b>	CAR ALLOWANCES	14,970	0	0	0	190	500	15,660
	<b>411</b>	EQUIPMENT AND FURNITURE	390	0	0	0	0	190	580
	<b>412</b>	MATERIALS	0	0	0	0	0	0	0
	<b>431</b>	CLOTHING AND UNIFORMS	1,000	0	0	0	0	110	1,110
	<b>441</b>	GENERAL OFFICE EXPENSES	69,240	0	0	0	330	200	69,770
	<b>451</b>	CONTRACTUAL	210,110	0	0	0	170	51,120	261,400
	<b>452</b>	OTHER SERVICES	251,190	0	0	0	910	100,010	352,110
	<b>461</b>	COMMUNICATIONS AND COMPUTING	24,170	0	0	0	0	1,160	25,330
	<b>471</b>	STAFF	8,760	0	0	0	0	(670)	8,090
	<b>481</b>	GRANTS	2,000	0	0	0	10	82,000	84,010
	<b>482</b>	SUBSCRIPTIONS	9,440	0	0	0	40	1,480	10,960
	<b>492</b>	CONTRIBS TO FUNDS AND PROVISIONS	27,140	0	0	0	110	(20)	27,230
	<b>493</b>	OTHER PROFESSIONAL SERVICES	111,250	0	0	690	300	150,000	262,240
	<b>821</b>	CAPITAL	6,480	0	0	0	0	(3,340)	3,140
<b>RUNNING EXPENSES Total</b>			<b>741,900</b>	<b>0</b>	<b>0</b>	<b>690</b>	<b>2,060</b>	<b>377,020</b>	<b>1,121,670</b>
<b>INCOME</b>	<b>911</b>	GOVERNMENT GRANTS	(50,000)	0	0	0	0	(382,000)	(432,000)
	<b>922</b>	CONTRIBUTIONS FROM OTHER LAS	0	0	0	0	0	0	0
	<b>928</b>	RECHARGE NON GF ACCOUNTS	(27,630)	0	0	0	0	24,210	(3,420)
	<b>931</b>	SALES	(200)	0	0	0	0	0	(200)
	<b>932</b>	FEES AND CHARGES	(1,324,720)	0	0	0	0	87,210	(1,237,510)
	<b>933</b>	RENTS	0	0	0	0	0	0	0
	<b>939</b>	OTHER RECEIPTS	(77,220)	0	0	0	0	6,720	(70,500)
<b>INCOME Total</b>			<b>(1,479,770)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(263,860)</b>	<b>(1,743,630)</b>
<b>Grand Total</b>			<b>2,012,440</b>	<b>0</b>	<b>(114,200)</b>	<b>52,150</b>	<b>2,060</b>	<b>248,390</b>	<b>2,200,840</b>

PORTFOLIO HOLDER Sustainable Economic Development

COST CENTRE	COST CENTRE NAME	2026/27 EST SET IN MARCH	2026/27		2026/27 VARIATIONS APPROVED	INFLATIONARY CHANGES	TOTAL REQUESTED CHANGES	FINAL 2026/27 BASE BUDGET
			REALIGNMENTS	SALARY UPLIFT				
A10813	LAND CHARGES	(17,810)	0	(390)	0	0	6,480	(11,720)
A11578	TOWN CENTRE MANAGEMENT	248,250	0	1,750	0	150	10,430	260,580
A11579	NEWARK TOWN CYCLE RACES	0	0	0	0	0	0	0
A11601	GROWTH TECHNICAL SUPPORT	235,690	0	(5,570)	0	0	8,600	238,720
A11604	DEVELOPMENT MANAGEMENT	394,400	0	(46,520)	690	1,540	149,210	499,320
A11605	PLANNING POLICY	368,230	0	(10,570)	51,460	0	(9,720)	399,400
A11606	BUILDING CONTROL	114,670	0	0	0	0	1,080	115,750
A11610	LOCAL DEVELOPMENT FRAMEWORK	62,730	0	0	0	0	0	62,730
A11611	COMMUNITY INFRASTRUCTURE LEVY	7,310	0	(10,690)	0	0	37,310	33,930
A11614	HIGH STREET HAZ	0	0	0	0	0	0	0
A11615	TREE SERVICES	60,090	0	(3,300)	0	0	3,740	60,530
A11617	BIODIVERSITY AND ECOLOGY	115,580	0	(3,430)	0	0	21,440	133,590
A11731	STREET NAMING	27,560	0	(860)	0	0	1,280	27,980
A11851	ECONOMIC GROWTH	395,740	0	(34,620)	0	370	18,540	380,030
A11852	TOWNS FUND REVENUE	0	0	0	0	0	0	0
A12506	GROWTH INVESTMENT FUND	0	0	0	0	0	0	0
C54070	TOWNS FUND PROJECT MANAGEMENT	0	0	0	0	0	0	0
C54072	PRIDE IN PLACE PROGRAMME	0	0	0	0	0	0	0
C54073	TF CULTURAL HEART	0	0	0	0	0	0	0
C54074	TF CULTURAL HEART MARKET PLACE	0	0	0	0	0	0	0
C54075	LEVELLING UP FUND CAPACITY	0	0	0	0	0	0	0
C54078	SHARED PROSPERITY FUND	0	0	0	0	0	0	0
C54079	LEVELLING UP CLIPSTONE	0	0	0	0	0	0	0
C54080	LEVELLING UP OLLERTON	0	0	0	0	0	0	0
C54081	PLANNING SKILLS DELIVERY FUND	0	0	0	0	0	0	0
<b>Grand Total</b>		<b>2,012,440</b>	<b>0</b>	<b>(114,200)</b>	<b>52,150</b>	<b>2,060</b>	<b>248,390</b>	<b>2,200,840</b>

Report to: Cabinet Meeting - 24 February 2026  
 Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance  
 Director Lead: Sanjiv Kohli, Deputy Chief Executive, Director - Resources & Section 151  
 Lead Officer: Nick Wilson, Business Manager Financial Services, Ext. 5317

<b>Report Summary</b>	
<b>Type of Report</b>	Open Report / Key Decision
<b>Report Title</b>	2026/27 to 2029/30 Medium Term Financial Plan
<b>Purpose of Report</b>	To present the Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2026 and 31 March 2030 (2026/27 to 2029/30).
<b>Recommendations</b>	That the Committee recommends the 2026/27 to 2029/30 Medium Term Financial Plan (MTFP) for approval by the Full Council at their meeting to be held on 5 March 2026.
<b>Alternative Options Considered</b>	Not applicable, the Cabinet is required to make recommendations on the budget to the Full Council.
<b>Reason for Recommendations</b>	To provide a framework to support the Council's future spending plans.

**1.0 2026/27 to 2029/30 Medium Term Financial Plan (MTFP)**

- 1.1 The Council's Medium Term Financial Plan (MTFP) for the four financial years between 1 April 2025 and 31 March 2029 (2025/26 to 2028/29) was approved by Full Council on 6 March 2025.
- 1.2 This document seeks to update the MTFP's assumptions on expenditure, income and financing for the four years between 2026/27 and 2029/30.
- 1.3 The main aims of the MTFP are to:
- a) deliver the Council's Community Plan objectives over the life of the relevant Community Plan;
  - b) clearly present the Council's current predictions of its financial position between 2026/27 and 2029/30; and
  - c) enable Members to make decisions which ensure the Council's future financial sustainability.

1.4 The MTFP tries to do this by:

- a) bringing together in one place all known factors which will affect the Council’s financial position; and
- b) matching how the Council plans to spend to deliver its Community Plan objectives with the expected resources available to fund that spend.

### **Financial Projections**

1.5 The table below shows high level budget projections for the next four years, using the assumptions made within the Budget Strategy approved at Cabinet during July 2025.

Table 1

	<b>2026/27 (£m)</b>	<b>2027/28 (£m)</b>	<b>2028/29 (£m)</b>	<b>2029/30 (£m)</b>
Net Service Expenditure (less capital charges)	20.628	20.503	20.551	21.530
Total Other Expenditure	0.072	(0.146)	(0.982)	0.160
<b>Total Expenditure</b>	<b>20.700</b>	<b>20.357</b>	<b>19.570</b>	<b>21.690</b>
Business Rates: receivable annually	(5.313)	(5.407)	(5.487)	(5.487)
Business Rates: other adjustments	0.295	0	0	0
Council Tax: receivable annually	(8.594)	(8.673)	(9.015)	(9.369)
Council Tax: other adjustments	0	0	0	0
Other Grants	(7.827)	(5.984)	(5.382)	(4.458)
Contribution (to) or from Reserves	0.739	(0.293)	0.315	0.330
Transfer to MTFP Reserve	0	0	0	0
<b>Funding Shortfall prior to Mitigations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.706</b>

### **Local Government Provisional Finance Settlement 2026/27 to 2028/29**

1.6 On 17 December 2025, the Government published the Provisional Local Government Finance Settlement for 2026/27, accompanied by indicative figures for 2027/28 and 2028/29. This marks the most significant redistribution of funding within the sector for at least 25 years, following the implementation of the Fair Funding Review 2.0 and a full reset of the Business Rates Retention System. The key headlines being:

- Fair Funding Review 2.0: Major changes to the funding formula now place greater weight on deprivation and population, with less emphasis on remoteness.
- Grant Simplification: Multiple grants have been consolidated into four main streams, aiming to simplify funding.
- Business Rates Reset: All accumulated business rates growth has been reset, redistributing resources based on the new formula.
- Council Tax: The settlement assumes councils will apply the maximum permitted increases, making council tax a larger share of local funding.

- Transitional Protection: New funding floors and phased arrangements will cushion the impact of changes.
- Recovery Grant: The Recovery Grant continues for three years.

- 1.7 The 2026/27 settlement provides a three-year funding framework, but only the first year is statutory, with subsequent years remaining indicative and subject to change. This means that while there is some increased certainty for medium-term planning, authorities must remain cautious, as future allocations could still be revised.
- 1.8 There is significant redistribution between authorities as a result of the new funding formula and business rates reset. More deprived and urban areas generally see larger increases in funding, while many shire districts and rural councils face below-average increases or even reductions in cash terms. This shift reflects the government's intention to target resources towards areas of greatest need, but it also creates challenges for councils that may experience a relative loss of funding.
- 1.9 The table below shows the Core Spending Power over the next three years. This does include the Government's assumption on Council Tax, which anticipates an increase in Council Tax equivalent to the maximum allowable together with an assumption of tax base growth.

	<b>2025/26 Post Funding reform CSP</b>	<b>2026/27 Core Spending Power</b>	<b>2027/28 Core Spending Power</b>	<b>2028/29 Core Spending Power</b>
Baseline funding level (Business Rates)	£9.308m	£3.873m	£3.961m	£4.042m
Revenue Support Grant	£1.663m	£6.533m	£5.505m	£4.432m
Council Tax	£8.484m	£8.883m	£9.301m	£9.739m
Recovery Grant	£0.321m	£0.321m	£0.321m	£0.321m
Consolidated grants	£0.228m	£0m	£0m	£0m
Adjustment support grant	£0m	£0.814m	£0m	£0m
95% income protection floor	£0m	£0m	£0m	£0.471m
<b>Total</b>	<b>£20.004m</b>	<b>£20.424m</b>	<b>£19.088m</b>	<b>£19.005m</b>

- 1.10 As can be seen from the table in year 2028/29 funding amounts to 95% of the post reform CSP when the 95% income protection floor is applied.
- 1.11 The tax base for 2025/26 is currently 42,720.66 with a band D charge of £198.60. The Government's assumption of £8.883m with a band D charge of £204.54 means that their expectation of tax base would be 43,431.21. This is 158.76 equivalent band D properties more than the Council's forecast.
- 1.12 Due to the above, the following years in 2027/28 and 2028/29 will also be overstated in terms of the forecast for Council Tax, as the actual tax base in 2026/27 is lower. Similarly, the band D charge for 2026/27 is anticipated to be £198.60, this will further increase the variance between the Government assumption and the anticipated actual for this Council for the amount of Council Tax generatable.

- 1.13 Baseline funding levels are guaranteed in year one as the Government have agreed a safety net of 100% should Business Rates funding reduce below the £3.873m. This safety net reduces to 97% in 2027/28 and 92.5% in 2028/29. Hence only £3.843m is guaranteed of the 2027/28 allocation £3.739m of the 2028/29 allocation.

### **Council Tax**

- 1.14 Chapter IVA (Limitation of Council Tax and Precepts) of the *Local Government Finance Act 1992* requires billing authorities to hold referenda if their relevant basic amount of council tax for a financial year is in excess of a set of principles determined by the Secretary of State.
- 1.15 An authority's relevant basic amount of council tax is its average band D council tax excluding local precepts. The relevant basic amount of council tax for Newark & Sherwood District Council includes the levy that Internal Drainage Boards charge the Council. These are the Upper Witham Internal Drainage Board and the Trent Valley Internal Drainage Board.
- 1.16 Since 2016/17, shire district councils have been able to increase council tax by the greater of the core principle or £5.00 without holding referenda. For 2018/19 and 2019/20, the core principle was 3%; and for all other years, the core principle was 2%.
- 1.17 The proposed core principle for 2026/27 is 3%. The Government's proposed council tax referendum principle for shire district councils therefore permits increases in the Council's 2025/26 relevant basic amount of council tax of up to (and including) the greater of 2.99% or £5.00 without holding a referendum.
- 1.18 The Council calculates how much annual council tax income it can receive by multiplying the Council tax base (CTB) by the average band D council tax rate. The Council tax base is the total number of properties equivalent to band D which are liable for council tax after discounts, exemptions and premia.
- 1.19 The Council's MTFP assumes that the 2026/27 CTB will be 1.3% higher than the 2025/26 CTB, and that there will be an increase of 400 band D equivalents in CTB for 2027/28 and subsequent years.

### **Income from Fees and Charges**

- 1.20 The Council's income from fees and charges for statutory and discretionary services is an essential part of the Council's General Fund revenue budget. Section 93 (Power to charge for discretionary services) of the *Local Government Act 2003* requires charges to be set such that taking one financial year with another, the income from charges for a service does not exceed its costs of provision.
- 1.21 Discretionary services are those for which the Council has the power, but not duty, to provide; though also include additions or enhancements to statutory services that the Council provides above standards legislated for.
- 1.22 The Action Plan to the Commercial Strategy approved at Policy and Finance Committee on 27 January 2022 set the expectation that new areas for charging and understanding price elasticity of demand on existing charges would be reviewed to ensure that discretionary

charges are set at the right levels and for the right activities. The Council should ensure that fees and charges for discretionary services are set which:

- ensure the maximum revenues possible;
- are allowed by the Council's Corporate Fees and Charges Policy; and
- are socially and politically acceptable.

### **Reserves and Balances**

- 1.23 Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the Council's proposed budget and robustness of estimates made.
- 1.24 The Council has reviewed the adequacy of its useable financial reserves to ensure that these are neither too low (imprudent) or too high (over prudent) based on their purpose and likely use.
- 1.25 Councils generally hold useable reserves for three purposes:
- as a working balance, to mitigate the impact of uneven cash flows;
  - as a contingency, to mitigate the impact of unexpected events or emergencies; and
  - as earmarked reserves, to pay for known or predicted future requirements.
- 1.26 The Council's £1.500m General Fund balance has been set aside to pay for exceptional items. Officers consistently review the appropriateness (prudence) of this amount considering internal and external risks identified. For the Council to maintain this balance, it is intended that it will only be used to fund expenditure once other appropriate reserves have been fully utilised.
- 1.27 **Appendix A** shows the balances which comprised the Council's total reserves at the end of 2024/25. It also shows the balances expected to comprise the Council's total reserves at the end of 2025/26 to 2029/30.
- 1.28 Over the years, the Council's reserves have been used for reasons such as to: cover the cost of one-off events not budgeted for; and support and improve service delivery. Whilst this principle still exists, the Council has a Medium-Term Financial Plan (MTFP) Reserve, in order to mitigate future pressures based on the uncertainty over local government funding. Some of this reserve will be released during 2029/30 to smooth the impact of anticipated funding reductions post the current three year LGFS.
- 1.29 Members and officers are required to ensure the Council operates as a going concern: that the Council will continue to fulfil its functions for the foreseeable future. If this were not the case, for example, because of an imprudent use of council reserves, the Council's external auditors would be required to express a going concern opinion (GCO). A GCO would be the external auditor's way of expressing significant doubt on the Council's ability to operate longer-term.

### **Robustness of Estimates and Adequacy of Reserves**

- 1.30 The *Local Government Act 2003* requires the Council's Chief Financial Officer (Section 151 Officer) to comment on the robustness of the estimates and also on the adequacy of the proposed reserves.
- 1.31 The Council's total forecast General Fund revenue and capital reserves balance to 31 March 2026 is £44,779,294.
- 1.32 The budget has been prepared in accordance with the budget strategy approved by Cabinet on 8 July 2025. The same strategy has been adopted for the period of the MTFP.

### **Assumptions made within the MTFP**

- 1.33 Finance officers and budget holders have developed detailed budgets for 2026/27 and future years. Officers have used the information available to them (past, present and future), and have made appropriate assumptions where the relevant information has been unavailable to them.
- 1.34 A 3.5% increase in basic pay has been assumed for 2026/27 and 3.5% for each subsequent year of the Council's MTFP.
- 1.35 If the 2026/27 pay award is agreed at a higher rate than the 3.5% increase in basic pay assumed, and if reductions in employee costs elsewhere cannot offset the increase in pay award costs, the additional costs unbudgeted for will need to be funded from council reserves. Section 1.11 examines this in more detail.
- 1.36 Most non-pay expenditure budgets have been uplifted by 2.5% in each year of the Council's MTFP. Some costs, such as insurance and utilities, are expected to increase by more than 5%; and others, such as fixed-price goods and services, have been increased in line with contractual obligations.
- 1.37 The Council's General Fund revenue budget is charged for the purchase or creation of fixed assets where capital resources are unavailable at the time. These charges will be in line with the Council's Minimum Revenue Provision (MRP) policy for 2026/27, which is recommended by the Audit and Governance Committee on 4 March 2026 for approval by Full Council on 5 March 2026.

### **Proposed strategy for bridging the funding gap**

- 1.38 The table below shows the funding gap and mitigations that were approved as part of the 2025/26 Medium Term Financial Plan:

Table 4

	2025/26 (£m)	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)
<b>Funding Shortfall prior to Mitigations</b>	<b>0.000</b>	<b>2.371</b>	<b>2.429</b>	<b>2.778</b>
<b>Previous Year Mitigation</b>			<b>(0.763)</b>	<b>(1.026)</b>
Dividends from Arkwood Developments Ltd	-	-	<b>(0.250)</b>	-
Target saving for borrowing costs and MRP	-	<b>(0.300)</b>	-	-
Savings from Leisure Management review	-	<b>(0.142)</b>	<b>(0.013)</b>	<b>(0.005)</b>
Savings from service reviews	-	<b>(0.098)</b>	-	-
Savings/efficiencies from making business processes more efficient	-	<b>(0.130)</b>	-	-
Increased income from the Council becoming more commercial	-	<b>(0.093)</b>	-	-
Use of MTFP reserve to offset contributions from reserves in future years	-	<b>(1.608)</b>	<b>(1.403)</b>	<b>(1.747)</b>
<b>Proposed General Fund Funding Gap</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

1.39 Since that point, officers have been working towards meeting the targets as described in the table, as part of building the 2026/27 budget.

1.40 The table below shows the Council's progress towards meeting those targets. All of items below have been built into the base budget for 2026/27 and beyond:

<b>Commercial Strategy and MTFP Changes</b>	
<b>Savings from Leisure Management Review:</b>	
Active 4 Today Management Fee removed following review of the management agreement.	<b>(142,760)</b>
<b>Savings/efficiencies from making business processes more efficient:</b>	
Savings relating to the new cleaning contract	<b>(14,520)</b>
Saving made due to no longer using the Concerto system for managing corporate estate	<b>(45,000)</b>
<b>Increased income from the Council becoming more commercial:</b>	
The Beacon has projected to reach 97% occupancy by Q3 of 2025–26.	<b>(84,620)</b>
Increase income to reflect recent trends at the palace theatre	<b>(98,470)</b>
Trade Refuse Income increase due to simpler recycling legislation requiring additional bins / collections	<b>(64,290)</b>
Expecting an increase in the price of Glass Recycling	<b>(64,360)</b>
Private Sector Speech Call expenditure is recharged from HRA to reflect the costs for the private customers. This has not increased as much as previously anticipated therefore reduce.	<b>(64,320)</b>
<b>Total</b>	<b>(578,340)</b>

1.41 Based on table 1 at paragraph 1.5 which includes the table above, in order to bridge the funding gap over the next 4 years, the Council proposes the below:

Table 5

	2026/27 (£m)	2027/28 (£m)	2028/29 (£m)	2029/30 (£m)
<b>Funding Shortfall prior to Mitigations</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2.706</b>
Use of MTFP reserve to offset contributions from reserves in future years	0.000	0.000	0.000	(2.706)
<b>Proposed General Fund Funding Gap</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>

- 1.42 As can be seen from the table, the Council has sufficient funding over the next three years to fund service provision, whilst in the fourth year it is expecting to need to take £2.706m out of reserves to balance the budget. Should funding not change for 2029/30 prior to that year, the newly created unitary authority will have the autonomy to be able to make decisions to reduce the gap based on policy decisions or to utilise reserves to fund.
- 1.43 As per **Appendix A** the MTFP reserve is expected to have a closing balance at the end of March 2026 of £8.925m. As per table 5 above the proposed utilisation of balances from the MTFP reserve during 2026/27 to 2029/30 will leave a balance of £6.219m at the end of March 2030.
- 1.44 As the new unitary authority is expected to be operational by 1 April 2028, the above gives the new authority a fully funded first year of operation with sufficient funds to be able to operate based upon this Council's part of the new authority in the second year. Where it wants to take any decision on service provision that would increase/reduce the £2.706m gap. Similarly, once the LGFS for the 2029/30 year, this could also change the funding profile.
- 1.45 As can be seen from table 4 above, the previous years MTFP had a mitigation target of £0.300m within financial year 2026/27 for savings from MRP, for which we have actually generated £0.268m savings.
- 1.46 The Council's wholly owned development company – Arkwood Developments Ltd are expected to make a financial contribution of at least £1.100m from 2026/27 to 2029/30.
- 1.47 Each update to this MTFP will therefore report on progress against each of the headings in the table above, to ensure that each year's budget is balanced.
- 1.48 Since 2010, the Council has made significant savings in line with government grant reductions. Though further savings may become harder to identify and deliver, particularly from spend not on employees (as mentioned in section 6 below), it is essential that the Council continues to identify areas where spend can be reduced and/or income increased. This is so that the Council can continue to operate sustainably over the longer-term and into any newly created authority.
- 1.49 The Council's Commercial Strategy and Action Plan, approved by Policy and Finance Committee on 27 January 2022, aims to make Newark and Sherwood an *“innovative and entrepreneurial Council that continually achieves positive annual financial contributions; by generating new revenue and delivering cost reductions, through trading and business*

*improvements*". The Council has begun to benefit from the projects which have been completed to date since the Commercial Plan 2017-18 to 2020-21 was approved in October 2017 and expects to increasingly benefit in future years from the implementation of the current strategy, however the task of identifying and implementing new streams of income generation is challenging. The Council's work across the district (externally) and with services council-wide (internally) will be crucial to enabling the Council's future sustainability and growth. This is particularly as changes to the local government finance system increase the rewards for councils able to facilitate local economic growth.

1.50 The table below updates progress against those major projects identified within the Commercial Strategy:

Table 6

Project/Activity	Business Unit Lead	Detail	Expected income/savings (£)	January 2025 Update
Development of Clipstone Holdings Centre	Corporate Property	The tender process is currently underway for the procurement of a main contractor for the build. It is anticipated for a start on site in q4 of 2025/26.	£0.075m	Moved from 26/27 to 2027/28 and included in MTFP at £0.150m from 28/29 onwards
Investigate options for increasing revenue through Business advertising on car parks and the lorry park	Corporate Property	New platform reviewed by officers, now being trialled promoting internal services. Should the trial be successful, seek to roll out further	£0.030m	Not reflected within the MTFP
Review charges for business engagement through the licensing service	Public Protection	There are a number of areas of work that the Council could charge for in relation to pre-application advice/compliance checks/health and safety advisory checks all within the licensing team	£0.010m	Not reflected within the MTFP
Amalgamation of Building cleaning contracts	Corporate Property	The tenders have been completed and a new operator is now in place.	£0.015m	Included in all years in the MTFP
Implementation of Income Management System	Financial Services	The implementation of a new Income Management System was completed during 2024 which has improved efficiency and effectiveness of the function. This has also resulted in cost due to a member of staff looking to reduce	£0.021m	Included in all years in the MTFP

		their houses could be accommodated		
Careline marketing plan	Communications and Marketing	A marketing budget was allocated of £14,000 for 2025/26 which allowed the team to extend the marketing of the function which has generated additional take up of the service.	£0.064m	Included in all years in the MTFP

1.51 The table below shows which areas have the biggest increases in expenditure budgets in each of the last three years of the Council's MTFP, compared to the equivalent budget in the year before:

Pressures	Increase in 2027/28 budget, compared to 2026/27 budget (£m)	Increase in 2028/29 budget, compared to 2027/28 budget (£m)	Increase in 2029/30 budget, compared to 2028/29 budget (£m)
Employees	1.488	0.893	0.915
Electricity and gas costs	0.137	0.035	0.037

#### **Risks Associated with the Budget Process**

1.52 Budgets are only as accurate as the data available at the time they are developed. There are therefore risks that the proposed budgets in the Council's MTFP will differ significantly from reality (actual expenditure and income). Some of the factors which could cause adverse variances are:

- higher than expected inflation and/or interest rates;
- the Council receiving lower than expected amounts of grant funding and/or other income;
- the future differing significantly from the initial budgets proposed at the time of developing the MTFP;
- volatility of certain budget lines between years;
- underachievement of expected savings and/or efficiencies;
- unforeseen events and emergencies;
- unforeseen insurance costs or legal claims;
- lower than expected business rates growth.

1.53 Section 25 (Budget calculations: report on robustness of estimates etc) of the *Local Government Act 2003* requires local authority chief finance officers (Section 151 officers) to report on the adequacy of financial reserves in the Council's proposed budget and robustness of estimates made. This section fulfils that requirement.

1.54 In considering the Council's proposed budget for 2026/27 and the sensitivity of expenditure and income to changes, it should be noted that:

- a) a 1% increase in Council Tax is equivalent to £85,939 of net expenditure; and
- b) a £1 increase in Council Tax is equivalent to £43,272 of net expenditure.

1.55 Various assumptions were required to be made when preparing the proposed MTFP budgets. The two areas where it seems that variations between the proposed budget and

reality could be greatest are employee pay and income receivable. Further details on each of these are below.

### **Employee Costs**

- 1.56 Employee costs form a significant proportion of all district council budgets. Employee costs comprise 54% of the Council's proposed controllable service expenditure budget for 2026/27 (total spend, excluding spend on capital costs, internal recharges and Housing Benefit payments).
- 1.57 This makes it less likely to achieve savings solely by reducing non-employee spend. It also means that the Council would need to use a greater proportion of its reserves if the costs of future years' pay awards exceed the 3.5% pay award currently budgeted for 2026/27 and/or the 3.5% pay awards currently budgeted for subsequent years.
- 1.58 A vacancy provision of 7.5% of the total salary budget for 2026/27 will be made to allow for natural savings being made from posts remaining vacant before being filled. With the challenges in recruiting that have been seen over the last two financial years, this appears to be a reasonable approach. The actual outturn of savings from vacancies amounted to 8.32% for 2024/25. As it is not possible to predict precisely which business units will experience vacancies in the year, an overall saving will be set aside but this will be apportioned into services based upon the percentage of their salary costs over the whole Council.

### **Income**

- 1.59 A significant part of the Council's annual net budget is dependent on income from rents; sales, fees and charges; and other receipts. Officers have reviewed the income that services have achieved against the current and previous years' budgets and have considered factors expected to affect future income levels, to ensure the 2026/27 income budgets for services have been set at levels considered achievable. Officers will monitor this closely over the coming year and revised forecasts over the medium term will be updated for the MTFP to be developed for the 2026/27 - 2029/30 years.
- 1.60 Significant underperformance against budgeted income would increase the Council's annual net expenditure, and thus place unbudgeted demand on council reserves. A 1% reduction in council income from fees and charges would cost around £58,000 in 2026/27.

### **Interest rates**

- 1.61 The proposed MTFP budgets include amounts for interest payable and interest receivable. This is because the Council expects that it will both borrow money and invest money throughout the four years of the MTFP.
- 1.62 The Council anticipates that it will use fixed interest rate loans when borrowing. This is so that the Council knows exactly how much its loans will cost over their durations, and this mitigates against the risk of interest rates changes and thus costs rising significantly over the loan period. As borrowing would be for longer than four years, the risk of the Council being unable to borrow to repay existing debt (refinancing risk) does not apply.

- 1.63 The budgeted amounts have accounted for factors such as the amount of council funds expected to be available and the time during the year for which cash is needed. The actual amounts of interest payable and receivable for 2026/27 will likely differ from those budgeted due to actual income and expenditure occurring at different time periods to that forecast.
- 1.64 The impact of a 1% change in interest rate would be insignificant on the Council's overall budget.

### **Inflation**

- 1.65 Most income budgets and non-pay expenditure budgets have been uplifted by 2.5%. Some costs, such as insurance and utilities, are expected to increase by more than 5%; and others, such as fixed-price goods and services, have been increased in line with contractual obligations.
- 1.66 The most recent month for which inflation data was available at the time of writing, December 2025, had a 2.7% increase in inflation (Consumer Prices Index (CPI)) from December 2024.
- 1.67 The small differences anticipated between actual inflation rates and the 2.5% budgeted for are expected to have insignificant impact on the Council's budget.

### **Capital Programme and Funding**

- 1.68 The overall proposed General Fund Capital Programme for the period from 2026/27 and 2029/30 totals £48.093m. £14.925m is financed by external grant funding for Towns Fund Project, Pride in Place Programme and Disabled Facilities Grant (DFG's).
- 1.69 Council internal capital resources employed amount to £13.123m, which relates to the Council's contribution to the former Belvoir Iron Works, the redevelopment of Clipstone Holding Centre, Yorke Drive Pavilion, Castle Gatehouse, Bilsthorpe Hub, Southern Link Road and replacing parts of the Council's refuse fleet and other equipment.
- 1.70 Borrowing is the balancing figure for the capital expenditure at £12.784m. This type of financing attracts a charge to revenue called the Minimum Revenue Provision (MRP) calculated using the asset life method as approved by Council within the Treasury Management Strategy each year. The current method approved is the asset life method. This apportions notional borrowing incurred over the life of the asset, which is in line with the timeline for receiving economic benefits generated by the asset.

## **2.0 Implications**

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

<b>Implications Considered</b>			
<b>Yes – relevant and included / NA – not applicable</b>			
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.

None

	Actual Balance at 31st March 2025	Estimated Balance at 31st March 2026	Estimated Balance at 31st March 2027	Estimated Balance at 31st March 2028	Estimated Balance at 31st March 2029	Estimated Balance at 31st March 2030
<b>General Fund Revenue Reserves</b>						
<b>Council Funds</b>						
MTPF Reserve	(9,011,918)	(8,924,549)	(8,924,549)	(8,924,549)	(8,924,549)	(6,218,549)
<b>Total Budget Funding Reserves</b>	<b>(9,011,918)</b>	<b>(8,924,549)</b>	<b>(8,924,549)</b>	<b>(8,924,549)</b>	<b>(8,924,549)</b>	<b>(6,218,549)</b>
Election Expenses Fund	(155,947)	(167,437)	(100,000)	(0)	(0)	(0)
Insurance Fund Excesses & Self Insured	(124,089)	(124,089)	(124,089)	(124,089)	(124,089)	(124,089)
ICT & Digital Services	(268,901)	(110,325)	(110,325)	(110,325)	(110,325)	(110,325)
Repairs And Renewals Fund	(2,386,808)	(1,492,464)	(792,464)	(92,464)	0	0
Domestic Homicide Review	(60,820)	0	0	0	0	0
Training Provision	(393,325)	0	0	0	0	0
Planning Costs Fund	(191,265)	(139,940)	(139,940)	(139,940)	(139,940)	(139,940)
Emergency Planning/Flooding Reserve	(33,871)	0	0	0	0	0
CSG/Enforcement Reserve	(105,199)	0	0	0	0	0
Management Carry Forwards	(965,046)	0	0	0	0	0
Flood Defence Reserve	(220,000)	0	0	0	0	0
Community Initiative Fund	(100,888)	0	0	0	0	0
Capital Project Feasibility Fund	(277,719)	0	0	0	0	0
Theatre Centenary Legacy	(18,696)	(16,446)	(16,446)	(16,446)	(16,446)	(16,446)
Local Government Reorganisation	0	(500,000)	(250,000)	0	0	0
Residential Food Waste	(260,040)	(776,006)	(776,291)	(1,491,622)	(1,491,622)	(1,491,622)
Commercial Plan Invest to Save	(200,000)	0	0	0	0	0
Energy Efficiency East Midlands	(98,555)	(93,555)	(93,555)	(93,555)	(93,555)	(93,555)
Capital Financing Provison	(3,292,416)	(2,070,750)	(1,248,510)	(604,680)	(544,680)	(499,680)
<b>Total Earmarked for Known Pressures</b>	<b>(9,153,586)</b>	<b>(5,491,013)</b>	<b>(3,651,620)</b>	<b>(2,673,121)</b>	<b>(2,520,657)</b>	<b>(2,475,657)</b>
Building Control Surplus	(82,542)	(82,542)	(82,542)	(82,542)	(82,542)	(82,542)
Museum Purchases Fund	(60,734)	(60,734)	(60,734)	(60,734)	(60,734)	(60,734)
Community Safety Fund	(134,008)	(129,008)	(129,008)	(129,008)	(129,008)	(129,008)
Homelessness Fund	(671,482)	(833,332)	(1,060,332)	(1,358,332)	(1,688,332)	(2,018,332)
Asylum Seekers Reserve	0	(110,500)	(110,500)	(110,500)	(110,500)	(110,500)
Revenue Grants Unapplied	(685,552)	(99,552)	(99,552)	(99,552)	(99,552)	(99,552)
Community Lottery Fund	(21,223)	(15,223)	(15,223)	(15,223)	(15,223)	(15,223)
Homes for Ukraine Fund	(348,256)	0	0	0	0	0
Mansfield Crematorium	(159,328)	(159,328)	(159,328)	(159,328)	(159,328)	(159,328)
<b>Total Ring Fenced Reserves</b>	<b>(2,163,126)</b>	<b>(1,490,219)</b>	<b>(1,717,219)</b>	<b>(2,015,219)</b>	<b>(2,345,219)</b>	<b>(2,675,219)</b>
Change Management/Capital Fund	(13,786,934)	(13,236,618)	(2,083,703)	(858,703)	(0)	(0)
General Fund Working Balance	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)	(1,500,000)
<b>Total Un-ringfenced Reserves</b>	<b>(15,286,934)</b>	<b>(14,736,618)</b>	<b>(3,583,703)</b>	<b>(2,358,703)</b>	<b>(1,500,000)</b>	<b>(1,500,000)</b>
<b>Total General Fund Revenue Reserves</b>	<b>(35,615,564)</b>	<b>(30,642,399)</b>	<b>(17,877,092)</b>	<b>(15,971,593)</b>	<b>(15,290,426)</b>	<b>(12,869,426)</b>
General Fund Capital Receipts	(1,201,192)	(750,090)	(2,492,941)	(2,411,807)	(1,500,001)	(1)
GF Grants & Contributions Unapplied	(13,386,806)	(13,386,806)	(12,193,756)	(11,893,756)	(9,449,171)	(9,449,171)
<b>Total Capital Reserves</b>	<b>(14,587,997)</b>	<b>(14,136,895)</b>	<b>(14,686,697)</b>	<b>(14,305,563)</b>	<b>(10,949,172)</b>	<b>(9,449,172)</b>
<b>Total General Fund Revenue and Capital Reserve</b>	<b>(50,203,561)</b>	<b>(44,779,294)</b>	<b>(32,563,788)</b>	<b>(30,277,156)</b>	<b>(26,239,598)</b>	<b>(22,318,598)</b>

Report to: Cabinet Meeting - 24 February 2026  
 Portfolio Holder: Councillor Paul Peacock, Strategy, Performance & Finance  
 Director Lead: Sanjiv Kohli, Director – Resources and Deputy Chief Executive  
 Lead Officer: Jenna Norton, Senior Accountant – Financial Services, Extension 5327

Report Summary	
<b>Type of Report</b>	<p>Open Report / Key Decision</p> <p><i>There is an exempt version of this report which contains exempt information as defined under Schedule 12A of the Local Government Act 1972, Paragraph 3 under which the Cabinet has the power to exclude the press and public if it so wishes.</i></p> <p><i>It is considered that the need to treat the information in this report as exempt outweighs the public interest in disclosure because it contains commercially sensitive information. This information has been redacted in this open report.</i></p>
<b>Report Title</b>	Capital Programme Budget 2026/27 to 2029/30
<b>Purpose of Report</b>	In accordance with the Financial Regulations 6.2.3, Cabinet is required to consider the Capital Programme and recommend to the Full Council the final Programme for approval. This report details the proposed capital schemes over the medium term, together with the available resources to finance this.
<b>Recommendations</b>	That Cabinet recommend to Full Council on 5 March 2026 the General Fund schemes set out at <b>Appendix A</b> to the report as committed expenditure in the Capital Programme for 2026/27 to 2029/30.
<b>Alternative Options Considered</b>	If the Council did not have a Capital Programme, this would result in not being able to deliver the schemes and not achieve the objectives in the Community Plan.
<b>Reason for Recommendations</b>	To enable the Capital Programme to be considered by Cabinet in accordance with Financial Regulation 6.2.3 prior to its submission to Full Council.

## 1.0 Background

- 1.1 The Capital Strategy was approved by Council on 6 March 2025. It contains the Capital Appraisal form template and the prioritisation criteria, which is in two stages. The schemes need to meet the criteria in stage 1, to progress to stage 2.
- 1.2 Capital Appraisal forms were issued to all Business Managers during summer 2025 to support the submission of bids for new capital schemes. Once completed, the forms were evaluated using the agreed prioritisation criteria. Senior Leadership Team reviewed the outcomes, and the proposed Capital Programme included in this report reflects the schemes they determined to be the most appropriate to progress.

## 2.0 Capital Expenditure – General Fund

- 2.1 The Council intends to spend ██████████ in general fund capital expenditure from 2026/27 to 2029/30.
- 2.2 The major schemes in this programme are:

<b>Scheme Name</b>	<b>Summary of Proposed Financing</b>
Vehicle & Plant Replacement	Reserves and Capital Receipts
Yorke Drive Community Facilities	Reserves
Provision of 3G Pitches	Borrowing and Capital Receipts
Castle Gatehouse	Grant Funding and Borrowing
Private Sector Disabled Facility Grants	Grant Funding
Bilsthorpe Hub	Reserves and S106
Clipstone Holding Centre	Borrowing and Reserves
Information Technology Investment	Capital Receipts and Reserves
Ollerton Town Centre Regeneration	LUF 3, Capital Receipts, Reserves, and Borrowing
32 Stodman Street	Grant Funding, Reserves and Borrowing
Pride in Place Programme (Regeneration, Upper Floor Town Centre Resident and Neighbourhood Community Grant)	Grant Funding
Newark Market Place	Grant Funding

- 2.3 The new schemes that have been added to the Capital Programme as part of the budget process are listed below. The total over the period of 2026/27 to 2029/30 of £7.981m in General Fund. Details of which can be found labelled 'new' at Appendix A and are summarised below:

<b>Scheme Name</b>	<b>Summary of Proposed Financing</b>
Civil War Museum Doors / Security	Capital Receipts
Palace Theatre LED Lighting Upgrade	Capital Receipts
Buttermarket Roof and improved drainage	Capital Receipts

Newark Sports and Fitness Centre LED Lighting to Gym	Capital Receipts
Fire Door Upgrades to latest standards across the corporate estate - replacement	Capital Receipts
Solar Panels and Battery storage to Castle House	Capital Receipts
Palace Theatre New Stage Safety Curtain	Capital Receipts
Upgrade Box Tops and Catwalk	Capital Receipts
Bryon Room Refit	Capital Receipts
PIPP Upper Floor Town Centre Residential Grant	Grant Funding
PiPP Neighbourhood Comm Grant Scheme	Grant Funding
PIPP Regeneration Plan	Grant Funding
Bilsthorpe Hub	Reserves and S106

2.4 In addition to the schemes currently in the Capital Programme, the Council is currently working on feasibility for a number of schemes that will be brought to a future Cabinet Meeting for consideration:

- Clipstone Phase 2 and 3
- South Forest Leisure Centre

2.5 The impacts of all borrowing have been included in the Treasury Management Strategy and the Medium-Term Financial Plan. Details of individual schemes are shown in **Appendix A**.

### **3.0 Resources Available**

3.1 External Grants and Contributions can provide additional resources to the Capital Programme. Grant funding is subject to a detailed bidding process. Officers continue to liaise with external parties to secure the maximum available inward investment in order to contribute towards the delivery of the capital programme.

3.2 The most significant grants currently forecast over the medium term are from the final parts of the Towns Fund, the new Pride in Place Grant and the Better Care Fund (BCF) for Disabled Facilities Grants (DFG's). In addition to this, grants held from previous years for specific purposes are due to be utilised for example previously received Towns Fund Grant.

3.3 Capital Receipts

Source – GF Capital Receipts	2026/27 £'m	2027/28 £'m	2028/29 £'m	2029/30 £'m
<b>Opening Balance</b>	<b>0.750</b>	<b>2.493</b>	<b>2.412</b>	<b>1.500</b>
Anticipated Receipts in Year	3.456	2.490	0.050	0.000
Utilised for Financing	1.803	2.571	0.962	1.500
<b>Closing Balance</b>	<b>2.493</b>	<b>2.412</b>	<b>1.500</b>	<b>0.000</b>

3.4 The total general fund capital estimated receipts over the four-year period is £6.086m and are made up of the sale of the residential properties on Stodman Street and land at Lowfield Lane, for which the sale has completed but is deferred along with a nominal amount each year for sale of vehicles that are due for replacement.

3.5 Where appropriate, the use of existing capital resources is prioritised. Borrowing is utilised for assets with longer asset lives, where the impact of interest and Minimum Revenue Provision (MRP) can be spread over the useful economic life of the asset, whilst minimising the impact on the General Fund.

**4.0 Financing**

4.1 Subject to the approval of the proposals outlined in section 3.0 above, the current plan for financing the capital programme are shown in the exempt report

4.2 At the end of the financial year, once all capital expenditure has been finalised (including accrued expenditure) the financing of the Capital Programme as a whole is arranged by the Section 151 Officer, in line with the Council’s Constitution.

**5.0 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.

<b>Implications Considered</b>			
<b>Yes – relevant and included / NA – not applicable</b>			
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.

None

GENERAL FUND CAPITAL PROGRAMME 2026/27 - 2029/30

APPENDIX A

CODE	SCHEME	EXTERNAL FUNDING	NSDC COSTS	TOTAL SCHEME COST	BEFORE 2026/27 INC FORECAST FOR 2025/26	2026/27	2027/28	2028/29	2029/30
TF3227	Lowdham Flood Alleviation	140,000	160,000	300,000	200,000	100,000			
TB2258	Vicar Water Improvements (SANGS)	35,556	-	35,556	-	35,556			
TB2253	Vehicles & Plant	-	15,970,998	15,970,998	6,859,528	3,385,480	1,567,817	1,006,842	3,151,331
new 6	Solar Panels and Battery storage to Castle House	-	158,695	158,695	-	158,695			
new 4	NSFC LED Lighting Gym	-	140,000	140,000	-	140,000			
<b>Climate and the Environment Total</b>		<b>175,556</b>	<b>16,429,693</b>	<b>16,605,249</b>	<b>7,059,528</b>	<b>3,819,731</b>	<b>1,567,817</b>	<b>1,006,842</b>	<b>3,151,331</b>
TA3097	Yorke Drive Regeneration and Community Facilities	100,000	3,358,000	3,458,000	119,297	2,480,000	-	858,703	
TA1224	Provision of 3G Pitches	-	2,000,000	2,000,000	-	1,200,000	800,000		
<b>Health, Wellbeing and Leisure Total</b>		<b>100,000</b>	<b>5,358,000</b>	<b>5,458,000</b>	<b>119,297</b>	<b>3,680,000</b>	<b>800,000</b>	<b>858,703</b>	<b>0</b>
TB3154	Castle Gatehouse Project	4,488,766	2,076,094	6,564,860	3,087,375	3,477,485			
TA3066	Essential works at the Palace Theatre	-	220,831	220,831	159,831	61,000			
new 9	Byron Room Re-fit	-	28,500	28,500				28,500	
new 8	Upgrade Box Tops and Catwalk	-	31,490	31,490	-	31,490			
new 7	Palace Theatre Stage Safety Curtain	-	110,000	110,000	-	110,000			
new 2	Palace Theatre LED Lighting Upgrade	-	350,000	350,000	-	350,000			
new 1	Civil War Museum Doors / Security	-	130,000	130,000	-	130,000			
<b>Heritage, Culture &amp; Arts Total</b>		<b>4,488,766</b>	<b>2,946,915</b>	<b>7,435,681</b>	<b>3,247,206</b>	<b>4,159,975</b>	<b>0</b>	<b>28,500</b>	<b>0</b>
TF6807	Warm Homes on Prescription	572,203	-	572,202	292,202	70,000	70,000	70,000	70,000
TF6012	Discretionary DFG	1,160,837	-	1,160,837	800,837	90,000	90,000	90,000	90,000
TF6011	Private Sector Disabled Facilities Grants	5,216,737	-	5,216,737	2,416,737	700,000	700,000	700,000	700,000
<b>Housing Total</b>		<b>6,949,776</b>	<b>0</b>	<b>6,949,776</b>	<b>3,509,776</b>	<b>860,000</b>	<b>860,000</b>	<b>860,000</b>	<b>860,000</b>
TF2000	CCTV Replacement Programme	-	367,581	367,581	187,581	45,000	45,000	45,000	45,000
new 13	Bilsthorpe Hub	299,097	1,000,000	1,299,097	-	1,299,097			
<b>Public Protection and Community Relations Total</b>		<b>299,097</b>	<b>1,367,581</b>	<b>1,666,678</b>	<b>187,581</b>	<b>1,344,097</b>	<b>45,000</b>	<b>45,000</b>	<b>45,000</b>
TG1003	Housing Regeneration Loan Facility	-	25,000,000	25,000,000	25,000,000				
TC2007	Clipstone Holding Centre Purchase & Works	-	9,613,250	9,613,250	1,436,713	8,176,537			
TA3286	Information Technology Investment	-	2,012,127	2,012,127	595,843	348,247	507,130	560,907	-
new 5	Upgrade Fire Doors to Corporate Estate	-	207,150	207,150	-	123,000	84,150		
new 3	Buttermarket Roof and improved drainage	-	220,000	220,000	-		220,000		
<b>Strategy, Performance and Finance Total</b>		<b>0</b>	<b>37,052,527</b>	<b>37,052,527</b>	<b>27,032,556</b>	<b>8,647,784</b>	<b>811,280</b>	<b>560,907</b>	<b>0</b>

GENERAL FUND CAPITAL PROGRAMME 2026/27 - 2029/30

APPENDIX A

CODE	SCHEME	EXTERNAL FUNDING	NSDC COSTS	TOTAL SCHEME COST	BEFORE 2026/27 INC FORECAST FOR 2025/26	2026/27	2027/28	2028/29	2029/30
TT1006	Towns Fund - Cultural Heart of Newark	3,610,000	-	3,610,000	-	1,000,000	2,610,000		
TT1000	Towns Fund - 32 Stodman Street Regeneration	4,480,000	8,800,000	13,280,000	11,090,000	2,190,000			
TE3268	Southern Link Road Contribution	29,865,956	5,153,259	35,019,215	33,789,668	1,229,547			
TC2009	Former Belvoir Iron Works	-	1,750,000	1,750,000	4,624	1,745,376			
TC2011	Ollerton Regeneration								
TC2012	Ollerton Regeneration Donated Asset								
new 12	PiPP Regeneration Plan	3,646,000	-	3,646,000	-		836,000	1,405,000	1,405,000
new 11	PiPP Neighbourhood Comm Grant Scheme	860,000	-	860,000	-	210,000	250,000	200,000	200,000
new 10	PiPP Upper Floor Town Centre Residential Grant	800,000	-	800,000	-	150,000	650,000		
<b>Sustainable Economic Development Total</b>								<b>1,605,000</b>	<b>1,605,000</b>
<b>TOTAL GENERAL FUND</b>								<b>4,964,952</b>	<b>5,661,331</b>



Report to: Audit & Accounts Committee Meeting 4 March 2026  
 Director Lead: Sanjiv Kohli, Deputy Chief Executive/Director of Resources (S151 Officer)  
 Lead Officer: Dave Richardson, Business Manager – ICT & Digital Services

Report Summary	
<b>Report Title</b>	Update on the LGA Newark and Sherwood District Council Cyber 360 Report
<b>Purpose of Report</b>	To present the updated results of LGA Newark and Sherwood District Council Cyber 360 Report
<b>Recommendations</b>	Members review, comment upon and note the update on the LGA Newark and Sherwood District Council Cyber 360 Report
<b>Reason for Recommendation</b>	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 February 2026, 96% of the action plan is complete, with only 1 task remaining out of 24.
- 2.2 The Cyber360 action plan is set to complete before April 2026.

2.3 It is important to note the significant risk posed by cyber security threats and potential cyber attacks to the Council. In recognition of this ongoing risk, updates regarding cyber security measures, incidents, and mitigation actions will be provided at every meeting of the Audit and Accounts Committee to ensure continued oversight and prompt response to emerging issues.

**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.

*Do not delete this paragraph. Add in your implication paragraphs below.*

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

*Do not delete this table.*

**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.

*Do not delete this paragraph. Insert a list of any background papers below or the word 'None' if there aren't any.* Any documents that contain confidential information or personal information about individuals should not be included in this list.

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<b>22 APRIL 2026</b>			
<b>Report Title/Topic</b>	<b>Responsible Officer &amp; Business Unit</b>	<b>Exempt Information included (Yes/No)</b>	<b>Comments and Movement</b>
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)
Annual Review of Exempt Items	Nick Wilson		
Q3 Budget Performance Report 2025/26	Nick Wilson		

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